Improve Board Performance
Put self-assessment at your fingertips

Does your board culture and composition need an adjustment? Are policies and procedures following the necessary governance best practices?
As part of our Governance Cloud ecosystem, Diligent Board Evaluations makes it easy for leaders to contribute their insights and perspectives to board self-assessments.

Board evaluations and reporting have never been so easy. Integrated into Diligent Boards, no more spreadsheets and paper documents; real-time updates done in a few clicks. Stunning visuals and reports prepared viewable in a secured environment. Every aspect has been built with Diligent’s experience with corporate, non-profit, healthcare and financial/banking boards worldwide.
**Recent Changes in Company Law and way ahead**

|| BACK COVER (COLOURED) |
|---|---|---|
| Non – Appointment | Per Insertion | ₹ 1,00,000 |
| 4 Insertions | 4 Insertions | ₹ 3,60,000 |
| 6 Insertions | 6 Insertions | ₹ 5,28,000 |
| 12 Insertions | 12 Insertions | ₹ 10,20,000 |

|| COVER II/III (COLOURED) |
|---|---|---|
| Non – Appointment | Per Insertion | ₹ 70,000 |
| 4 Insertions | 4 Insertions | ₹ 52,000 |
| 6 Insertions | 6 Insertions | ₹ 3,69,000 |
| 12 Insertions | 12 Insertions | ₹ 7,14,000 |

|| FULL PAGE (COLOURED) |
|---|---|---|
| Non – Appointment | Per Insertion | ₹ 50,000 |
| 4 Insertions | 4 Insertions | ₹ 2,64,000 |
| 6 Insertions | 6 Insertions | ₹ 1,53,000 |
| 12 Insertions | 12 Insertions | ₹ 2,55,000 |

|| HALF PAGE (COLOURED) |
|---|---|---|
| Appointment | Per Insertion | ₹ 15,000 |
| 4 Insertions | 4 Insertions | ₹ 79,200 |
| 6 Insertions | 6 Insertions | ₹ 3,96,000 |
| 12 Insertions | 12 Insertions | ₹ 7,65,000 |

**Panel (QTR PAGE) (COLOURED)**

| Extra Box No. Charges |
|---|---|
| Appointment | For ‘Situation Wanted’ ads | ₹ 100 |
| For Others | For Others | ₹ 200 |

**Mechanical Data**

- Full Page - 18x24 cm
- Half Page - 9x24 cm or 18x12 cm
- Quarter Page - 9x12 cm

---

*The Institute reserves the right not to accept order for any particular advertisement.*

*The Journal is published in the 1st week of every month and the advertisement material should be sent in the form of typed manuscript or art pull or open file CD before 20th of any month for inclusion in the next month’s issue.*

---

**Move to Digital Board and Committee Meetings with Ease.**

Dess Digital Meetings is very easy to use. Our directors and secretarial team are delighted with the experience of going digital and the ease of use.

CS. Lancy Varghese, Company Secretary, JSW Steel Ltd.

---

**Please contact:**

Dess Digital Meetings
The Trusted Meetings Solution Used By The Leading Boards

- +91 97029 28562
- info@dess.net

---

**vision 2022**

Shaping New ICSI

---

**Chartered Secretary**

(With Effect from September 2018)
Editorial Advisory Board

President
- Ranjeet Pandey
- Ashish Garg

Vice President
- Anil Gupta
- Anurag Agarwal
- Balasubramanian Narasimhan
- Chetan Babaldas Patel
- Deepak Kumar Khaitan
- Devendra Vasant Deshpande
- Gyaneshwar Kumar Singh
- Hitender Mehta
- Dr. (Ms.) Madhu Vij
- Manish Gupta
- Nagendra Dattathreya Rao
- Niraj Preet Singh Chawla
- Praveen Soni
- Ramasubramaniam C.
- S Santhanakrishnan
- Siddhartha Murarka
- Vineet K. Chaudhary
- Ashok Kumar Dixit

From the President 06

Global Connect 11

Articles 17

Legal World 67

From the Government 77

News from the Institute 93

Annual Subscription

‘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 advertisements 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

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

Mode of Citation: CSJ (2019)05/--- (Page No.)

Design & Printed at
M. P. Printers
B-220, Phase II, Noida-201305
Gautam Budh Nagar, U. P. - India
www.mpprinters.co.in
01. Seminar on “Unlocking the Business Valuation Opportunities & Challenges for CS” held on 20th April, 2019 at New Delhi. Sitting on dais from Left: CS Devender Suhag, CS Suresh Pandey, CS Ranjeet Pandey, CS Gurvinder Singh Sarin, CS Manish Gupta & CS Hitender Kumar Mehta.

02. ICSI releases “Auditing Standards” – A view of Council Members and ICSI officials.

03. ICSI releases “Guidance Note on Annual Secretarial Compliance Report” – View of group photo of Council members and ICSI officials.

04. Launching of one day compulsory orientation program for newly admitted CS Executive and Foundation students of ICSI – A view of group photo of Council members and ICSI officials.

05. CS Ranjeet Pandey addressing at 3 days Residential workshop on “National Company Law Tribunal” held on April 5th-7th, 2019 at Navi Mumbai and CS Praveen Soni & Dr. Tarun Pandeya sitting on dais.

06. Balvinder Singh (Member, NCLAT) graced the event of 3 days Residential workshop on “NCLAT” held at Navi Mumbai and guided CS Members. Standing on dais from Left: CS Praveen Soni, Balvinder Singh (Member, NCLAT) & CS Chetan Patel.
07 Group photo of Peer Review Board Chairman CS Ashish Garg & Members, Quality Review Board Chairman Ms. Kiran Oberoi Vasudev & Members along with ICSI Officials.

08 “ICSI Signature Award Gold Medal” and Certificate presented by CS Rahul Jogi & CS G.S. Sarin to Ms.Mehak Mittal standing First in B.Com Examination held in 2018 of the Panjab University, Chandigarh.

09 Webinar on Graduate Insolvency Programme: Introducing Insolvency to the World of Education held on 30th April, 2019 at New Delhi- Sitting on dais from Left: Dr Neeti Shikha (Head, Centre for Insolvency and Bankruptcy, IICA), Dr. Scott Pryor (US Bankruptcy expert, CS Ranjeet Pandey, CS Alka Kapoor & CS Arun Lakshmi.

10 Train the trainers insolvency Programme held at New Delhi - A view of Group Photo of CS Ranjit Pandey, CS Alka Kapoor alongwith other dignitaries.


12 One Day Seminar on Companies Act 2013 & LODR Refresher Course Series-III held on 20th April, 2019 at ICSI-SIRC House, Chennai. CS R Sridharan, CS Chandra B and CS Mohan Kumar A addressing on the occasion.
FROM THE PRESIDENT

MAY 2019

FROM THE PRESIDENT

Dear Professional Colleagues,

The month of May begins with a day dedicated entirely to the workforce globally. Celebrating the labour and the working class, the day comes with a message stronger than mere holidays or congratulatory messages. The day, till date, is a commemoration of the strength in unity and more so, a commemoration of standing for what’s right and not being bogged by those in positions of power, rather finding power in what is accomplished by the efforts of this brigade. The word labour is quite unique in the sense that while on one hand it depicts an entire tribe, an entire world of the working class; on the other it portrays in the most expansive manner the work undertaken by this clan.

Coming to our profession, while on one hand the Company Secretaries are the protectors of the rights of labour and workforce by ensuring the compliance with Industrial and Labour Laws in their respective entities but also in a manner that even as professionals we too form part of the corporate workforce and are one of the significant pillars of the sustenance and stability of the corporate world.

It is with this intent and understanding of the role of Company Secretaries in the due perusal and compliance of the labour laws, that the Institute had organised a Program themed upon ‘Labour Laws – Scope and Challenges’ at NIRC-ICSI on May 1st, 2019 which was presided over by the Shri Lallan Singh, Joint Labour Commissioner, Labour Department, Government of NCT and Delhi. The event highlighted the ever evolving and expanding role of professionals in safeguarding the interests of various stakeholders including that of the labour and workforce employed in an enterprise. I would like to congratulate the Team of NIRC-ICSI for understanding the need to bring about this sensitization in professionals of their roles and responsibilities and bringing forth a realisation that no single stakeholder howsoever big or small can be sidelined from being safeguarded and no area of corporate responsibility be sidelined from being regulated in a corporate scenario.

While talking, discussing and deliberating about an existing area of opportunity and responsibility, it becomes imperative that the new budding areas of opportunity and responsibility, it becomes imperative that the new budding areas and opening doors of opportunity are shared as well.

Graduate Insolvency Programme: The Giant Leap Forward

A ‘first of its kind’ programme, the statement being used for the Graduate Insolvency Programme (GIP) is not merely a bunch of words for marketing or promotion but very well define the basic nature of the Programme and the intent justifying developing and initiating such a project too is quite exemplary. Wherein under the existing Limited Insolvency Examination, the candidate was expected to hold a minimum of fifteen years’ of experience in management, or ten years’ of experience as chartered accountant, company secretary, cost accountant or advocate enrolled with the Bar Council; the Graduate Insolvency Programme has been programmed to do away with this restriction. Rendering a host of professionals of the likes of Chartered Accountants, Advocates, Cost Accountants, Company Secretaries, B.E / B.Tech, and Post-graduates in select subjects with aggregate

(Industriousness, courage, patience, intelligence, power and zeal to distinguish ones self, if all these six attributes are in a person, then God also renders assistance to him)
50% marks, the GIP is indeed widening the horizons of professional opportunity by leaps and bounds.

Recognised by the Insolvency and Bankruptcy Board of India and curated by a eminent economists, insolvency, financial, legal and other experts, the course shall indeed be a game changer in the corporate world and I am sure that new entrants to our profession too shall fully utilise this opportunity and carve a niche for themselves in this still unexplored expanse.

**Corporate Social Responsibility: Milestones and Way forward**

While the generations to follow, both in the corporate world and the professional arena, would have CSR as a part of their curriculum and their work culture as a mandated legal requirement, I feel a little prouder to having come from a generation where we have witnessed corporates and business houses undertaking social responsibility or acts of doing good, without any legal boundation and merely out of their own accord and believe it or not it is this selflessness which has given birth to the thought that “if one can do why can’t the entire tribe?”.

Our focus of this edition on this topic comes in the wake of the varied initiatives of the regulatory authorities to strengthen the existing CSR mechanism, bringing about greater seriousness and a heightened sense of responsibility and accountability towards the provisions of Companies Act, 2013 focussed on this area. And while it is the corporates who might be undertaking the necessary projects and initiatives I firmly believe that professionals, especially those of our brigade need to step up in their roles as torch bearers for the corporates and lead the way to a better future.

**Guidance Note on Related Party Transactions and Model Code for Meetings of Non-Corporate Entities**

Aspects of Corporate Laws especially that of Companies Act, 2013 have solicited attention both from the academia and professional institutions such as ours to provide greater clarity as regards the intent of the lawmakers as well as the expectations from both the corporates and the professionals in ensuring their due compliance. And it is with these factors serving as the perfect motivation that the Institute has rolled out multiple publications on various occasions as and when required. The Secretarial Standards, the Guidance Notes thereon, the varied corporate governance codes serve as the perfect examples to this mention of mine.

Continuing the spirit of providing support to the corporates in their compliance initiatives and sprouting good governance practices in other entities as well, the institute has recently prepared and rolled out two publications. While the first is a Guidance Note on Related Party Transactions (RPTs) to create an understanding and appreciation of the nuances of Related Party Transactions and to explain the procedures, practices, and compliances associated with RPTs.

The second publication titled Model Code for Meetings of Non-Corporate Entities while focusing on the entities other than the corporate ones does not seek to substitute or supplant any existing laws applicable to Non-corporate Entities but is focussed at supplementing them with the intent of promoting our adage goal of better governance in one of the most important aspects of corporate activities, i.e., convening and conducting the Meetings of such entities.

I believe that this effort of Secretarial Standards Board and Team ICSI shall bear fruits with the kind support of our members as well as that of the intended target groups, i.e., both corporates and non-corporate entities.

**E-Chartered Secretary**

For ages we have sworn by the quote that “Knowledge is power” and I, too have lived with the same status quo until very recently I came across another adjoining quote by a very famous Digital Marketing Influencer, Rich Simmonds, whose disruptive words not only challenged this belief rather made them stand in a new light. According to him, “Knowledge alone is not power. The sharing of our knowledge is when our knowledge becomes powerful”. Leading this thought ahead, it dawned upon us at ICSI to bring this knowledge sharing thought in one of the most revered publications of the ICSI; the Chartered Secretary Journal. Revamping the existing model, and more so making it an in-house initiative, I feel pleased to share the launch of the brand new look of E-Chartered Secretary. Not only is it easy to access and use, but what has excited me most in the process is the ease of sharing that we have been able to imbibe while also giving our stakeholders an opportunity to give us their feedback making it all in all a pretty reader friendly experience.

**Exam Time**

For us at ICSI, our students have always been the first and foremost building blocks of this profession for it is them who shall later on shoulder the future ahead. And as Franklin D. Roosevelt puts it “We cannot always build the future for our youth, but we can build our youth for the future”. The Institute will its host of activities and initiatives while on one hand is ensuring that the youth of the nation steps in a better governed corporate scenario yet on the other side is walking miles to build students into professionals which shall not only keep intact the existing mechanisms but put in their heart and soul into strengthening it.

To all the students intending to undergo the June, 2019 examinations I would suggest that they take cue from the shloka shared above, and while keeping in mind the fact that ‘There is no shortcut to success’ hold in their heart the statement that ‘If it is not happy it is not the end’...

On that note wishing all the students of Foundation, executive and Professional Programme “All the very best” for the upcoming Examination season. May you find success and your true calling to serve the nation in the best way possible !!!

**Happy Reading !**

Yours Sincerely

CS Ranjeet Pandey
President, ICSI
Recent Initiatives Taken by ICSI

Opening of two new Study Centres

In an attempt to enhance the infrastructural base of the Institute and to overcome the distance barrier for the students, the Institute had launched the Study Centre Scheme was launched by the Institute and needless to say, the same has been successful in creating the much needed links between the Institute and it stakeholders, especially students.

While the month of March, 2019 witnessed the opening of 100th Study Centre and even further, adding two more, taking the total to 102, the Institute of Company Secretaries of India has further opened 2 study centres recently in the month of April, 2019. These Study Centres are as follows:

- Ayya Nadar Janaki Ammal College, Srivilliputhur, State Highway 42, Sivakasi, Tamil Nadu
- Sardar Patel Mahavidyalaya, Ganj Ward, Near Ramala Tank, Chandrapur, Maharashtra

23rd Annual Conference of Institute of Certified Secretaries

The 23rd Annual International Conference of the Institute of Certified Secretaries, Kenya was held on April 24-26, 2019 at Mombasa. Targeted for 500 delegates in senior leadership positions from both the private and public sectors, the Conference was themed on “Security Governance: Securing the Future”. CS Devendra V Deshpande, Council Member, ICSI addressed the conference on the theme ‘Company Secretary and ICT: Evading Pitfalls’. The need for Company Secretary to embrace technology to automate routine tasks in this digital era and increasingly competitive market was well deliberated.

3 Days’ Residential Research Workshop on National Company Law Tribunal

A 3 Days’ Residential Research Workshop on National Company Law Tribunal was organized by ICSI-CCGRT on April 5-6-7, 2019 at CBD Belapur, Navi Mumbai. During the Workshop, participants were divided into 500 delegates and allotted specific cases of Companies Act and Insolvency and Bankruptcy Code along with one mentor each who had experience of representing cases in NCLT Benches and High Courts. Shri Balvinder Singh, Member, NCLAT and Shri V. Nallasenapathu, Member, NCLT Mumbai Bench had detailed discussions with the Participants on how to make representation in Court and the manners and skill sets required by professionals to effectively put-forth the cases before the bench. Adv. Pawan Duggal, Advocate - Supreme Courts also addressed the participants through Video Conferencing on Cyber and IT Laws.

Guidance Note on Annual Secretarial Compliance Report

The recently inserted Regulation 24A in the SEBI (LODR) Regulations, 2015 accord the Company Secretaries with a heightened position of leadership which, undoubtedly calls for amplified commitment and an augmented sense of responsibility. Effective with the financial year ending March 31, 2019, the law shall enhance the accountability of both practising professionals and in-house Compliance Officers at the same time. It is for this reason that the ICSI released a Guidance Note on Annual Secretarial Compliance Report on 9th April, 2019 at the hands of Shri Pradeep Ramakrishnan General Manager, SEBI to provide the much needed support to the members on this new venture.

Guidance Note on Related Party Transactions (RPTs) and Model Code for Meetings of Non-Corporate Entities

The Secretarial Standards Board of ICSI has recently prepared a Guidance Note on Related Party Transactions (RPTs) to understand and appreciate the nuances of Related Party Transactions and to explain the procedures, practices, and compliances associated with RPTs. A second publication titled Model Code for Meetings of Non-Corporate Entities has also been rolled out which does not seek to substitute or supplant any existing laws applicable to Non-corporate Entities but to supplement them with the intent of promoting better governance in convening and conducting the Meetings of such entities.

Train the Trainers Insolvency Professional Course

Insolvency and Bankruptcy Board of India jointly with World Bank Group organized the ‘Train the Trainers Insolvency Professional Course’ from 6-8 April 2019 in New Delhi in which CS Ranjeet Pandey, President ICSI & Director ICSI IIP and CS Alka Kapoor, CEO ICSI IIP participated including several IPs.

Webinar on Graduate Insolvency Programme: Introducing Insolvency to the World of Education

ICSI IIP organized a webinar on 30th April, 2019 on “Graduate Insolvency Programme: Introducing Insolvency to the World of Education”. The Graduate Insolvency Programme (GIP) is the first of its kind programme wherein a student completing the GIP will be eligible for registration as Insolvency Professional under the Insolvency and Bankruptcy Code 2016, without having to wait to acquire the 10-years experience as required by the Code at present. Dr. Scott Pryor (US Bankruptcy expert), CS Ranjeet Pandey (President, ICSI), CS Alka Kapoor (CEO, ICSI Institute of Insolvency Professionals) Dr. Neeti Shikha (Head, Centre for Insolvency and Bankruptcy, IICA) addressed the webinar.

ICSI Signature Award Scheme

In January, 2016, the Institute has launched an ICSI Signature Award Scheme under which top rank holders in B.Com. Final Examinations in reputed universities and also specialised programmes/ papers of IITs / IIMs are awarded a Gold Medal and a Certificate. So far, ICSI Signature Award has been instituted in Twenty Eight (28) Universities with more than seventeen (17) Gold Medals being awarded under this scheme. One Gold Medal was awarded in the month of April, 2019, at Panjab University, Chandigarh.

College Visit to ICSI

To enhance the brand ICSI in the academia, the Institute had started inviting reputed Colleages/ Law Schools to visit ICSI Offices in October 2018, so as to create awareness on Career as a Company Secretary along with a tour of various departments of ICSI. Till date four (4) such visits have been organised which have not only enhanced the image of the Institute but have also given an insight of the Company Secretary Course, Profession and the Institute.
In the month of April 2019, one such visit was organised in the form of a half day programme by Noida Chapter of the NIRC of ICSI on 18th April 2019 for the Students and Faculty Members of Ram Lal Anand College, Delhi University.

**Strengthening of Class Room Teaching Centres of ICSI**

To augment the quality of Class Room Teaching centres of the Institute and to provide the best of services to stakeholders, various initiatives have been taken by the Institute recently. Besides organising Classes at various Regional/Chapter Offices/Study Centres of the Institute, Regional/Chapter offices of the Institute are conducting mock tests/ Crash Courses/Revision Classes for the students of the Institute enabling them to prepare for the examination in a much planned and focused manner. A webpage has also been created at the website of the Institute wherein all information pertaining to the Class Room Teaching has been made available at the following link: https://www.icsi.edu/student/class-room-teaching/

**Concession in Fee for Registration to CS Course to the Widows and Wards of Martyrs, Permanent Disability cases, Serving / Retired Personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces**

The sacrifice of the personnel of Indian Armed forces and para military forces for maintaining the security and sovereignty of the country is commendable. In a humble endeavour of the Institute in recognizing the contribution of the serving and retired personnel and as a goodwill gesture to the families of martyrs, the Institute has decided to grant the following concessions for registration to the CS Course:

- 100% concession in full Fee payable at the time of Registration to various Stages of CS Course and Examination Fee to the wards and widows of martyrs of Indian Army, Indian Air Force, Indian Navy and all para military forces.
- 100% concession in full Fee payable at the time of Registration to various Stages of CS Course and Examination Fee to the personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces with permanent disability as a result of participating in act of war and other missions.
- 50% concession in full Fee payable at the time of Registration to various Stages of CS Course and Examination Fee to All In Service/ Retired personnel of Indian Army, Indian Air Force, Indian Navy and all para military forces.
- All other fee payable by the aforesaid category of students shall be as per the rates applicable to the general category students.

These guidelines shall be applicable effective from 1st April, 2019.

**ICSI Sampark Drive**

Launched for the members of the Institute, ICSI Sampark drive is an initiative for updating the details of the members of ICSI. Under this initiative, the Institute is reaching out to the members’ community through email, SMS, online portal and tele-calling. A single point monitored environment for handling grievances is available at support.icsi.edu and members have been made aware of the same.

**ICSI GST Newsletter**

The Institute, as a part of its capacity building initiatives under the new indirect tax regime and upholding the “One Tax One Nation” motto of the Government of India, is regularly bringing out a monthly newsletter dedicated to the Goods & Services Tax (GST). In this series, April issue being the latest has been published as Volume 23.

**ICSI GST Educational Series**

As you are aware, that the Institute has started ‘GST Educational Series’, with the aim of advancing knowledge of the public at large about the facts and facets of GST on a daily basis. It is worthy to note that they are well received by all the stakeholders as well as public at large. The series have been successful and academically useful. Till date ICSI has brought out Four Hundred and Fifty Four (454) issues of GST Educational Series which are also available on the GST Corner of the ICSI website at https://www.icsi.edu/GSTEducationalSeries.aspx.

**ICSI GST Point**

In view to thoroughly assist in the successful implementation of GST, the Institute has launched a GST Point, as a consolidated platform to reply to the queries, difficulties and challenges faced by consumers, manufacturers, traders, MSMEs, public at large, professionals, etc. in understanding and effectively executing the Goods and Services Tax Laws. In the month of April, 2019, two more sessions have been completed successfully making a total of One Hundred and Sixty Two (162) sessions under GST Point. The queries received and answered by the experts cover wide range of topics including registration, filing, and input tax credit along with other GST modalities.

**ICSI GST APP**

In view to apprise public at large with latest news, articles, regulations and various publications on GST by Institute, the ICSI GST App has been launched as ready reference on GST for the users. The App, which is available on android as well as iOS platforms, has almost 20015 users till date.

**Video bytes on Examination Preparation for June, 2019 exam and Academic Guidance**

The Institute has recently prepared and uploaded video bytes for the students on the topics “Examination Preparation for June, 2019 exam and Academic Guidance” at YouTube channel of the Institute. The video byte will give insight to the students on examination related issues and help them in preparing for their examinations in a much planned and systematic manner. The link of the video has been made available at the following link: https://youtu.be/QWpmDYgIzY

**Online facility available at Chapters/ROs to handle Offline Pre-examination**

The Institute has developed software to handle OTC students through which all RO/Chapters can post their module wise result. For the subject wise test in Class Room Teaching at par with Pre-Examination Test (Offline Pre-examination test) the data of IT has prepared a link. The link used for such entry is http://www.icsi.in/chapterdashboard/login.aspx

The data pertaining to clearing of the module has to be entered by all the respective Officers of Region and Chapters to enable the students to enrol for Examination.
Guidance Note on Related Party Transactions

To develop the legal fabric in respect of RPTs, the necessary provisions are enshrined under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In order to understand and appreciate the nuances of RPTs, it is necessary to understand the various provisions of law and the related aspects which needs explanation. Hence, this Guidance Note on Related Party Transactions is formulated by the Secretarial Standards Board of ICSI and aims to explain the procedures, practices and compliances associated with RPTs.

In the interest of good corporate governance, companies should maintain an arm’s length relationship in all transactions, including Related Party Transactions which are generally seen as an area of conflict requiring extra caution to avoid abuse of such transactions. For the benefit of all stakeholders, the Guidance Note on RPTs is available on ICSI website at the link https://www.icsi.edu/media/webmodules/Guidance_Note_on_RPTs_4-4-2019.pdf

Model Code for meetings of non-corporate entities

Corporates deal with more stringent regulations as compared to Non-corporate Entities which majorly pursue common objectives or formed to provide benefits/services to its members. Non-corporate Entities may be incorporated in the form of society, trust, club, welfare association, civic bodies etc., and its affairs are managed by the Governing Councils or Management Committees by taking decisions at its meeting.

To facilitate the implementation of standard practices in convening and conducting the meetings of Governing Councils or the Management Committees of such entities, the Model Code for Meetings of Non-corporate Entities is issued by the ICSI. The Model code seeks to prescribe a set of principles for convening and conducting Meetings of the Governing Councils or Management Committees of Non-corporate Entities and matters related thereto. The Model Code does not seek to substitute or supplant any existing laws applicable to Non-corporate Entities. It strives to supplement such laws for promoting better governance in convening and conducting the Meetings of such entities.

For the benefit of all stakeholders, the Model Code for meetings of non-corporate entities is available on ICSI website at the link https://www.icsi.edu/media/webmodules/Model%20Code%20for%20Meetings%20of%20NCE.pdf
Delegation of CPA Australia led by Ms. Deborah Leung, Executive General Manager International, with ICSI delegation led by CS Ranjeet Pandey, President, ICSI.

CS Devendra V Deshpande, Council Member, The Institute of Company Secretaries of India addressed the delegates on Topic “Company Secretary and ICT: Evading Pitfalls” during 23rd Annual Conference of Institute of Certified Secretaries Kenya on April 24th -26th, 2019.

23rd Annual Conference of Institute of Certified Secretaries Kenya on April 24th -26th, 2019. Sitting on Dais from Left: CS Obare Nyaega CEO, ICSK, CS Ambale, FCS Waweru Mathenge, Chairman, ICSK, CS Devendra V Deshpande, Council Member, ICSI, CS Diana Sawe.
Dear Professional Colleague,

In continuation of our previous communication and keeping in view various requests received from the stakeholders on account of statutory compliances and filings culminating on the 30th of June, 2019, the Institute has rescheduled the 20th National Conference of Practicing Company Secretaries to be held on the 5th and 6th of July, 2019 at Bengaluru.

The members are requested to take note of the same and mark it in their diaries as well. Other details will be communicated soon.

Furthermore, members attending the conference on both the days shall be eligible for EIGHT PROGRAMME CREDIT HOURS.

Looking forward to your participation in one of the biggest congregation of Governance Professionals!!!

Yours sincerely,

(CS Ranjeet Pandey) (CS Manish Gupta)
President, ICSI Council Member, ICSI & Chairman, 20th National Conference of PCS Organising Committee
Recognizing the need to provide support to its members in developing auditing acumen, techniques and tools and for inculcation of best auditing practices among its members, the Institute of Company Secretaries of India (ICSI) has developed the ICSI Auditing Standards.

Believing that the Standards will help in inculcation of best auditing practices while conducting audits and promote uniformity and consistency, the Institute has issued the following four Auditing Standards:

<table>
<thead>
<tr>
<th>CSAS-1</th>
<th>Auditing Standard on the Audit Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSAS-2</td>
<td>Auditing Standard on Audit Process and Documentation</td>
</tr>
<tr>
<td>CSAS-3</td>
<td>Auditing Standard on Forming of Opinion</td>
</tr>
<tr>
<td>CSAS-4</td>
<td>Auditing Standard on Secretarial Audit</td>
</tr>
</tbody>
</table>

The Standards have been made applicable on recommendatory basis on Audit Engagements accepted by the Auditor on or after 1st July, 2019 and the same shall be mandatory for Audit Engagements accepted by the Auditor on or after 1st April, 2020. Furthermore, wherein Auditing Standards CSAS-1 to CSAS-3 are generic in nature and applicable to all audits, CSAS-4 is specific to Secretarial Audit.

While being true game changers, the Auditing Standards will definitely promote good governance, compliance and transparency and also help the Company Secretaries in Practice to comply with their activity of detection and reporting of frauds.
The law relating to CSR—Need for further Refinement

Ramaswami Kalidas

It was Milton Friedman, the celebrated Nobel Laureate who held a contrarian view that a corporation has no obligations to discharge social responsibilities. He was of the view that the social responsibility of business is to maximize its profits. In today’s context when it is widely acknowledged that a corporation has societal responsibilities, his views are an anachronism. Section 135 of the Companies Act, 2013 needs a re-look given that there are some grey areas. The setting up of the CSR Committee should be made conditional upon the company achieving the minimum profitability norm. The areas of CSR intervention under Schedule VII need to be widened to cover disaster relief, rural low cost housing etc. The cap in the law on administrative expenses is unrealistic. The author ends the discussion on a note that as Section 135 is a statutory provision, non-compliance thereof should lead to penal proceedings under the residual penalty clause in the law.

Stricter Enforcement of Laws on CSR—Recent NCLAT Decision Confirming Penalties for Non-Compliance

Delep Goswami and Anirrud Goswami

The attached article deals with the legal provisions with respect to Corporate Social Responsibility (CSR) and also deals with recent cases on enforcement of CSR provisions and imposition of fine on defaulting companies. Significantly, the National Company Law Tribunal’s order in this regard has specified that fines imposed on the company’s Directors should be paid out of their personal accounts and this will surely send a signal to the company Directors to strictly ensure compliance with CSR provisions under the Companies Act, 2013 and formulate CSR policies and ensure spending CSR money on the activities permitted as per Schedule VII of the Companies Act, 2013. The article also touches upon Delhi High Court’s decision in this regard.

CSR—A pioneering social idea woven in Legislation

Narendra Singh and Prativa Jena

About a decade ago, Central Government felt it appropriate that the Corporates should contribute for the well-being of the society at large in which they operate and wherefrom they draw their resources to generate profits; and above all for its sustainable development. With the enactment of the Companies Act, 2013, India became first country to have CSR provisions in statute. In a very short span of time, during 2014-15 to 2017-18, Indian Corporates have spent about Rs.50,000 crore on CSR activities. At the same time, MCA proactively responded to streamline the CSR provisions and enforce them in spirit. It would be apt if provisions are woven around audit of expenditure incurred on CSR, mandate to deposit un-spent amount to PM Relief Fund or CM Relief Fund and penal action for implausible reasons for not spending.

Success and failure of CSR Projects: few practical issues

Subrata Kumar Ray

Corporative Social Responsibility (CSR), has witnessed a steady growth since it was mandated in the 2013 revision of the Companies Act. From being a mere compliance based necessity, it is recognised today as a strategic value generator for both business and society. Customers, employees and even investors are leading this change. Reports suggest that millennials growingly are more inclined to connect with organisations that present a recognisable and tangible strategic alignment with social and sustainable goals. In the years to come, these millennials will drive the market sentiment, not only as employees and customers but most critically as investors, measuring corporate performance not just in terms of profits but as well in terms of the company’s commitment and impact on issues of Environment, Social and Governance (ESG) based priorities.

Monitoring and Evaluation of CSR Projects

Dr. S K Gupta

With the passage of the Companies Act, 2013 the mandate for Corporate Social Responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. With large expenditures being made towards CSR, it becomes imperative that the projects are monitored and the outcomes are evaluated to ascertain whether the objective with which it was made mandatory, is achieved. A framework for Monitoring and Evaluation of companies’ CSR activities
is key to setting strategic direction and delivering measurable and tangible results on the ground.

**CSR : Impact in India**

Mandar Karnik

CSR rules direct that companies with a net worth of Rs. 500 crore, a revenue of Rs. 1,000 crore or a net profit of Rs. 5 crore spend 2% of their average profit on social development activities like eradicating hunger, poverty, malnutrition etc. The CSR rules have created a tremendous buzz in the environment of social welfare in India but its impact has been haphazard according to various media reports and impact assessments by social welfare organizations. This article has attempted to study the impact assessment of CSR spending in India and has sought to point out a few misuses of the CSR provisions as they occur.

**CSR & Sustainability Regulation: A new Paradigm**

Shiv Nath Sinha

CSR has gained growing recognition as a new and emerging form of governance in business. It is already established in a global context, with international reference standards set by the United Nations, Organization for Economic Co-operation and Development (OECD) guidelines, Global Reporting Initiative and International Labour Organization (ILO) conventions. Today, CSR has become a key business practice, with its disclosure now one of the most important reporting issues in global business environments (KPMG and UNEP, 2010). Notably, a growing number of regulators worldwide has begun to mandate CSR reporting. The CSR disclosure mandate, especially, has received considerable attention because of the severity of their social, environmental, and governance problems.

**CSR Effectiveness - after 5 Financial Years of implementation - a Do’s and Don’ts Analysis**

Mukesh Kumar Garg

One must not misunderstand that current CSR provisions and Rules are voluntary in nature and does not have mandatory force for legal Compliance. Often freedom given in the Rules for spending the corpus of CSR on their own way, as a freedom from following CSR rules. The author in this article analyses the real character of Corporate Social Responsibility (CSR) provisions and rules and explain that CSR provisions and rules are equally important provisions for compliance, much similar to any other provisions of the Companies Act. So it is necessary that companies liable under CSR, remain careful and pays attention towards responsibility fixed under these rules, either in respect of formation of policy, committee, disclosures, spending, selection of area for spending and keeping justifiable evidence of CSR activities. This is more important from the fact that, current set of rules gives enough freedom in spending CSR corpus, so the corporate house is to win the trust of the society and government that such funds, even if it is our own earnings, but it is not misused or improperly used and such careful approach towards CSR shall help the companies in avoiding any harsh action by regulating authorities for non-compliance.

**Corporate Sustainability**

Hemant Gupta

This article takes a deep dive into the world of Corporate Sustainability. In this article we explore some of the history behind Corporate Sustainability and how it has evolved. We then look at the underlying theories that have helped in shaping Corporate Sustainability and briefly touch upon the foundational pillars that define Corporate Sustainability.

**Corporate Social Responsibility : As discussed in the Parliament**

Surendra U Kanstiya

Corporate Social Responsibility (CSR) is certainly the often quoted provision from the Companies Act, 2013 and when there is a debate in the Parliament on adequate compliance of the said Act. Even when the Act was in draft phase, enough discussion took place to ensure that this social welfare measure is introduced in a smoothly implantable manner. Highly commendable are the proactive steps taken by the Ministry of Corporate Affairs by making required amendments and issuing timely clarifications to establish a healthy CSR compliance culture in the corporate sector. This article is an attempt to outline the evolution of the CSR in the company law regime.

**Corporate Social Responsibility Obligations**

Amogh Diwan and Rohan Shinde

The concept of CSR gained prominence since the shift from shareholder approach to stakeholder approach in theories of firm. With the passage and enforcement of the Companies Act, 2013, India become the first country with a statutory mandate for Corporate Social Responsibility (CSR). Almost five years after enforcement of section 135, legal ambiguities about its nature and coverage persist in addition to graver objections about its compatibility with the principles of the corporate law. While it is beyond argument or reproach that the companies are responsible towards the societies they operate in, the act of having legislative mandate for its implementation and supervision demands a wider discussion. Three facets regarding CSR are proposed to be analysed in this article: interpretational and operational challenges, test of desirability of legislative action on the touchstone of principles of corporate law as well as Game Theory, and possible alternatives for achieving the objectives.
The Commission notes that the Government companies are not department of the government and they have separate and distinct identity.[SC]

The Recovery Officer was justified in charging interest from the date of the order passed by the Adjudicating Officer. [SAT]

The lender Bank has a nominee as one of the Director of the Company and the petitioner have alleged mismanagement of the company, we hold that the Tribunal rightly allowed the State Bank of India to intervene in the matter. [NCLAT]

As the order of liquidation goes unassailed, it does not justify recalling of the order of liquidation at the instance of appellant, operational creditor, who claims to be sole member of COC. [NCLAT]

The Commission is of the view that none of the OPs individually are found to be dominant in the relevant market defined supra. In the absence of the dominance of an entity, the question of assessment of abuse does not arise. [CCI]

The Commission notes that the presence of other players in the relevant market indicates that competing products are available to consumers in the relevant market and the OP, therefore, doesn’t appear to be dominant in the relevant market as delineated above. [CCI]

Further, having regard to limited scope of adjudication, to answer the reference, which is circumscribed by Section 10(4) of the Industrial Dispute Act, 1947, we are of the view that the first respondent [holding company] is neither necessary nor proper party, to answer the reference by the Industrial Court.[SC]

All cases of assault or simple hurt cannot be categorized as crimes involving moral turpitude.[SC]

Once having taken the advantage of the revised pay scale retrospectively and they were paid the arrears which the respective respondents accepted, in that case, they would fall in Group “C” category and, therefore, considering the Rules, their age of superannuation would be 58 years and not 60 years.[SC]

Chairman and Managing Director of a company, which was one of the parties to the arbitration, was himself ineligible to act as arbitrator, such ineligible person could not appoint an arbitrator, and any such appointment would have to be held to be null and void.[SC]

Companies (Registration Offices and Fees) Second Amendment Rules, 2019
Companies (Incorporation) Fourth Amendment Rules, 2019
Filing of one time return in DPT - 3 Form - reg.
Relaxation of additional fees and extension of last date of filing e-form CRA-2 (Form of intimation of appointment of cost auditor by the company to Central Government) in certain cases under the Companies Act, 2013 reg.
Net worth Requirements for Clearing Corporations in International Financial Services Centre (IFSC)
Guidelines for determination of allotment and trading lot size for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)
Technology Committee for Mutual Funds / Asset Management Companies (AMCs)
System Audit framework for Mutual Funds / Asset Management Companies (AMCs)
Risk-based capital and net worth requirements for Clearing Corporations under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
Separate BSDA limit for Debt Securities
Issue of Certified copies of Orders and Circulars
Streamlining the Process of Public Issue of Equity Shares and convertibles- Extension of time line for implementation of Phase I of Unified Payments Interface with Application Supported by Block Amount
Empalement of Insolvency Professionals (IPs) to be appointed as Administrator, remuneration and other incidental and connected matters under the Securities and Exchange Board of India (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018.

MEMBERS RESTORED DURING THE MONTH OF MARCH 2019
CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF MARCH 2019
ATTENTION: MEMBERS
FEE FOR THE YEAR 2019-2020
OBITUARIES
PAYMENT OF ANNUAL LICENTIATE 
CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF MARCH 2019
PAYMENT OF ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE
PAYMENT OF ANNUAL LICENTIATE SUBSCRIPTION FOR THE YEAR 2019-2020
FEE CONCESSION TO THE PHYSICALLY CHALLENGED MEMBERS @25% W.E.F. 1ST APRIL, 2019
ETHICS & SUSTAINABILITY CORNER
CG CORNER
ANNOUNCEMENT : EMPANELMENT OF RESOURCE PERSONS FOR ACADEMIC PURPOSES
CAREER OPPORTUNITIES
ICSI - MEGA PLACEMENT DRIVE, 2019
ARTICLES

- The Law Relating to CSR - Need for Further Refinement
- Stricter Enforcement of Laws on CSR – Recent NCLAT Decision Confirming Penalties for Non-Compliance
- CSR: A Pioneering Social Idea Woven in Legislation
- Success and Failure of CSR Projects: Few Practical Issues
- ESG – Beyond CSR
- Monitoring and Evaluation of CSR Projects
- CSR: Impact in India
- CSR & Sustainability Regulation: A New Paradigm
- CSR Effectiveness - After 5 Financial Years of Implementation - A Do’s and Don’ts Analysis
- Corporate Sustainability
- Corporate Social Responsibility: As Discussed in the Parliament
- Corporate Social Responsibility Obligations
1. Articles on subjects of interest to the profession of company secretaries are published in the Journal.
2. The article must be original contribution of the author.
3. The article must be an exclusive contribution for the Journal.
4. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
7. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of company secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
8. The copyright of the articles, if published in the Journal, shall vest with the Institute.
9. The Institute/the Editor of the Journal has the sole discretion to accept/reject an article for publication in the Journal or to publish it with modification and editing, as it considers appropriate.
10. The article shall be accompanied by a summary in 150 words and mailed to nitin.jain@icsi.edu
11. The article shall be accompanied by a ‘Declaration-cum-Undertaking’ from the author(s) as under:

Declaration-cum-Undertaking

1. I, Shri/Ms./Dr./Professor........................... declare that I have read and understood the Guidelines for Authors.
2. I affirm that:
   a. the article titled“…….” is my original contribution and no portion of it has been adopted from any other source;
   b. this article is an exclusive contribution for Chartered Secretary and has not been/nor would be sent elsewhere for publication; and
   c. the copyright in respect of this article, if published in Chartered Secretary, shall vest with the Institute.
   d. the views expressed in this article are not necessarily those of the Institute or the Editor of the Journal.
3. I undertake that I:
   a. comply with the guidelines for authors,
   b. shall abide by the decision of the Institute, i.e., whether this article will be published and/or will be published with modification/editing.
   c. shall be liable for any breach of this ‘Declaration-cum-Undertaking’.

Signature
The Law relating to CSR—Need for further Refinement

Although there was skepticism in the initial years about the economic rationale for CSR, in its applicability to companies, there is now an overwhelming acceptance of the concept. Section 135 of the Act which regulates CSR needs to be fine-tuned further to make it more meaningful. The Author has critically analysed the statutory provisions and made suggestions which can be considered for implementation.

It was Milton Friedman, the Nobel Laureate in Economic Theory who debunked the theory that a corporation has obligations to discharge responsibility towards society in his Article in the New York Times provocatively titled as “The social responsibility of business is to increase its profits.” He went on to add that “There is one and only social responsibility of business- to use its resources and engage in activities designed to increase its profits so long it stays in the Rules of the game which is to say, is to engage in open and free competition without deception and fraud.” The venerable professor went on to add that the use of corporate funds by the Board for meeting societal obligations would be inappropriate in a free-enterprise society.

Notwithstanding the contrarian views of the distinguished Scholar, suffice to say that we have come a long way from what would be considered in the context of the present day as “outlandish thoughts” of the Professor. It is now an accepted fact that a Corporation as an integral part of the eco-system cannot be oblivious to Societal needs. The jury is therefore well and truly out that as a responsible corporate citizen, a company has to necessarily undertake some activity towards promoting the welfare of the communities in which it operates. Friedman’s views are an anachronism today. The barometer for measuring the success of a corporation has changed dramatically in the last two decades or so. It is no longer the profitability of the company alone that determines the degree of its success. Companies are now judged on the basis of their contribution to entire eco-system, thus leading to the adoption of the “triple-bottom line”—concern for the environment, Society and to its stakeholders—much more holistic approach to measuring the value of a corporation.

India is a torch bearer of the movement towards CSR and has the unique distinction of being the only Country to mandate through statutory provisions that a company which satisfies the benchmarks laid down in the statute should embrace CSR. That CSR as a concept is not to be construed narrowly as a mere act of “philanthropy” is evident from the fact that a company is not provided any tax breaks against its spends for CSR through insert of appropriate negative provisions in the Indian Tax law. Explanation 2 under Section 37 of the Income Tax Act states explicitly that the expenditure incurred by a company for CSR shall not be treated as an admissible expenditure incurred for the purposes of its business.

It is not our brief to go into the economic rationale associated with CSR spends but to only deep-dive into the law on the subject, focus on some grey areas, and generally endeavor to remove the cobwebs of doubts that exist in some quarters in understanding the statutory provision.

Readers are aware that Section 135 has been amended by the companies (Amendment) Act, 2017. The CSR Rules too have been amended from time to time and some of the key concepts have been clarified in terms of circulars issued by the MCA. We shall therefore consider the developments in the law during the course of our discussion while suggesting further refinements.

SECTION 135 APPLIES TO EVERY COMPANY

The section applies to every category of companies and does not exempt private companies from its ambit. Even a section 8 company which is ostensibly set up for non-profit purposes is also covered under the requirement. This has been clarified in the FAQs issued by the MCA through Circular No.1/2016.
India is a torch bearer of the movement towards CSR and has the unique distinction of being the only Country to mandate through statutory provisions that a company which satisfies the benchmarks laid down in the statute should embrace CSR.

dated 12.1.2016. Reference may be made to the response under Question No. 8 of the above circular. We would hasten to add that the applicability, however, is subject to the company fulfilling the bench marks prescribed under sub-section(1).

CRITERIA FOR APPLICABILITY OF SECTION 135-AMENDMENT IN THE LAW IS WELCOME

Sub-section (1) of Section 135 provides that every company which satisfies any one of the following bench marks in the immediately preceding financial year is required to constitute a CSR Committee of the Board which shall comprise of three or more directors of whom one shall be an independent director in cases where the requirement of appointing an independent director applies in terms of Section 149(4) of the Act.

a) it has a net worth of five hundred crores or more or
b) has recorded a turnover of rupees one thousand crores or more or
c) has recorded a net profit of five crores or more.

The clauses for applicability are mutually exclusive and compliance is triggered off if any one of the above criteria is met.

It is also necessary to clarify that where the company has achieved the norm of profitability as above, the outlay for its CSR spend shall be a minimum of 2% of the average net profits made in the three immediately preceding financial years as stipulated in sub-section(3).

The expressions net worth, turnover as stated above shall carry the meanings conferred on them by the amended clauses (57) and (91) respectively under Section 2 of the Act.

The insert of the words "the immediately preceding year "in the sub-section by the Amendment Act, 2017 in substitution of the words "during any financial year" with effect from 19.9.2018 assumes significance considering the erroneous interpretation given to the words "during any financial year" in circular No.21/2014 dated 18/6/2014 issued by the MCA. Clause(iv) of the above circular clarified that the term "Any financial year" in subsection(1)read with Rule 3(2) of the CSR Rules implies any of the three preceding financial year. This interpretation, set, in a manner of speaking, the cat amongst the pigeons. It was construed by the Department that if a company had satisfied the bench marks of net worth/turndown in any one of the preceding three years, it would be saddled with the responsibility of setting up a CSR Committee of the Board. Notices were issued to a host of companies asking them to show cause as to why action should not be taken against those which were considered errant for not setting up a Committee in spite of achieving either of the above two norms in any of the three years.

The interpretation in the above circular was erroneous since it went beyond the scope of the term “during any financial year” in the Act. Sub-ordinate legislation cannot either transgress the law or be inconsistent with the scope of the Act. The application of the preceding three year norm, it is submitted is valid only for the purpose of determining the minimum spend of 2% of net profits as contemplated in the Section.

The amendment made by the Amendment Act 2017 is appropriate in that it clarifies that the criteria as regards applicability of the Section shall be applicable only based on the data for the financial year preceding April, 1, 2014, being the date of applicability of Section 135.

CSR COMMITTEE SHOULD BE SET UP ONLY IF NET PROFIT CRITERIA IS SATISFIED

Having said this, the need for setting up the CSR Committee is triggered off if any of the three criteria is achieved by the company in the preceding financial year. The committee shall have three directors of whom one shall be an Independent Director if the company falls within the requirement of Section 149(4). Rule 3(2) of the CSR Rules, 2014 stipulates that where the company ceases to be a company which is covered under subsection(1) for three consecutive financial years is allowed to dismantle the Committee and shall not be obliged to ensure other compliances under subsections (2) to (5) of Section 135.

It is submitted that the pre-requisite for setting up the Committee should be that the company has satisfied the minimum net profit norm. Where the committee has been set up upon satisfying either the net worth or turnover norm in the preceding financial year and the company has no profits, the setting up of the Committee would be meaningless in the absence of the legal obligation to make spend. It is ironic that the company is called upon to continue with the committee for at least three years where after the committee can be dislodged. In our view, the law should make it necessary to set up the CSR Committee only if the net profit criteria is ignited. No useful purpose would be served by setting up the committee as it does not have to articulate on the areas of CSR spends as long as the legal
Considering the fact that the entire expenditure incurred on CSR is inadmissible under the Income Tax law, setting up a ceiling on administrative spends is unrealistic and not called for.

obligation to make CSR spends has not arisen. The statutory provisions need to be tweaked appropriately to make the CSR Committee a functional committee. The setting up of the Committee should be made conditional upon satisfying the minimum net profit norm.

DEFINITION OF “NET PROFIT” FOR THE PURPOSES OF CSR
Explanation under Section 135(5) which has been inserted with effect from 19.9.2018 by the Amendment Act 2017 states as under.

"For the purposes of this Section, “net profit” shall not include such sums as may be prescribed and shall be calculated in accordance with the provisions of Section 198”. Section 198 of the Act contains the list of inclusions and exclusions from the term “net profit”. This being so, it is not appropriate to state that sums as may be prescribed shall not be included over and above what is contemplated under Section 198. Rule 2(l) of the CSR Rules provides a definition to the term “Net profit” and contains certain exclusions which are beyond the contemplation of Section 198. For the sake of simplicity and ensuring necessary compliance, it is suggested that the computation of the net profit is restricted to the manner prescribed under Section 198.

CAP ON ADMINISTRATIVE OVERHEADS IS UNREALISTIC
Rule 4(6) of the CSR Rules, allows a company to develop in-house CSR capabilities through its own personnel. It sets out a cap on such expenditure (including administrative overheads) of five percent of the total CSR expenditure for the year. It is submitted that the above cap is unrealistic, given the fact that CSR is now a hard-core professional activity which calls for the involvement of CSR professionals in the field. Considering the fact that the entire expenditure incurred on CSR is inadmissible under the Income Tax law, setting up a ceiling on administrative spends is unrealistic and not called for.

SCHEDULE VII NEEDS A REVIEW
Schedule VII of the Act provides the details of the activities which can be undertaken by the company as per its CSR policy. The MCA vide its clarification No.21/2014 dated 18.6.2014 articulated in the Annexure thereto on the items covered under Schedule VII. Notwithstanding the assertion in the circular that the entries in the Schedule must be interpreted liberally so as to capture the essence of the subjects enumerated under the Schedule, in our view, the Schedule needs a review. Intervention by a company in the face of a disaster of monumental proportions such as the one which was witnessed last year in Kerala should be covered under the Schedule expressly. When a company cannot make a direct intervention in such a calamity but wishes to make a contribution to the State’s disaster relief fund, such contribution should be considered as a CSR spend. Schedule VII only covers contributions to central funds such as the Prime Minister’s National Relief Fund. Suitable amendments should be made to the Schedule to cover contributions to State disaster relief funds. Further, direct intervention by the company in the event of calamities should also be covered expressly in the Schedule. Rural low cost housing should also be specifically covered under the Schedule. At present it can be covered only under the “rural development projects” as stated under Item No.9 of the circular dated 18.6.2014 referred to herein above.

DOES NON-COMPLIANCE WITH SECTION 135 LEAD TO A FINANCIAL PENALTY?
The second proviso under Section 135(5) stipulates that if the company fails to spend the required amount for CSR in a financial year, it is incumbent upon the Board to report under clause (o) of Section 134(3) specifically the reasons for not spending the amount. A plain reading of the above proviso suggests that for failure to meet the CSR obligations, the board has to merely communicate with its shareholders as to the reasons for failure to make the spends. No penal consequences would apparently follow on account of the failure to meet the obligations under Section 135.

It is submitted that Section 135 is a statutory provision. It would not therefore be appropriate to conclude that the board could get away with a mere explanation for the failure to incur the expenditure statutorily. In as much as no penalty has been stipulated under Section 135, in our view, proceedings under the residual penal provision of Section 450 could follow.

CONCLUSION
Corporate India has now learned to live under the regime of CSR, given that the law has by now had a five year run. It is fair to say that corporate India has performed, barring a few exceptions, exceedingly well in the matter of discharging its responsibilities towards CSR. CSR initiatives of large companies have made deep inroads in particular in rural India bringing about transformational changes in the lives of the underprivileged and down-trodden. Notwithstanding the above, the law needs to be fine-tuned in line with the expectations of corporate India.
Stricter Enforcement of Laws on CSR – Recent NCLAT Decision Confirming Penalties for Non-Compliance

This article highlights the strict action taken by NCLT and NCLAT on defaulting companies and its Directors for non-compliance of CSR provisions of the Companies Act 2013- hefty penalties imposed and Directors asked to pay fine from their personal accounts.

Delep Goswami, FCS
Advocate, Supreme Court of India, New Delhi
delepgoswami@gmail.com

Anirrud Goswami
Advocate, Goswami & Goswami, New Delhi
anirrudgoswami@gmail.com

LEGAL PROVISIONS RELATING TO CSR IN THE COMPANIES ACT, 2013

India is perhaps one of the very few countries where the law mandates “Corporate Social Responsibility” (CSR) whereby certain companies above the specified threshold of turnover or net worth or net profit are compulsorily required to constitute a CSR Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director and such specified companies are required to ensure that the company spends, in every financial year, at least two (2) per cent of the average net profits earned during three immediately preceding financial years in pursuance of the CSR Policy formulated by the company for socially relevant causes as specified in Schedule VII of the Companies Act, 2013 (in short “CA, 2013” or “the Act”). Failure to comply with this legal mandate results in prosecution of not only the concerned company, but also its Directors.

In this context, it is pertinent to note that for the first time, a legal provision was introduced in Section 135 of the Companies Act, 2013 which came into force w.e.f. 01.04.2014 and it broadly stipulates that certain profitable companies, namely, companies having net worth of Rs.500 crore and more; or having a turnover of Rs.1000 crore or more; or a net profit of Rs.5 crore or more, will have to constitute its CSR Committee and are required to spend in each financial year 2% of its average net profits of the company made during the three immediately preceding financial years. Further, sub-section (5) of Section 135 provides that if the company fails to spend such amount, the Board of Directors of the Company, in its Report made under clause (o) of sub-section (3) of Section 134 of the CA 2013, shall specify the reasons for not spending the amount. Also, Section 134 of the CA 2013 which deals with financial statement, Board’s report etc., stipulates that the report of the Board of Directors of the company which shall be laid before a company in general meeting, shall include a report on the details about the policy developed and implemented by the company on CSR initiatives taken during the year (ref: Section 134(3), clause (o) of CA 2013). Therefore, the seriousness being attached by the Central Government on the spending by the companies on CSR can be understood and appreciated from the aforementioned provisions of the CA, 2013.

PENALTIES FOR NON-COMPLIANCE OF CSR PROVISIONS

In this regard, it is interesting to note that sub-section (8) of Section 134 of the Act provides that where a company contravenes the provisions of Section 134, the company shall be punishable with fine which shall not be less than Rs.50,000/-, but which may extend to Rs.25,00,000/- and every officer of the company, who is in default, shall be punishable with imprisonment for a term which may extend to three years or with fine, which shall not be less than Rs.50,000/- but which may extend to Rs.5,00,000/- or with both. Since, section 134(3)(o) of the CA 2013 mandates the company’s Directors to report on its CSR policy and its CSR spend on that account, non-compliance of provisions of Section 135 on CSR can be penalised u/s 134(8) of the CA 2013.

Incidentally, Section 135 does not provide in that section, any specific penal provision. Thus, the provision of Section 450 of the CA 2013 which deals with “punishment where no specific penalty or punishment is provided” would be applicable and as per Section 450, if a company or any officer of a company contravenes any of the provisions of the CA, 2013 or the Rules made thereunder, or any condition, limitation or restriction etc… and for which no penalty or punishment is provided elsewhere in this Act, the company and every officer of the company, who is in default shall be punishable with fine which may extend to Rs.10,000/- and where the contravention is continuing one, with a further fine, which may extend to one Rs.1000/- for every day after the first during which the contravention continues. Thus, for non-compliance of provisions of
Section 135 of the CA 2013, penalties stipulated under Section 450 of the CA 2013 get attracted.

**NCLAT JUDGEMENT UPHOLDS ORDER OF NCLT IMPOSING PENALTY ON DEFAULTING COMPANY AND ITS DIRECTORS**

In this regard, the recent decision dated 31st January, 2019 of the National Company Law Appellate Tribunal (NCLT) in the case of Peregrine Guarding Private Limited and Others –vs- Registrar of Companies deserves to be mentioned, as the NCLT in the said case has confirmed the penalty that was imposed on the Appellant Company by the National Company Law Tribunal (NCLT) as the Appellant Company and its Directors defaulted in adhering to the statutory requirements of Section 135(2) read with Section 134(3)(o) of the CA 2013 for the financial years 2014-15, 2015-16 and 2016-17, which defaults were finally cured by the Board of Directors of the Appellant Company at their meeting held on 16th April, 2018 and thereby, all the defects stood cured with effect from the year ending 31st March, 2018.

On a petition filed by the said Company and its Directors under Section 441 of the CA 2013 which allows for “compounding of certain offences”, the NCLT, New Delhi Bench upon hearing the parties and taking into consideration the fact that the provision of law being newly introduced under the CA 2013 and that the Appellants had not much clarify on it and further owing to the fact that the default had been subsequently made good, deemed it fit, just and equitable to impose the fine for compounding the offence for three years i.e. 2014-15, 2015-16 and 2016-17 as under:-

i) On the Company – fine imposed for offence u/s 134(3)(o) was Rs.6 lakhs and for offence u/s 135(5) a fine of Rs.10 lakhs, totalling Rs.16 lakhs;

ii) On each of the four (4) Directors of the Company – fine imposed for offence u/s 134(3)(o) was Rs.2 lakhs each; and for offence u/s 135(5) fine imposed @ Rs.5 lakhs each, totalling Rs.7 lakhs per Director.

On the appeal filed by the Company against the NCLT order dated 11.12.2018, the NCLAT observed that the NCLT had taken a lenient view on the ground that the new Companies Act 2013 has been introduced and also observed that the if the total amount is calculated, it appears that the penal amount is actually less than 33% of the total maximum penal amount payable and hence, the NCLAT did not find any merit in the Appeal and dismissed it. The aforesaid NCLAT decision clearly points out that the defaulting companies cannot simply get away from non-compliances and that the company and their respective directors can face prosecution and fine can be imposed even after the defect gets cured.

**DELHI HIGH COURT’S DIRECTIONS TOUCHING UPON CSR IN GOVERNMENT HOSPITALS**

In this context, another interesting decision of the Hon’ble Delhi High Court deserves mention. Taking suo-moto cognizance of a letter sent by the President of a NGO who complained that neither the Central Government nor the Delhi Government had implemented the suggestions given by the Hon’ble Delhi High Court in its 2014 judgement in Mohd. Ahmad (Minor) vs. Union of India and Ors (W.P. (Civil) 7279/2013) where the Court had directed all Government hospitals to have a separate account to receive donations under the CSR policies from the companies, the Hon’ble Delhi High Court on 13.03.2019 issued notices to both the Central as well as the Delhi State Government to respond as to why its suggestions contained in the 2014 judgement had not yet been implemented.

The Ministry of Corporate Affairs (MCA) has recently vide its notification dated 22.11.2018 set up a special 14 member High Level Committee on Corporate Social Responsibility (HLC-CSR) to review the existing framework and guide & formulate the roadmap for a coherent policy on CSR. The said HLC-CSR of the MCA is also expected to take an overview of the law and to suggest measures for adequate monitoring and evaluation of CSR by the specified companies.

To understand the aforesaid, it is pertinent to highlight that in the aforesaid 2014 judgement of Mohd. Ahmad (supra), the High Court had directed Delhi State Government to provide enzyme replacement therapy (ERT) free of cost at All India Institute of Medical Sciences (AIIMS) to a poor minor boy suffering from a rare genetic disorder whenever he needed it and in light of the ambiguity surrounding CSR spend on healthcare, the High Court noted that prior to the Government notification dated 27.02.2014, Schedule VII of the CA 2013 permitted companies to carry out CSR activities under ten heads which included “reducing child mortality” (at Sr. no. 4 of the un-notified Schedule VII) and “combating HIV, AIDS, malaria and other diseases” (at Sr. no. 5 of the un-notified Schedule VII). However, the Hon’ble Court noted that when Schedule VII was notified on 27.2.2014, the aforesaid two entries were inexplicably dropped from the list of permitted CSR activities. The only area under the then-notified Schedule VII was “preventive healthcare”. Since the notified Schedule VII would have closed the CSR funding route as an option to sponsor treatments for rare diseases, the Delhi High Court vide its order dated 28th February, 2014 directed the Ministry of Corporate Affairs to re-examine the matter and the MCA filed a letter dated 24.3.2014 before the High Court stating “Ministry of Corporate Affairs has decided to amend the Schedule VII of the Companies Act, 2013 to bring in clarity regarding the ambit of ‘promoting preventive health care’ as included in the said Schedule. It has been decided to amend the said item in Schedule VII as follows: ‘promoting health care including preventive health care’. This would encompass the entire health care area, including the treatment of diseases etc.”

Further, on 28.3.2014, the MCA filed another affidavit before the High Court, clarifying the scope of the term “normal course of business” used in Rules 4 and 6 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, by giving the following example:-

“....a pharmaceutical company donating medicines/drugs within section 135 read with Schedule VII to the Act is a CSR Activity, as the same is not an activity undertaken in pursuance of its normal course of business which is relatable to healthcare or any other entry in Schedule VII.”

Thus, the High Court noted that this aforesaid affidavit of the MCA clarified that an activity carried out by a Company covered under Schedule VII which is a part of its core business, if not done with a profit motive, amounts to a CSR Activity. The Delhi High Court accepted the aforesaid MCA affidavits and held that the Government of India was bound by the same.

Keeping the same in view, the Delhi High Court in the said 2014 judgement of Mohd. Ahmad (supra) suggested certain guidelines:

“80. This Court is of the view that Government needs to seriously
consider expanding its health budget if their right to life and right to equality as enumerated in Articles 14 and 21, are not to be rendered illusory. If poor patients are to enjoy benefit of recent innovations in the medical field, like robotic surgery, genome engineering the Government must immediately think of increasing its investment in the health sector.

**SUGGESTIONS BY THE COURT**

81. This Court suggests that both the Central and State Governments should consider the following suggestions:

i. All government hospitals could have a separate CSR/ Charitable entity/account wherein donations can be received. The donations could be subject to an audit…”

Presently, the stand of the Central as well as the Delhi State Government as to why the aforesaid guidelines prescribed by the Delhi High Court were not implemented in all Government hospitals, has to be ascertained from their reply/response to the Delhi High Court’s notice, which is yet to be filed.

**CALLING FOR INFORMATION FROM COMPANIES ON THEIR CSR SPEND**

In this regard, it also needs to be appreciated that in order to find out from companies as to whether they had been complying with the various mandated provisions of the CA, 2013, Section 206 of the CA 2013 gives power to the Registrar of Companies (ROC) and to the Central Government to call for information, inspect books and conduct inquiries. Recent newspaper reports suggest that preliminary notices have been issued to 5,382 companies for violations of CSR provisions pertaining to the year 2015-16 and this will be followed by filing of cases in the Court against the defaulting companies and their directors. Furthermore, action has also been initiated for violations of CSR provisions during 2016-17 and 2017-18. According to Government figures, during 2016-17, 19,933 companies had spent Rs.13,465 crore on various welfare activities and in the previous year, during 2015-16, around 21,498 companies spent Rs.14,366 crore on CSR activities. It has been reported that the Ministry of Corporate Affairs (MCA) has also set up a Centralised Scrutiny and Prosecution Mechanism (CSPM) to keep a close watch on the companies and to examine their records to find out if they complied with the CSR rules and regulations.

**MCA CONSTITUTES HIGH LEVEL COMMITTEE ON CSR**

The Ministry of Corporate Affairs (MCA) has recently vide its notification dated 22.11.2018 set up a special 14 member High Level Committee on Corporate Social Responsibility (HLC-CSR) to review the existing framework and guide and formulate the roadmap for a coherent policy on CSR. The said HLC-CSR of the MCA is also expected to take an overview of the law and to suggest measures for adequate monitoring and evaluation of CSR by the specified companies. As per the said circular of MCA, the scope of HLC-CSR 2018 include the following key aspects:

i. To review existing CSR framework as per Act, Rules and Circulars issued from time to time.

ii. To recommend guidelines for the enforcement of CSR provisions.

iii. To suggest measures for adequate monitoring and evaluation of CSR by companies.

iv. To examine and recommend audit (financial, performance, social) for CSR, as well as, analyse outcomes of CSR activities/programmes/projects.

v. Any other matter incidental or connected thereto.

It is understood that the said HLC-CSR 2018 is to submit its report within three months from the date of holding of its first meeting and in that regard, the Indian Institute of Corporate Affairs (IICA) as well as Institute of Company Secretaries of India (ICSI) shall render necessary secretarial assistance as well as technical support to the said High Level Committee on CSR. The HLC-CSR 2018 has invited the views/comments from various sections of the public and stakeholders who have been providing inputs on several aspects of the existing CSR framework as given under the CA 2013 and the Rules framed thereunder.

**REPLY FILED BY MINISTER IN RAJYA SABHA ON CSR SPEND BY PSUS**

It is also important to note that with regard to CSR spending by specified Public Sector Undertakings (PSUs), in reply to an un-starred question raised in the Rajya Sabha on 6th February, 2018, the MCA has reported that as per the data obtained from filings made by companies upto 30.11.2017 in the MCA-21 registry for the years 2014-15, 2015-16 and 2016-17, the CSR expenditure made by the PSUs was Rs.2,673.85 crore, Rs.4,163.09 crore and Rs.1,325.83 crore respectively in activities listed in Schedule VII to the Act that can be undertaken by the companies under their CSR policies. As per the said answer, the information with respect to present status of projects undertaken under CSR by the companies was not captured under MCA-21 Registry. The Minister of State for Law and Justice and Corporate Affairs also stated that reasons given by companies for not spending/under-spending CSR, inter-alia, are:-

i) Adoption of long term CSR programmes/projects;

ii) Non-receipt of utilisation certificate from implementing agencies by the year end;

iii) Difficulty to find suitable implementing agency;

iv) Delay in formation of CSR Committee/implementation plan/ reorientation of CSR policies etc.;

v) Financial restricting;

vi) Incurred loss;

vii) Technical and procedural difficulty;

viii) Projects were in conceptualisation stage;

ix) CSR policy formulation was under process;

x) Companies were primarily focusing on creating suitable organisational capacity to identify and undertake appropriate CSR programmes/projects.

**CONCLUSION**

In view of what has been stated hereinafore, there should not be any doubt in the minds of the Directors of companies to which the provisions of Section 135 of the Companies Act 2013 get attracted, about the seriousness of spending money on Corporate Social Responsibility activities permitted in Schedule VII of the Companies Act, 2013. In fact, the various activities enumerated in the said Schedule VII touch upon important segments of the society, not only in the areas of eradication of hunger, poverty, malnutrition, sanitation, promoting healthcare including preventive healthcare, etc. but also activities towards rural development and protection of environment, with which every citizen of the country is deeply concerned and hence, appropriately spending the earmarked profits on such activities can promote social good and welfare of the masses. What is also important is to note that in the aforesaid NCLT New Delhi Bench’s judgement dated 11.12.2018 mentioned in this article, the NCLT has directed that “Fine levied on the Directors shall be paid out of their personal accounts.” It is hoped that the key managerial personnel would attach seriousness to implementing the provisions of Section 135 of the Companies Act, 2013, wherever applicable and if they fail to do so, they will be put to personal losses because fines, levied on them, will have to be paid from their personal accounts, which the Directors can avoid if they comply with CSR provisions.
CSR - A pioneering social idea woven in Legislation

Mandate to spend specified amount on CSR activities is one of the uniqueness of the Companies Act, 2013. Response of Indian Corporates to ensure compliance of the mandate was splendid. The lion’s share of CSR spending is done by handful of companies as Top 20 companies itself contributes about 35% for CSR activities. Mandate of spending on CSR activities in the Company Law can be game changer for Government to implement its social initiatives for inclusive and sustainable development.

INTRODUCTION

“A good company offers excellent products and services. A great company also offers excellent products and services but also strives to make the world a better place.”

Narendra Singh, FCS
Company Secretary & Compliance Officer
Wockhardt Limited, Mumbai
narendras@wockhardt.com

Prativa Jena, ACS
Company Secretary
Wockhardt Group Company, Mumbai
pjena@wockhardt.com

HOW CSR EVOLVED IN STATUTE

First time, about a decade ago, the concept of outlining the CSR in the Company Law was conceived as summarized below:-

(i) The Companies Bill 2008 and The Companies Bill, 2009
The Companies Bill, 2008, introduced in the Lok Sabha on 23rd October, 2008 lapsed due to dissolution of 14th Lok Sabha, did not contain provisions pertaining to CSR. Subsequently, the same Companies Bill, 2008 was re-introduced in the Lok Sabha on 3rd August, 2009 as the Companies Bill, 2009, also did not contain CSR provisions.

The Companies Bill, 2009 was referred to the Standing Committee of Finance on 9th September, 2009 for examination and report thereon wherein for the first time reference of introduction of CSR as a concept in the Bill, requiring bigger companies to make disclosures about their CSR policies and activities thereunder were introduced.

(ii) Corporate Social Responsibility Voluntary Guidelines, 2009
As enshrined under the Directive Principles of State Policy, the Government undertake and implement developmental program for the overall wellbeing of the society at large. However, the Government felt that Corporates should also imbibe socially responsible business practices to ensure the distribution of wealth and wellbeing of the communities in which their business operates. It is needless to mention that by and large, over decades, Indian Corporates have been traditionally socially responsible.

On the above proposition, MCA decided that Government, corporate sector and the communities need to partner for inclusive and sustainable development; and introduced Corporate Social Responsibility Voluntary Guidelines in December, 2009. The said Guidelines stated that each business entity to formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives with the following core elements:-

- Care for all Stakeholders

Upon enactment of the Companies Act, 2013 (‘the Act’), India became first country having a Corporate Social Responsibility (‘CSR’) provisions in the Company Law.

In this Article, the authors intend to eloquent how CSR has evolved in the Company Law, relentless strides taken by the Ministry of Corporate Affairs (‘MCA’) to enforce CSR provisions, statistics on CSR spending and way forward as deliberated below:-

D

Irrective Principles of State Policy as enshrined in the Constitution of India under Part IV (Articles 36-51) though cannot be enforced by Court, but it is the duty of the State to apply these principles in making laws. Article 38(1) of the Constitution states that “The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.”

Nonetheless, the Central Government felt it appropriate that the Corporates should contribute for the well-being of the society at large in which they operate and wherefrom they draw their resources to generate profits; and above all for its sustainable development.
Clause 135 introduced in the Companies Bill, 2011 introduced in Lok Sabha on 14th December, 2011 later upon repeal of about six decade old ‘The Companies Act, 1956’ found place in statute upon enactment of the Companies Act, 2013. With this, India became the first country to include provisions on CSR in its Company Law.

- Ethical functioning
- Respect for Workers’ Rights and Welfare
- Respect for Human Rights:
- Respect for Environment
- Activities for Social and Inclusive Development

CSR Voluntary Guidelines, 2009 was further refined by issuance of National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business, 2011.

(iii) Report of Standing Committee on the Companies Bill, 2009
Though the Standing Committee of Finance (‘Standing Committee’ or ‘Committee’) on the extent of CSR being undertaken by companies were having certain concern, the MCA has agreed that the Companies Bill may “include provisions to mandate that every company having [(net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more)] or [a net profit of Rs. 5 crore or more during a year] shall be required to formulate a CSR Policy to ensure that every year at least 2% of its average net profits during the three immediately preceding financial years shall be spent on CSR activities as may be approved and specified by the company. The directors shall be required to make suitable disclosures in this regard in their report to members.”

On being asked as to who will be monitoring the social obligation, the Secretary, MCA, replied to the Committee during evidence as under:-

“The whole emphasis of the Act is disclosure method. Whatever is being done, what is being done will be in public domain. It will be disclosed. It will be given in the report. It will come to the Ministry and anybody can monitor that way. But if you think of an oversight mechanism that some Government officer will look into it, then no, we have not conceived of that idea. We have not put up that type of idea there.”

The above paved the way for bring the CSR provisions in the statute itself.

(iv) The Companies Bill, 2011
Subsequent to the introduction of the Companies Bill, 2009, apart from numerous recommendation of Parliamentary Standing Committee on Finance, Central Government also received several suggestions for amendments in the said Bill. As there were large amendments in the Companies Bill, 2009, the Central Government decided to introduce fresh Bill i.e. the Companies Bill, 2011, which contained numerous novelties such as e-Governance, additional disclosure norms, audit accountability, protection for minority shareholders, investor protection, statutory status to Serious Fraud Investigation Office, concept of woman Director, National Company Law Tribunal etc. apart from CSR to match the changing national and international, economic environment and further accelerate the growth of economy.

The Companies Bill, 2011 was also referred to the 57th Standing Committee on Finance for examination and report thereon. The Committee also received numerous suggestions on Clause 135 of the Bill which, inter-alia, included the following:

- In case company spends less than the required %, it
shall transfer residual amount to the fund next year;

- Creation of a Central Funding Agency; and
- Provision regarding social audit of companies’ CSR policies.

MCA also submitted to the Committee that the broad objective of introduction of concept of CSR in the Bill is to instil the spirit of CSR amongst corporate sector.

Clause 135 introduced in the Companies Bill, 2011 introduced in Lok Sabha on 14th December, 2011 later upon repeal of about six decade old ‘The Companies Act, 1956’ found place in statute upon enactment of the Companies Act, 2013. With this, India became the first country to include provisions on CSR in its Company Law.

**INITIATIVES TAKEN TO IMPLEMENT CSR PROVISION EFFECTIVELY**

Upon enactment of the Act, during last five years, MCA, invested substantial time to provide required clarity and devise mechanism to enforce the CSR provisions in spirit, as under:-

- Constituted CSR Cell in May 2014 with the responsibility of proposing amendments to CSR Rules & schedule thereto; issuing clarifications to references pertaining CSR provisions; coordinating with Department of Public Enterprises and other Administrative Ministries for implementation of CSR by Central Public Sector Undertakings; analysis of CSR expenditure of companies; compliances of CSR provisions etc.
- Constituted a High Level Committee (‘HLC’) in February, 2015 to suggest measures for monitoring the progress of implementation of CSR by companies. The HLC submitted its Report in September 2015.
- To recognize corporate initiatives in the area of CSR to achieve inclusive growth and sustainable development, MCA, based on the recommendations of the HLC on CSR, has instituted National CSR Awards. Indian Institute of Corporate Affairs has now been entrusted with the responsibility of organizing the National CSR Awards.
- National CSR Data Portal launched in January, 2018 to drive accountability and transparency for CSR disclosures. This would encourage high level of compliance and also institutionalize and consolidate the CSR activities.
- MCA monitors the compliance of CSR provisions by companies by examining the mandatory disclosures made in the Board’s Report under provisions of Section 135 read with Section 134 of the Act. Under the provisions of the Section 206 of the Act, RoCs of the concerned jurisdiction initiated action against non-compliant CSR eligible companies and sanctioned prosecutions in 254 cases of which 33 cases of compounding were filed by companies pertaining to CSR non-compliance.
- Set up Internal Expert Committee to revisit schedule VII of Act and guidelines for enforcement of CSR provisions and its two sub-committees namely Legal Sub-committee and Technical Sub-committee were set up to assist the Internal Expert Committee. These Committees submitted their reports in July 2018.
- Under the Chairmanship of Secretary, MCA, High Level Committee - 2018 (‘HLC-2018’) constituted to review the existing framework and formulate the roadmap for comprehensive policy on CSR. The last date to receive comments from public was extended till 14th April, 2019 and report of HLC-2018 would be expected soon.
- For uniform, transparent and faster approach, established Centralized Scrutiny and Prosecution Mechanism (CSPM) for identification and scrutiny of non-compliant companies for penal actions from FY 2015-16 onwards. To begin with, top 1,000 companies are identified and probe letters issued to 298 companies seeking information on the non-compliance

**BRIEF STATISTICS ON CSR EXPENDITURE**

The details of expenditure incurred on CSR during 2014-15 to 2016-17 were as under:-

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Financial Year</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Type</td>
<td>No. of companies reported for CSR</td>
<td>CSR expenditure</td>
<td>No. of companies reported for CSR</td>
<td>CSR expenditure</td>
</tr>
<tr>
<td>1.</td>
<td>PSUs</td>
<td>315</td>
<td>2.673</td>
<td>438</td>
</tr>
<tr>
<td>2.</td>
<td>Other companies</td>
<td>14,829</td>
<td>6.891</td>
<td>21,060</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>14,944</td>
<td>9.564</td>
<td>21,498</td>
</tr>
</tbody>
</table>


The CSR spend by NSE-listed companies crossed Rs. 10,000 crore, witnessing an increase of 11 per cent in 2017-18. As per CSR requirements, the amount required to be spent by them was Rs. 10,686 crore. These companies, however, decided to spend a bit more at Rs. 10,886 crore – Rs. 200 crore more than the requirement.

**“**

CSR spending of large Corporates is substantially high which is even multiple times of smaller companies’ turnover. Though such expenditures are being captured and reported in the separate report which forms part of the Board’s Report, however, it becomes important that such expenditure are audited. Such audit will not only provide adequate comfort for the Board members but also ensure that every rupee is productively spent.
The expenditure on CSR incurred by Top 20 companies (based on market cap as on 31st March, 2018) was as under:-

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Company</th>
<th>CSR expenditure made in 2017-18</th>
<th>Unspent amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reliance Industries Limited</td>
<td>745.04</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Tata Consultancy Services Limited</td>
<td>400</td>
<td>97</td>
</tr>
<tr>
<td>3</td>
<td>HDFC Bank Limited</td>
<td>374</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>ITC Limited</td>
<td>290.98</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Housing Development Finance Corporations Limited</td>
<td>175.97</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Hindustan Unilever Limited</td>
<td>116.09</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Maruti Suzuki India Limited</td>
<td>125.08</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Infosys Limited</td>
<td>312.6</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Oil &amp; Natural Gas Corporation Limited</td>
<td>503.44</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>State Bank of India</td>
<td>112.96</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>Kotak Mahindra Bank Limited</td>
<td>26.40</td>
<td>47.57</td>
</tr>
<tr>
<td>12</td>
<td>Larsen &amp; Toubro Limited</td>
<td>100.92</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>ICICI Bank Limited</td>
<td>170.38</td>
<td>-</td>
</tr>
<tr>
<td>14</td>
<td>Coal India Limited</td>
<td>24.31</td>
<td>-</td>
</tr>
<tr>
<td>15</td>
<td>Indian Oil Corporation Limited</td>
<td>331.05</td>
<td>-</td>
</tr>
<tr>
<td>16</td>
<td>Bharti Airtel Limited</td>
<td>24.53</td>
<td>190.08</td>
</tr>
<tr>
<td>17</td>
<td>NTPC Limited</td>
<td>241.54</td>
<td>-</td>
</tr>
<tr>
<td>18</td>
<td>HCL Technologies Limited</td>
<td>91.22</td>
<td>43.11</td>
</tr>
<tr>
<td>19</td>
<td>Axis Bank Limited</td>
<td>133.77</td>
<td>53.05</td>
</tr>
<tr>
<td>20</td>
<td>Wipro Limited</td>
<td>186.6</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>4,486.88</td>
<td>430.1</td>
</tr>
</tbody>
</table>

Source: Annual Report 2017-18 of respective companies.

The above data reveals that Indian Corporates have spent about Rs. 50,000 crore on CSR activities during 2014-15 to 2017-18. The lion’s share of CSR spending is done by handful of companies as Top 20 companies itself contributes about 35% for CSR activities.

**WAY FORWARD**

Though there was highly encouraging response from Indian Corporates on CSR spending during 2014-15 to 2017-18, spent on CSR stood about Rs.50,000 crore, nonetheless, it would be apt if MCA contrive provisions around the following:-

(i) **Audit of expenditure**

CSR spending of large Corporates is substantially high which is even multiple times of smaller companies’ turnover. Though such expenditures are being captured and reported in the separate report which forms part of the Board’s Report, however, it becomes important that such expenditure are audited. Such audit will not only provide adequate comfort for the Board members but also ensure that every rupee is productively spent.

(ii) **Treatment of unspent amount**

The formation, existence and sustenance of corporates revolve around the concept of Triple P i.e. People (economic growth), Planet (future environment) and Profit (own prosperity).

As profit is one of the important objective of the Corporates, sometime, it may find difficult to focus on identifying project for CSR and spend requisite amount on social well-being as it not only requires substantial time of the Management but also manpower to execute. Hence, it would be apt if MCA mandates that all un-spent be deposited with the Prime Minister Relief Fund and/ or Chief Minister Relief Fund.

Additionally, inspite of need for spending on CSR, if companies does not spend the requisite amount on CSR then such companies should be mandatorily asked to deposit the required amount as above.

(iii) **Penal action**

Legislative intent of the law to bring CSR provision in the Act was to instil the spirit of CSR amongst corporate sector as they draw natural resources to generate profits. Penal action should be initiated only if the company does not spent requisite on CSR and reasons of not spending are also implausible. Hence, penal action against the companies for not spending requisite on CSR should be last resort.

**CONCLUSION**

“If you take care of your immediate surroundings, the universe will take care of itself.”

... Mahatma Gandhi

CSR, though mere five year old requirement in the Company Law, the quantum of spending on CSR by Corporates demonstrate the enthusiasm and impact of such spending. The list of activities where companies can carry out expenditure on CSR is quite exhausteive and CSR provision in the Company Law can be game changer for Government to implement its social initiatives.

Nonetheless, there is a need for audit of expenditure incurred on CSR and mandating the companies deposit un-spent amount on PM Relief Fund or CM Relief Fund. Penal action for not spending the required amount on CSR should be last resort for implausible reasons.
Success and failure of CSR Projects: few Practical issues

CSR is the buzzword of the India Inc. and the Government. More than organizing seminars and talks, it is important to see the funds allocated for CSR of a company is properly used by the beneficiaries. This would call for serious efforts by proper selection, evaluation and monitoring of CSR projects so that the benefit of spending ultimately reaches the actual beneficiary; to achieve such objective, certain issues needs to be addressed by Indian Companies.

Subrata Kumar Ray, FCS
Practising Company Secretary
Kolkata
subrataoffice@rediffmail.com

INTRODUCTION

India Inc., fortunately have a fairly positive history of CSR. Thanks to the people in the corporate who have taken up various CSR projects over the years, voluntarily. People in the organization decide policy and we have in India few industrialist turned philanthropist who have given to the society much more than what they have taken from it.

Traditional industrial towns have created huge infrastructure, even for the use of non employees. They did as duty and integral part of the industrial establishment and never considered it philanthropy.

Balancing three Ps, profit, planet and people have become essential for any business for various reasons, one being regulatory framework.

The success of CSR would mean (i) using the total budget within the financial year, (ii) full utilization of the fund on the projects which have been envisaged (iii) positive impact on the beneficiaries.

If any of the above is missed, it amount to failure of CSR in the organization.

MCA website as on 31.7.2017 (latest published) shows that all companies taken together, have spent more than Rs. 9000 crore under various CSR projects. The figures of latest two years which have ended must be higher figure for obvious reasons. The figures reported are neither small nor large. Not large in a sense that, considering the need of the people of vast population, which still considered to be poor, the figure only supplements Govt. spending, which again can be said to be inadequate. Public welfare, being a government responsibility, needs more money than the government can afford to fulfill the needs of the people. This mandatory supplement to the Govt. by the corporate is, no doubt, laudable, India being the first country to make CSR mandatory. Going by the media reports, corporate, in general have welcomed the move, even when further 2% of the profit is to be spent on issues not connected to the business of the company.

The question of desirable and better governance of CSR projects seems to be more important than the quantum. The money allocated should be properly used, either directly or indirectly, by the corporate so that it hits the target, not forgetting that for corporates also, this is hard earned money. This article is an attempt to highlight the same and also suggest some measures to overcome the shortcomings and failures.

Non implementation of any of the CSR projects as per the plan would amount to failure and the reasons are many. For structured analysis, few categorization have been made.

CORPORATES NOT FULFILLING THE BUDGET

A sizable number of companies have reported in the annual report that the budget could not be utilized as “suitable” CSR projects were not available or identified. This statement is both acceptable and not acceptable.

There are corporates who have stringent evaluation parameter and many projects, either coming to the company directly or through NGO, do not fit into the bill and are considered to be “unsuitable”. To what extent these parameters are reasonable is another issue, beyond the scope of this article.

The statement is unacceptable as because, India, being an underdeveloped country and home to major poor population has huge scope of welfare activities which can be undertaken by the corporates, which fairly fall under Schedule VII. With around 32 lakhs NGOs in India, who would partner or implement or take the benefit of funds, getting a suitable NGO may not be problem.

LATE RISER COMPANIES

Most of the companies wait for the final accounts of the previous year to decide the CSR budget of the current year, thereby making the month of September/October as the zero date for initiating CSR activities. Hence, the starting point itself is delayed. This may not be true for the big corporate groups. Few corporate groups have their own trust and fund flow from the company is certain, thereby, have a regulated working relationship. In order to finish within the time, late starters hurry and select projects which may result into failures.

Companies, therefore, should start taking up projects right at the beginning of the year on the basis of projected profits and adjust budget/ expenditure at a later date when the figures are crystallized.
ORGANIZATION STRUCTURES

Most of the mid size companies do not have any CSR department/ cell/ wing/ section. In few organizations, there is no single executive exclusive for CSR. The person given the CSR job sometimes is the person considered to be a non performer in other important departments. This diminishes the importance of CSR in the company. The incumbent considers himself less important than others and performs without involving his heart in the job. Experience shadows that CSR job cannot be performed by all. Certain amount mindset of the executive is required. Whether you are doing good to the society with own money or company’s money, the fact remains that you are doing good to lower level people in the society. Selection of people doing the job needs care by the people at the top who decide placements.

FLUCTUATING CSR POLICY OF THE COMPANY AND NON UNANIMITY AMONGST THE CSR COMMITTEE/ BOARD MEMBERS

The para heading may look strange but it happens. The top management talks about various projects which can be taken up under CSR. Ultimately it is not recommended by the Committee. There are differences of opinion amongst the committee members and sometimes it appears that everyone is correct in his own place. Instances are there that even after committee recommending, the same has not been approved by the Board on comments of one or more directors. In case of CPSUs, the CSR policy is linked to policy guidelines by Department of Public Undertakings (DPE). In 2018, there have three major changes in policy guidelines on aspirational districts by Department of Public Undertakings (DPE). In 2018, there have been three major changes in policy guidelines on aspirational districts on CSR. A role clarity or thrust areas should be decided which may continue for 2/3 years.

MORE STRESS ON COMPLIANCE THAN SPIRIT

Companies are more bothered about the compliance, make the report, get it audited and be happy. Few are after the effectiveness of the project. Companies should come out of the feeling that CSR is an “obligation” and take it as their duty.

There are corporates who have stringent evaluation parameter and many projects, either coming to the company directly or through NGO, do not fit into the bill and are considered to be “unsuitable”. To what extent these parameters are reasonable is another issue, beyond the scope of this article.

WHY CSR PROJECT FAIL, EVEN AFTER APPROVAL/ SANCTION OF FUNDS. CASUAL APPRAISAL/ EVALUATION OF PROJECTS BEFORE APPROVAL

If some of the comments mentioned above is acceptable to you to some extent even, you should be with me to agree that the evaluation project is not done properly. Evaluation needs to be done on various parameters right from the feasibility, background of the NGO, the profile of the beneficiaries, the integrity and capability of the people who will be implementing. As mentioned above, lot depends on the person who would be in charge of CSR function in the company. Hence, adequate time and thought needs to be given. Detailed project report should be asked for from the NGO/ beneficiary/ implementing agency. Spot inspection is a must. Authenticity of the information referred in the report should be cross checked. Independent domain expert should be consulted, i.e. if an NGO having an eye clinic, is asking for medical equipments, an eye surgeon may be consulted on the need and use of the instruments or the machines.

PROPER COST ESTIMATES

Instances have been found that the organization asking for funds enhances the cost for obvious reasons. One of the very common and acceptable reason is that even when the cost is not fully sanctioned, the project will get through since actual expenditure will be less than what is estimated. Therefore, cost estimate from authentic source is a must. In case of immovable property, photographs should also be taken so that the premises can be compared once the project is complete. Independent estimate by Chartered Accountant/ Chartered engineer may be relied upon.

PROJECT TO BE IDENTIFIABLE

There are lot of projects or proposals which are of revenue expenditure or event based, i.e. organizing blood donation camp, awareness/ training program etc. Though these are not less important but it would be difficult to monitor such projects unless someone from the sponsoring company involved in the activity. The utility and effect of such event becomes difficult to measure. There may be co-sponsors also. Therefore, it is always better that the project for which fund is given should be identifiable and of permanent nature, i.e. building of infrastructure.

DIVERSION OF FUNDS BY NGOS/ BENEFICIARIES

Diversion of fund is common with NGOs and it has been seen that sometimes there are compelling reasons for the NGOs to divert the fund for important or imminent expenses. They plan that project shall be completed with replacement of the fund diverted, which sometimes do not happen, keeping the project undone or half done. Sometimes it is not compelling but still for some reason or other, funds are diverted. However, all these diversions or not malafide or without any integrity. It is worth saying here that diversion of fund and siphoning is not same. Siphoning is taking away the money with fake records and documentation for personal benefits of the NGO functionaries. It may be mentioned here that most of the NGOs in India are one man or two man or family NGOs and the accounts are kept closed door.

JOINT FINANCING AND PARALLEL FINANCING

Sometimes a NGO/ beneficiary approaches more than one company with the same project. While there cannot be any bad
thing about it but before disbursement, an undertaking should be taken that no other entity, including any Govt. agency is funding the project. In case of joint financing all companies funding should sit together and decide their role inter se.

**EMERGENCE OF AGENTS/BROKERS/ CSR CONSULTANTS**

With CSR becoming mandatory and Govt. coming up with various social welfare schemes in partnership with NGOs, NGOs play an important role in CSR implementation. To take commercial advantage of the situation, few CSR consultants have emerged. Whereas there is need of such consultancies, there are negative side also. There are CSR consultants who have no experience in the job, except that they have read some books and the provisions of the regulations. Few have walked in rural area, seen and NGO or is emotionally attached to the problems of the poor. They offer to train the executives, prepare projects for the NGOs and try to solve their problems. This has emerged as a profession.

So far as executive training is concerned, a person with average intelligence needs no formal training in CSR. So far NGOs are concerned, they want two things (i) preparation of the project (ii) getting funds.

So they look for consultants who can broker a deal with a company. Whereas nothing bad can be seen in this methodology, the fact remains that sometimes the cut by the “consultant” is substantial, leaving the NGO with less funds to implement the project.

**LARGE vs. SMALL NGOs**

Opinions differ amongst management personal including directors on whether large NGOs are better or small. Some feel that large established NGOs get fund from many sources and do not have fund crunch for any project and therefore corporate should concentrate on medium and small size NGOs. Other school of thought dwells upon the idea that only established and big NGOs use fund and do accounting diligently and chances of wrong doing is found mostly in small/ one man NGOs.

Corporates, therefore should examine this aspect before selecting an NGO either as a beneficiary or implementing agency.

**WORK IN PROGRESS MONITORING TILL COMPLETION**

Adequate action should be taken after funds are released to see that the progress is there and in the right direction. A spot inspection is a must. Nobody likes supervision and NGOs are no exception. It is for interest of the company, monitoring should be done, else money will be a wastage.

**COMPLETION OF THE PROJECT AND USE OF THE PROJECT IS NOT SAME**

Sometimes projects are completed and not put to use. The NGO takes a photograph, gives a completion certificates, often gets the structure inaugurated by the company’s senior executive and everybody is happy. Please remember a CSR project is not complete unless it is properly used by the target beneficiaries.

**On going monitoring after completion**

For large projects, the company should make surprise visits to monitor. It is difficult but possible. In real situation, a company is more concerned about the current year target and current projects but overlooking the old projects to see its impact, is also necessary.

**CONCLUSION**

An attempt is made through this article to convince the companies that CSR is much more than compliance or making a non commendable Board Report. Unless it is taken seriously, the hard earned money of the company is wasted and the beneficiaries are deprived of the benefits coming out of the project. Let us all be little more serious, try to be better corporate citizens and make this country a better place to live for less privileged section of the society.
ESG – beyond CSR

While organisations reorient their strategic thought to incorporate the Corporate Social Responsibility (CSR) mandate in Section 135, stakeholder expectations in today’s digital environment are compelling organisations, both public and private, to prioritize Environment, Social and Governance (ESG) based issues as critical measures of performance and profitability. The breadth of these stakeholders is very wide – from employees, vendors, partners and customers, on the one hand to investors and influencers, on the other. Organisations that are re-imagining and aligning ESG issues with their core business values, investment analysis and decision making processes are poised to create a deeper impact in the years to come. In this article, the authors analyse the generational shift in investor preferences towards more sustainability, compliance and socially oriented organisations and its impact on business strategies, profitability and investor sentiment.

Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders, including shareholders, employees, customers, and the communities in which they operate.

Without a sense of purpose, no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders... and ultimately, that company will provide subpar returns to the investors who depend on it to finance their retirement, home purchases, or higher education.

The letter reminded CEOs that their companies needed to define a long-term strategy, “Your company’s strategy must articulate a path to achieve financial performance. To sustain that performance, however, you must also understand the societal impact of your business.”

Continuing in the same vein in his annual letter in 2019, titled “Purpose and Profit”, Fink points to a generational change in investor preferences – “Companies that fulfil their purpose and responsibilities to stakeholders reap rewards over the long-term. Companies that ignore them stumble and fail. This dynamic is becoming increasingly apparent as the public holds companies to more exacting standards.

And it will continue to accelerate as millennials – who today represent 35 percent of the workforce – express new expectations of the companies they work for, buy from, and invest in...In a recent survey by Deloitte, millennial workers were asked what the primary purpose of businesses should be – 63 percent more of them said ‘improving society’ than those who said ‘generating profit’. In the years to come, the sentiments of these generations will drive not only their decisions as employees and consumers but also as investors, with the world undergoing the largest transfer of wealth in history: $24 trillion from baby boomers to millennials. As wealth shifts and investing preferences change, environmental, social, and governance issues will be increasingly material to corporate valuations.”

A better case for ESG (Environmental, Social and Governance) issues is hard to make.

BUILDING THE ESG FOOTPRINT

Way before Fink and other like-minded thinkers, practitioners and investors, talked about building a sense of purpose, the United Nations set the ball rolling at the turn of the millennium. With the support of business leaders and other stakeholders, the UN Global Compact governance framework was launched in 2005. A policy platform as well as a framework for companies that were committed to follow sustainable business practices, it led the way to various initiatives that drew mainstream investors, stock exchanges, business schools, even local civic bodies into the sustainability dialogue. One such initiative was launched in 2006, when the then Secretary General, Kofi Annan invited some of the largest institutional investors to develop the Principles for Responsible Investing (PRI).
PRI as it is now known, claims to be the “world’s leading proponent” of responsible investing – a claim that is justifiable with over 2250 signatories managing an asset base in excess of $80 trillion.

The initiative, a clear reflection of the investment community’s belief that Environment, Social and Governance led issues can impact the performance of investment portfolios however, is not the same as ethical investing or socially responsible investing. Though, responsible investing should be considered obligatory for all investors in order to comply with their fiduciary duties. PRI’s prime focus in committing to the ESG factors is to enable better decision making aligned to social objectives in order to mitigate long-term risks. This essentially voluntary framework thus gives investors a purpose while driving the investor community towards a more transparent set of best practices. A set of norms that allow members to better understand global market trends through aggregate data analysis and build tools to drive positive action in business and society.

In recent years, one of the major drivers of ESG investing is the growth of passive investments. While active investment managers have the option of exiting an investment where corporate policies are not conducive to long-term growth, passive investments cannot be exited unless the index the fund is linked to changes its composition. This “patient” money is at higher risk due to factors that may occur in the long-term. ESG policies, seek to ensure that corporates are aware of these long-term risks and have well-articulated policies to deal with such occurrences.

So, what are some of these ESG factors that cover various aspects of business? On a wider plane they are numerous and ever-shifting but the PRI framework attempts to narrow them into:-

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change</td>
<td>Working conditions (including slavery and child labour)</td>
<td>Executive pay</td>
</tr>
<tr>
<td>Greenhouse gas (CHG) emissions</td>
<td>Local communities (including indigenous communities)</td>
<td>Bribery and corruption</td>
</tr>
<tr>
<td>Resource depletion (including water)</td>
<td>Health and safety</td>
<td>Board diversity and structure</td>
</tr>
<tr>
<td>Waste and pollution</td>
<td>Employee relations and diversity</td>
<td>Tax strategy</td>
</tr>
</tbody>
</table>

As signatories to the PRI initiative the members commit to six principles when making investment decisions:
1. To incorporate ESG issues into investment analysis and decision-making processes.
2. To be active owners and incorporate ESG issues into ownership policies and practices.
3. To seek appropriate disclosure on ESG issues by the entities in which they invest.
4. To promote acceptance and implementation of the Principles within the investment industry.
5. To work together to enhance the effectiveness in implementing the Principles.
6. To report on all activities and progress towards implementing the Principles.

HOW IS ESG DIFFERENT FROM CSR?

As stated above, ESG is essentially used by investors as a criterion to evaluate a company’s practices within relevant areas. CSR, on the other hand, in countries where it is not mandatory, refers to programs and practices of a company that effect each one of its stakeholders, from employees, boards and supply chain partners to consumers and businesses. In India, it can simply mean compliance with Section 135 of the Companies Act and CSR Rules. While the PRI/ESG criteria requires that companies articulate long-term strategic goals in how to benefit stakeholders and then report against those objectives; CSR relates to what the company has executed in a particular area and need not have long term thought behind it. That said, it is not that such long-term thinking cannot be applied to CSR. When CSR is voluntary or demanded by market forces, it is more likely that strategic thinking would be involved and move the focus beyond mere regulatory compliance.

In the Indian scenario, many companies approach CSR from a compliance perspective. While a large steel factory may help in setting up or improving school infrastructure in its vicinity, it is less likely that it will look actively at gender diversity or the reason why the number of women managers is not so good; or insist that their vendors strictly refrain from hiring under-age children in their production units. The “do-gooder” mandated activity doesn’t necessarily translate into a company-wide understanding of how these activities can help insulate the company from long-term risks arising out of a social push-back against its practices.

But herein lies the opportunity.

ALIGNING CSR TO ESG

Corporate responsibility in India is growing steadily. Since the implementation of the Companies Act, the number of Corporate entities undertaking CSR and the quantum of funds committed, has been increasing slowly but steadily. Moreover, stakeholders across the company’s value chain are actively noticing this commitment. The number of companies that are looking at CSR strategically are also on the rise. There is an understanding that CSR adds value to the business goal and that the future narrative will look at not just any CSR initiative but the effort to look at the programmes long term and with strategic value to the company.

On the other hand, investor interest is also finding a close link to the company’s ESG bent. Organisations that have aligned their sustainability and social responsibility criteria with that of the financial community’s point of view, tend to attract larger investors; build trust and manage reputation better during adverse ESG climates.

As stated above, ESG is essentially used by investors as a criterion to evaluate a company’s practices within relevant areas. CSR, on the other hand, in countries where it is not mandatory, refers to programs and practices of a company that effect each one of its stakeholders, from employees, boards and supply chain partners to consumers and businesses. In India, it can simply mean compliance with Section 135 of the Companies Act and CSR Rules. While the PRI/ESG criteria requires that companies articulate long-term strategic goals in how to benefit stakeholders and then report against those objectives; CSR relates to what the company has executed in a particular area and need not have long term thought behind it. That said, it is not that such long-term thinking cannot be applied to CSR. When CSR is voluntary or demanded by market forces, it is more likely that strategic thinking would be involved and move the focus beyond mere regulatory compliance.

In the Indian scenario, many companies approach CSR from a compliance perspective. While a large steel factory may help in setting up or improving school infrastructure in its vicinity, it is less likely that it will look actively at gender diversity or the reason why the number of women managers is not so good; or insist that their vendors strictly refrain from hiring under-age children in their production units. The “do-gooder” mandated activity doesn’t necessarily translate into a company-wide understanding of how these activities can help insulate the company from long-term risks arising out of a social push-back against its practices.

But herein lies the opportunity.

ALIGNING CSR TO ESG

Corporate responsibility in India is growing steadily. Since the implementation of the Companies Act, the number of Corporate entities undertaking CSR and the quantum of funds committed, has been increasing slowly but steadily. Moreover, stakeholders across the company’s value chain are actively noticing this commitment. The number of companies that are looking at CSR strategically are also on the rise. There is an understanding that CSR adds value to the business goal and that the future narrative will look at not just any CSR initiative but the effort to look at the programmes long term and with strategic value to the company.

On the other hand, investor interest is also finding a close link to the company’s ESG bent. Organisations that have aligned their sustainability and social responsibility criteria with that of the financial community’s point of view, tend to attract larger investors; build trust and manage reputation better during adverse ESG climates.

As stated above, ESG is essentially used by investors as a criterion to evaluate a company’s practices within relevant areas. CSR, on the other hand, in countries where it is not mandatory, refers to programs and practices of a company that effect each one of its stakeholders, from employees, boards and supply chain partners to consumers and businesses. In India, it can simply mean compliance with Section 135 of the Companies Act and CSR Rules. While the PRI/ESG criteria requires that companies articulate long-term strategic goals in how to benefit stakeholders and then report against those objectives; CSR relates to what the company has executed in a particular area and need not have long term thought behind it. That said, it is not that such long-term thinking cannot be applied to CSR. When CSR is voluntary or demanded by market forces, it is more likely that strategic thinking would be involved and move the focus beyond mere regulatory compliance.

In the Indian scenario, many companies approach CSR from a compliance perspective. While a large steel factory may help in setting up or improving school infrastructure in its vicinity, it is less likely that it will look actively at gender diversity or the reason why the number of women managers is not so good; or insist that their vendors strictly refrain from hiring under-age children in their production units. The “do-gooder” mandated activity doesn’t necessarily translate into a company-wide understanding of how these activities can help insulate the company from long-term risks arising out of a social push-back against its practices.

But herein lies the opportunity.
CSR-A STRATEGIC OUTLOOK

1. **CSR is not an afterthought**
   CSR needs to be a core part of the business and not just an activity that ticks the boxes as mandated. It is a collective effort that integrates with the other functions of business and can no longer be a department that works in a silo. Clearly, it is an integral part of the approach to achieving business objectives, successfully.

2. **CSR builds value for business and society**
   The objective of CSR programmes is not limited to just creating internal change, by building employee morale, mitigating risks and enhancing brand reputation but through an active demonstration of the impact of investing in societies and communities, linked with business progress. A progress that finds evidence in defining an ecosystem of growing value for business and people.

   Highlighting the value of the impact also demands accountability towards how CSR is perceived and implemented. This upswing in investor interest, paired with consumer and employee demand, will bring impact to the top of the agenda at board and C-Suite meetings. To quote Patsy Doerr, Global Head of Corporate Responsibility and Inclusion at Thomson Reuters, “It will no longer be a choice for companies to embed social impact into their business and brand strategies - it will be required to thrive and compete for talent, customers and investors.”

3. **CSR Reporting Improves Transparency**
   While the CSR law has mandated some level of reporting the aspects of reporting, primarily focus on figures linked to programmes and company performance, alone. However, reporting fosters transparency and lends to a sense of unified commitment to the journey from various stakeholders.

   Strengthening the purpose-led growth of the organisation and adding value that is not ad-hoc but sustained and reflected through action, evidence and communication.

   Many companies have adopted sustainability reporting frameworks and CSR reporting constitutes as an important part of the deliverable. The “s” of ESG reporting forms a major portion of CSR reporting.

### ESG REPORTING – STILL A MATTER OF CONCERN

Institutional investors have lately set up positions of “stewardship officers” to focus on ESG issues in investment decisions. However, there are still structural issues – a survey by State Street Global Advisors (ESG Institutional Investor Survey, April 2018) found that while 80% of institutional investors had an ESG component as part of their investment strategy, only 27% integrated it fully into long-term decisions. Consequently, company managements are less likely to hear about ESG concerns from portfolio managers and more from stewardship officers.

The survey also reported that accurate assessment of ESG remains an issue – with benchmarking across peers seen as a challenge by more than half the respondents. Companies are still to find ways to communicate their ESG strategies in a structured manner. In fact, CFA Institute’s ESG Survey 2017 revealed that investors relied more on third-party research and public information than company filings in matters related to ESG information.

Clearly a gap remains that needs to be filled by corporates including their compliance and communication officers.

### ESG CREATES VALUE

Academic studies have shown that interaction between investors and companies on ESG goals helps in creating long-term value for investors. In a paper titled “Active Ownership” in the Review of Financial Studies, authors Dimson, Karakaş and Li (2015) analyse 2,152 engagement exercises with 613 public firms between 1999 and 2009. They note in their abstract – “Successful (unsuccessful) engagements are followed by positive (zero) abnormal returns... After successful engagements, particularly on environmental/social issues, companies experience improved accounting performance and governance and increased institutional ownership.”

“ESG Factors and Risk-Adjusted Performance: A New Quantitative Model” by Kumar Nallan Chakravarthya et al, published in the “Journal of sustainable finance and investment” 2016, argues that incorporation of ESG factors provide lower volatility in stock prices compared to a relevant peer group. The paper reported that different industries were differently affected by ESG factors – with as much as 28% lower volatility compared to non-ESG companies. In effect, investors were getting higher risk adjusted returns by investing in ESG companies.

**BUT THE “HOW” IS LESS CLEARER**

The process of HOW this value is created is less understood. A study by UNEP Finance Initiative identified three “engagement dynamics” that can create value. These they identified as:

- Communicative dynamics – allowing interactions between investors and internal ESG information and reporting practices of companies
- Learning dynamics – “acting rather than being acted upon” – testing out ESG policies, identifying better metrics, targets, and key result areas
- Political dynamics – through enhanced interactions between investor relation department, sustainability department and board members – along with external investors.

Investors too benefit through a better understanding of company processes, ESG evaluation processes, and collaboration between financial analysts and ESG analysts.

Recent studies have documented that ESG information is associated with numerous economically meaningful effects. Specifically, ESG disclosures are associated with lower capital constraints (Cheng, Loannou, and Serafeim 2014) and lower costs of capital (Dhaliwal, Li, Tsang, and Yang 2011).

**TRANSFERRING ESG VALUE TO INVESTING INSTRUMENTS IN INDIA**

Building evidence for the argument in this article, it may be noted that there are certain investment funds launched recently in India with a primary focus on ESG.

**CONCLUSION**

With the growing body of evidence, it is becoming clearer that companies with increasing ESG credentials stand a better ground to outperform markets, across geographies and market sentiments. With a growing number of investors using ESG factors as a risk management strategy for their portfolios, particularly within emerging markets, how much longer can organisations wait before they go beyond a mere compliance oriented commitment to CSR?
Monitoring and Evaluation of CSR Projects

While investment by companies in Corporate Social Responsibility programs is increasing, the way in which return is delivered and the success of these programs is also being increasingly observed. Monitoring and Evaluation can help in enhancing the ability to consult, coordinate and engage with various stakeholders. The well-structured monitoring and evaluation process leads to identification of relevant issues in a time-bound manner which in turn can enhance the ability to address the issues through proper performance indicators of CSR activities.

THE PERSPECTIVE

While there may be no single universally accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility. With the passage of the Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the Boards of Indian companies. The industry has responded positively to the reform measure undertaken by the government with a wide interest across the public and private sector, Indian and multinational companies.

With such large expenditures being made towards CSR, it becomes imperative that the projects are monitored and the outcomes are evaluated to ascertain whether the objective with which it was made mandatory, is achieved. “How do we make sure that the money we are spending on CSR is being well spent and that people for whom it is intended are benefitting from it” is a sentiment echoed by many companies. With such large expenditures being made towards CSR, it becomes imperative that the projects are monitored and the outcomes are evaluated to ascertain whether the objective with which it was made mandatory, is achieved. “How do we make sure that the money we are spending on CSR is being well spent and that people for whom it is intended are benefitting from it” is a sentiment echoed by many companies. There is likelihood of greater accountability that Companies will bring into the implementation of activities related to social development.

Organisations in all sectors face an increasing need to demonstrate the impact they’re having, whether it's the social value delivered by public sector projects or the impact of a business’ corporate social responsibility (CSR) programme. For the successful implementation of any CSR project, it is desirable that the said project achieves the required objective. It is also equally important to ensure that the project makes the desired impact which was visualized at the time of selection and planning. The focus for corporates who see the law more as “compliance” has been on project “deliverables” than measuring social impact. Thus, it’s important to have strict and accurate monitoring and evaluation plan as part of any successful project implementation and CSR projects are no exception. It not only helps to be assured of implementation of policies as planned but also helps address intense public scrutiny and legal compliance. Designing Monitoring and Evaluation (M&E) system is crucial for improving performance and ensuring success of the Sustainability and CSR project. M&E can help track progress and outputs systematically, measure outcomes and help you steer your social program in the right direction. Reporting, monitoring and evaluation of companies’ CSR activities is key to setting strategic direction and delivering measurable and tangible results on the ground. A continuous monitoring framework and iterative & reflective mechanisms are essential to support successful program delivery. Such a monitoring framework must inform action at multiple levels, ranging from the local to national and international levels to track and harmonize multiple accountabilities.

MONITORING AND EVALUATION

Monitoring is a periodically recurring task that allows results, processes, and experiences to be documented and used as a basis to steer decision-making and learning. It is a progress checking mechanism created to see whether the project is on track and meeting the outputs set within the time limits as mentioned in the project design and implementation plan. It helps clarify project objectives, link activities & resources to the objective and translates them into performance indicator to set targets. It allows results, processes and experiences to be documented and helps us understand the status of the project at any given time. Monitoring acts as an alert that warns us about a problem to be remedied. The data acquired through monitoring is used for comparing actual results with the target for evaluation.

Evaluation of a CSR project revolves around how well or how badly has the project been implemented, to what extent it has achieved the results (outputs & outcomes), the challenges faced during the implementation and how they have or could have been mitigated. It also provides a base to see whether the same can be scaled up and if the model is replicable. Evaluation is the systematic and objective assessment of an on-going or completed project, program or policy, its design, implementation and results. The aim of evaluation of a CSR program, is therefore to determine the relevance and fulfilment of objectives, development efficiency,
Organisations in all sectors face an increasing need to demonstrate the impact they’re having, whether it’s the social value delivered by public sector projects or the impact of a business’ Corporate Social Responsibility (CSR) programme. For the successful implementation of any CSR project, it is desirable that the said project achieves the required objective. It is also equally important to ensure that the project makes the desired impact which was visualized at the time of selection & planning.

Effectiveness, impact and sustainability. Such an evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors. Evaluation also refers to the process of determining the worth or significance of an activity, policy or program. It deals with the questions of cause & effect. It looks at relevance, effectiveness, efficiency and sustainability of particular intervention.

One of the most pertinent factors to be kept in mind is that monitoring happens during project implementation while evaluation takes place after the project has been implemented. Thus, even mid-term evaluations fall in the category of monitoring as it is focused on what type of hindrances are occurring which is holding back the successful implementation of the project and what type of course corrections needs to take place in order to put the CSR project implementation back on track. It is critical to determine the 3-4 key indicators that are most important for your program, to understand if the program is working on the ground. This involves plotting the long-term impact you want to make, Mid-terms outcomes which will get you there, Short-term outputs of your program.

**BENEFITS OF MONITORING & EVALUATION OF CSR PROJECTS**

Monitoring & Evaluation (M&E) is not merely an activity to monitor and assess the effectiveness and impact of programs; it also exhibits the implementers’ commitment toward achieving desired goals. The absence of M&E strategies in the program design also raises doubts regarding the prospects of the program’s sustainability. Such apprehensions become even more important when it comes to CSR, which has been mandated by the government in the form of an act. Monitoring and evaluation of CSR activities helps corporations in learning from past experiences, improving delivery system of CSR activities they undertake, systematic planning and optimizing resource allocation and measurement of results as a part of accountability to the key stakeholders.

Following benefits accrue from monitoring and evaluation of CSR projects.

- Assess and demonstrates Sustainability & CSR projects effectiveness in achieving its objectives and/or impacts on people’s lives
- Improves internal learning and decision making about Sustainability & CSR project design, how the group operates, and implementation i.e. about success factors, barriers, which approaches work/ don’t work etc

- Assess the capabilities of implementing partners and plan future CSR projects based on their strengths
- Ensures accountability to key stakeholders (e.g. community, Community members/supporters, the wider movement, funders, supporters)
- Can influence the government policy & help share learning with other communities and the wider movement.
- Track, assess and report the progress of the sponsored project and undertake course corrections. Helps CSR team to understand how each stakeholder has met assigned responsibilities.

**CONSIDERATIONS WHEN DEVELOPING A MONITORING AND EVALUATION FRAMEWORK**

A tailor-made Monitoring and Evaluation framework forms one of the foremost components leading to the successful implementation of any project activity. Prior to suggesting tips for the implementation of Monitoring and evaluation in CSR activities, understanding the meaning of both monitoring and evaluation in the context of project framework is important. A clear framework is essential to guide monitoring and evaluation. A framework should explain how the program is supposed to work by laying out the components of the initiative and the order of steps needed to achieve the desired results. A framework increases understanding of the program’s goals and objectives, defines the relationships between factors key to implementation, and articulates the internal and external elements that could affect the programs success. Asking following questions would provide the basis for developing a monitoring and evaluation framework

- What are the objectives of the monitoring activities?
- What are the specific questions that need to be asked to gauge the progress of the intervention?
- What information is needed to see if activities are being implemented in the way that was planned, and who can provide that information?
- What are the objectives of the evaluation?
- What are the specific questions that need to be answered to gauge the impact and success of the intervention?
- What information is needed to determine if the expected
The absence of M&E strategies in the program design also raises doubts regarding the prospects of the program’s sustainability. Such apprehensions become even more important when it comes to CSR, which has been mandated by the government in the form of an act. Monitoring and evaluation of CSR activities helps corporations in learning from past experiences, improving delivery system of CSR activities they undertake, systematic planning and optimizing resource allocation and measurement of results as a part of accountability to the key stakeholders.

objectives and outcomes were accomplished and who can provide that information?

• Determining whether the questions being asked are appropriate ones for understanding how “successful” the intervention has been with respect to its expected objectives and outcomes?

For an effective monitoring and evaluation following criteria can be set up:

Effectiveness of CSR activities: Is the project achieving its pre-set goals?

Project relevance: Are CSR activities well-directed towards stakeholders?

Coherence / Complementarity: Are CSR activities well co-ordinated?

Efficient use of resources: Are the resources allocated for CSR activities utilized efficiently?

Development-policy effects: Are CSR project efforts contributing to pre-determined goals?

Sustainability: Will CSR initiatives keep continuing for long duration?

The most cited questions from investors and participatory stakeholders regarding Social/Community Development and Investment projects is: “How are the social impact/outcome/change of the development program measured?”. Companies track their investment initiatives to varying degrees. The five levels of measurement outlined below describe progressive degrees of measurement and can be used to measure the short-term or long-term and quantitative or qualitative, results of interventions.

- **Inputs**: All resources (human, financial and other) that are allocated to specific activities (e.g. staff time, infrastructure, vehicles, funding and supplies)
- **Activities**: Purposefully designated actions that transform the various inputs into specific outputs (e.g. distributing supplies, training people, donating equipment, building infrastructure, counselling patients, feeding learners)
- **Outputs**: Direct result of activities. These are short-term result that are immediate, visible, concrete (e.g. number of people trained, supplies distributed or community members treated). Outputs for the business include the value of Public Relations that is generated, number of business stakeholders involved, and the number of staff volunteers engaged.
- **Outcomes**: Specific changes in the behaviors, new knowledge, skills or wellbeing. These are medium-term developmental results that are a consequence of achieving a specified combination of short-term outputs (e.g. behavior, knowledge or skills, improved grades, improved access to health services, improved self-esteem). Outcomes could include improved staff morale, increased customer awareness or enhanced corporate reputation.
- **Impact**: Broader long-term consequences of the project. These include community, society or system-level changes that are the logical consequence of a series of medium- and short-term results (e.g. improved effectiveness of education system, reduction in HIV prevalence, more educated or healthier population, increased capacity).

Companies can select indicators measuring a combination of these levels of measurement to track the outcomes of their CSR initiatives and are advised to adopt an approach commensurate with each projects level of investment or strategic value.

**MONITORING AND EVALUATION FRAMEWORK FOR CSR PROJECTS: SUGGESTED APPROACH**

- Develop a monitoring and evaluation plan that acts as a monitoring tool by defining how information from the program will be tracked.
- Different indicators demand different frequencies of measurement. Typically, skill outcomes, awareness building results, etc. can be measured in the short term (monthly, quarterly, etc.); action-based outcomes like policy change, behavior changes need to be evaluated in the long-term window. Impact indicators necessarily have a long measuring cycle. For example, an eventual change in environmental landscape or socioeconomic conditions can only be confirmed over a long period of time.
- To ensure we are making a real step change around sustainability and continuing to move the program on to the next level, the M&E approach should go beyond measuring reach and adoption to focus on the outcomes achieved on the ground.
- The implementation partners have to be involved completely in the M&E process since it has a bearing on
There is a capacity gap among CSR functionaries, as they do not clearly understand how to effectively monitor and measure outcomes. Since CSR functionaries do not have relevant knowledge about these aspects, they are often not able to effectively use evaluation findings, even when they have access to the evaluation reports of their programs. The lack of appreciation for evaluation findings affects program effectiveness, because findings do not take the forms of learning and remedial actions.

The key factors that need to be kept in mind while formulating the program design and also how they allocate resources and plan activities. They have the best understanding of grassroots realities and should be primarily responsible for data collection.

- Use Logical frameworks or logic models which provide a linear, “logical” interpretation of the relationship between inputs, activities, outputs, outcomes and impacts with respect to objectives and goals. They show the causal relationship between inputs, activities, outputs, outcomes and impact vis-à-vis the goals and objectives. Logical frameworks outline the specific inputs needed to carry out the activities/processes to produce specific outputs which will result in specific outcomes and impacts.
- Once the M&E framework, including performance indicators, are signed off with the implementation partners, they should ideally support the monitoring and evaluation process by creating simple tools and processes for data collection and analysis and set up a process for two-way feedback.
- Measuring returns from CSR projects
- Social impact index=Net improvement in quality of life, and number of lives affected due to the nature of the CSR activity and based on the needs of the Targeted Beneficiary (in terms of increase in awareness in social, economic, health, environment, education, political, and other areas of life etc)
- Economic impact index=Net improvement in incomes, wealth, savings, and assets, and number of lives affected, due to the nature of the CSR activity, and based on the needs of the Targeted Beneficiary (in terms of economic value created, income-generating assets created etc).
- ROI = (Net Social Value created for TB+Net Economic Value created for TB)/Financial Investment of the firm. ROI be calculated by external auditing firms every 6 months

Effectiveness of a CSR program can be assessed through a two-tier monitoring mechanism involving external as well as internal agencies for thorough evaluation.

- There can be regular monitoring at Units, Regions & Corporate Centers with monthly & quarterly reporting about CSR activities
- Transparent Assessment / Evaluation can be taken up through reputed agencies for gauging impact of our CSR initiatives
- People’s informed participation in the Impact Assessment, Monitoring and Evaluation is a critical aspect in defining the success and accountability of CSR initiatives. Hence it is essential that the Monitoring and Evaluation is participatory in its approach involving all the relevant stakeholders, including rights holders and communities.

Selection of appropriate tools commensurate with the requirement and the nature of the project is a vital component in any monitoring and evaluation framework. It is well known fact that one size does not fit all, in the same way, the tools selected have to be as per the nature of the project, budgetary constraints and available time line.

Identifying M&E roles and responsibilities: It is imperative for any good monitoring and evaluation framework to assign specific roles & responsibilities within the CSR project team personnel. Further, the assessment is to be done on the basis of specific indicators which are to be achieved within specified time lines. It is important to decide from the early planning stage who is responsible for collecting the data for each indicator. Data management roles should be decided with input from all team members so that everyone has the same understanding and knows the indicators they are assigned while are supposed to track.

Indicators should be SMART: The indicators to be adopted for any monitoring and evaluation plan should be SMART (Specific, Measurable, Accurate, Realistic & Time Bound). This implies that it should be specific in terms of what it wants to measure/assess, measurable quantitatively/qualitatively, able to accurately capture data, based on realistic parameters as per the on-ground situation and should have a specific time line.

Use of Logical Framework Matrix (LFM): It is one of the most critical tools to ensure that the entire CSR project implementation plan along with the results and the performance indicators are drawn up in a matrix so as to make it easier for any project implementation team to see
if the project is going as per the plan. It aids in effective monitoring of the entire implementation phase by checking if the project results (outputs and outcomes) are being met. Further, it also aids in assessing the risks and assumptions and creating a mitigation plan for the same. Moreover, it helps in analyzing the roles and responsibilities of various stakeholders. At the end of a project, it also helps in assessing whether the project has been successful in meeting the outcomes and objectives that the project had set out to achieve.

- **Create a Comprehensive Analysis Plan:** The accurate analysis of data is a key component for the success of any monitoring and evaluation plan. It is very important for the data to be analyzed by data analysis experts. The inferences drawn from the analysis should be substantiated with data comprising of facts and figures (quantitative data) or/and views, opinions, perceptions of the relevant stakeholders (qualitative data).
- **Checking validity of data:** One of the most important factors to be kept in mind while designing of the monitoring and evaluation framework is that the data collected needs to be verified from multiple sources both through primary and secondary research. This is imperative in order to increase the authenticity and accuracy of the data.
- **Sharing of Data with Relevant Stakeholders:** The data collected and the resulting analysis should be shared with all the relevant stakeholders. This will ensure that the data collected and analyzed leads to real-time change/course correction on the ground or leads to better planning and design of future similar projects. The M&E plan should plan for internal dissemination among the program team, as well as wider dissemination among stakeholders and donors.

Thus, in a nutshell monitoring forms the lifeline of any project as it makes sure that the right decisions are taken at the right time in order to mitigate the risks and challenges facing the project in real time while evaluation shows to what extent the overall targets and outcomes set at the time of the project designing phase has been met post implementation of the CSR activities.

**IMPACT ASSESSMENT**

Impacts of the development projects typically take a while to manifest. For instance, a girl child education program can show an increased enrolment and retention of girls and on a monthly basis, but further impacts such as improved learning levels will take at least a year. So, impact measurement studies have different objectives from project monitoring and typically have to be undertaken after providing sufficient time for them to manifest.

- Identifying methods for conducting the impact assessment and outcome measurement suited to the context and the size of the project and budgets available.
- Identifying the skills set required for the impact measurement team and accordingly identifying, selecting and appointing the team.
- Assisting the team to prepare the methodology for selecting a sample, conducting surveys, focus group discussions collecting information on the identified indicators.
- Making the provisions for the site visits by the team, involvement of the agency involved during the baseline and needs assessment.
- Undertaking the impact measurement exercise and preparing the report.
- Identifying the lessons for future interventions.

**REPORTING OF CSR PROJECTS PERFORMANCE**

As mandated by SEBI, CSR performance is disclosed & reported in the Annual Business Responsibility Report. The reporting should revolve around the following:

- Effectiveness of CSR activities: Is the project achieving its pre-set goals?
- Project relevance: Are CSR activities well-directed towards stakeholders?
- Coherence/Complimentarily: Are CSR activities well-coordinated?
- Efficient use of resources: Are the resources allocated for CSR activities utilized efficiently?
- Development-policy effects: Are CSR project efforts contributing to pre-determined goals?
- Sustainability: Will CSR initiatives keep continuing for long duration?

**CONCLUSION**

While investment by companies in corporate social responsibility programs is increasing, the way in which return is delivered and the success of these programs is also being increasingly observed. Monitoring and Evaluation can also help in enhancing the ability to consult, coordinate and engage with various stakeholders. The well-structured monitoring and evaluation process leads to identification of relevant issues in a time-bound manner which in turn can enhance the ability to address the issues through proper performance indicators of CSR activities. Ideally, a monitoring and evaluation process needs to be developed right at the beginning and incorporated in the overall implementation plan as per the following framework:

1. Develop a monitoring framework to capture the progress and outcomes, based on the agreed indicators
   - Develop monitoring and evaluation (M&E) framework to measure performances.
   - Develop project governance structure.
   - Output tracking through well-defined indicators.
   - Progress report (narrative and financial).
2. Midterm reviews
3. Consolidate and analyze learning from the field
4. Mid term, annual and evaluation at the end of project

There is a capacity gap among CSR functionaries, as they do not clearly understand how to effectively monitor and measure outcomes. Since CSR functionaries do not have relevant knowledge about these aspects, they are often not able to effectively use evaluation findings, even when they have access to the evaluation reports of their programs. The lack of appreciation for evaluation findings affects program effectiveness, because findings do not take the forms of learning and remedial actions.

A stringent monitoring mechanism not only helps to gauge and review the progress, it also helps to identify gaps, if, evaluating the projects can help assess whether the desired outcome and impact has been achieved and the benefit is indeed reaching the intended beneficiaries. With a robust monitoring mechanism in place, the companies would be better equipped to plan their programs and also engage with multiple stakeholders who have interest in their CSR activities. Unless companies bring in the rigor of monitoring and evaluation into their CSR programs, they can neither ensure sustainability of their programs nor can they draw linkages between their program and any real social change on ground.
CSR : Impact in India

India became the first country in the world to legislate and implement the concept of Corporate Social Responsibility under the aegis of the Companies Act, 2013. This has been an attempt at legislating philanthropy through legal means. However despite its good intentions and well drafted provisions the impact of CSR spending has been rather haphazard and may not have achieved breakthrough in alleviating the problems in India for which Companies spend their CSR funds. This raises the question of whether CSR policy in India has been over legislated and under regulated by the Parliament. Although attempts have been made by the various Registrar of Companies to seek data from companies regarding their CSR spends, the lack of punitive measures for non compliance ensures that such data collection has lacked teeth. This article attempts to study the impact of CSR spending on the social welfare scenario of India, its pros and cons.

INTRODUCTION

India became the first country in the world to legislate and implement the concept of Corporate Social Responsibility under the aegis of the Companies Act, 2013. CSR rules direct that companies with a net worth of Rs500 crore, a revenue of Rs.1,000 crore or a net profit of Rs. 5 crore spend 2% of their average profit on social development activities like eradicating hunger, poverty, malnutrition etc. The CSR rules have created a tremendous buzz in the environment of social welfare in India but its impact has been haphazard according to various media reports and impact assessments by social welfare organizations. This raises the question of whether CSR policy in India has been over legislated and under regulated by the Parliament.

CSR LEGISLATION IN INDIA

Section 135 read with Schedule 7 of the Companies Act, 2013 lists out 7 key areas where CSR expenditure can be implemented by the companies. These are:
1) Eradicating hunger, poverty and malnutrition
2) Promoting education
3) Promoting gender equality, empowering women etc.
4) Ensuring environmental sustainability, ecological balance etc.
5) Protection of national heritage, art and culture etc
6) Measures for the benefits of armed forces veterans, war widows etc
7) Rural area development, slum redevelopment etc

General Circular No. 21/2014 dated June 18, 2014 of MCA has clarified that the statutory provision and provisions of CSR Rules, 2014, is to ensure that while activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013. However, the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities.

This gives us an understanding of the general thrust areas that the legislators thought the Companies should invest in order to qualify for CSR and also make a social impact on the community. A reading of these areas gives us an understanding of what the Government wants the Corporate world to achieve through CSR. Poverty, hunger eradication are basic human rights that the Central and State governments have been unable to provide despite thousands of crores being spent on them every year. The Central Government has budgeted 3.71% of its total planned expenditure on education. Still the quality of education is poor in the rural areas and the seats for students are lesser than demand in higher education forcing many students to take up courses that were not their first choice.

Empowerment of women is a vast cultural concept which demands social reform in a highly patriarchal society like India. It begs the question of what impact corporates can have beyond tokenism as corporate are essentially profit making enterprises which have neither the skill nor the ability to make changes in societies thinking. Environmental sustainability and ecological balance is an issue that concerns the entire world. The recent backing out of the Paris Accords by the USA shows us how this is essentially a world issue where the Governments of the world need to get together and legislate towards sustainable solutions. The impact of companies on this issue will be therefore mere tokenism and exercises of good Public Relations so that companies will be mentioned well in the press. Protection of arts, crafts and culture is perhaps the area where corporates can make the highest individual impact. Art and culture has traditionally been an area where the elite corporates have done the maximum good by promotion of art galleries and museum endowments.

A general reading of Schedule 7 of the Companies Act, 2013 therefore tells us that while the thought process of the legislators was perhaps good it will lead to questionable impact on the ground and businessmen will have to work hard to move beyond mere tokenism and good public relations in these areas. This raises the question in mind about whether the spelling out of what constitutes CSR has been more of a curse than a blessing as it has restricted the scope for expenditure under CSR while that expenditures impact is socially questionable.

*Mandar Karnik, ACS*
Senior Officer
Shapoorji Pallonji Infrastructure Capital
Company Private Limited, Mumbai
karnikmandar@ymail.com

*The views expressed are personal views of the author.*
Empowerment of women is a vast cultural concept which demands social reform in a highly patriarchal society like India. It begs the question of what impact corporates can have beyond tokenism as corporate are essentially profit making enterprises which have neither the skill nor the ability to make changes in societies thinking. Environmental sustainability and ecological balance is an issue that concerns the entire world.

The CSR law is inherently contradictory in nature. It seeks to legislate social welfare by prescribing the medicine and the recipient of that medicine. However empirical evidence suggests that both the medicine and the intended recipients are either misidentified or mismatched. Take for example an FMCG company which generates revenues from each and every state of India but is headquartered in Mumbai. If it spends CSR funds in Mumbai how will that improve the prospects of people in a backward village in Bihar or an under developed village in Nagaland which are far from the company’s offices and area of concern.

Axis Bank won an award from Business Standard Corporate Social Responsibility Awards 2016 for the social impact of its scheme among large corporate’s. It was seen that Axis Bank and related organisations spent 334 crores on providing sustainable livelihood opportunities in some of the remote regions of the country. The social impact of such a large corpus being spent on a singular purpose shows the ability of CSR to make a telling impact on society.

Implemented by the Mahindra Group, Project Nanhi Kali supports the education of over 11 lakh underprivileged girls in ten states, related organisations spent 334 crores on providing sustainable livelihood opportunities in some of the remote regions of the country. The social impact of such a large corpus being spent on a singular purpose shows the ability of CSR to make a telling impact on society.

Implemented by Tata Steel, Maternal and Newborn Survival Initiative (MANSI), a public-private initiative, is being implemented in 167 villages of the Seraikela block of Jharkhand’s Seraikela-Kharsawan district since 2009. The project goals are to reduce...
child and infant mortality. MANSI has achieved improvement in all process and outcome indicators, such as reduction in neonatal mortality by 32.7%, reduction in infant mortality (up to the age of one year) rate by 26.5%, increase in institutional delivery from 58% to 81%.

L&T recently committed to the construction of 50 check dams in Talasari block of Palghar district in Maharashtra, taking the total number of check dams constructed over the years to 150. This will benefit over 75,000 villagers. This shows the ability of companies to take its expertise in benefiting the society.

The Infosys Foundation mid-day meal program, an initiative in partnership with the Akshaya Patra Foundation, spans several states across India. These are examples of CSR being used by large corporate for the benefit of society.

However it also exposes the other side of the equation. Suppose a company makes Rs. 5 Crore average net profits and becomes eligible for CSR spending. 2% of Rs. 5 Crore comes to around Rs. 10 Lakhs. The amount of impact Rs. 10 Lakh will make on an issue as vast and diverse as eradicating hunger and poverty will be negligible. In such a scenario this corporate will have no impetus to spend this small amount by itself on schemes that matter to its management's hearts and may just write a cheque in the name of any NGO or Foundation which will enable to claim CSR expenditure in next year's annual report. The challenge therefore lies in effective leadership convincing such small companies of the benefits of making sustained efforts at getting societal change through their spending.

It is generally seen that women in orthodox rural families aren’t allowed to work outside their house. Modern Indian companies however have started to employ large numbers of women in their organization. This has been the single largest impetus to women’s empowerment in urban India. But this change only happened because of the efforts of social activists, our political leaders and bureaucrats in promoting education for women. Education unshackled women in India to seek gainful employment which in turn empowered them. Now such a company employing women in its ranks in a backward rural area being told to spend on women’s empowerment might sound illogical, because it is. Social reform can rarely be done by throwing money at it but mostly be done by leadership and political action. CSR therefore could be construed as an attempt by the Government to outsource social sector spending to a large degree enabling it over time to focus better on governance and infrastructure spending which can only be done by the Government. However others may argue that the Government is simplyembracing of its responsibility of its duty of using taxes for social benefit by indirectly taxing the corporate by social responsibility.

MISUSE OF CSR:

Some sections of Indian businesses are now misusing the provisions of CSR. It is important to see the ways in which CSR provisions are manipulated in order to further develop checks and balances in the system.

The modus operandi to launder money or convert black money into white is simple. If a company is obligated to pay Rs.20 Crore on CSR it will give this amount to a trust that works in any of the Schedule 7 activities prescribed by the Government. The trust, after deducting its commission will discreetly return a part of the money in cash to the promoters/managers by raising fake invoices and vouchers for services provided to front companies of the promoters/managers of the Company that provided those funds. This modus operandi is a favourite of not just unscrupulous private businessmen but also government bureaucrats of PSU enterprises.

While actual expenditure of a firm is required to be audited CSR expenditure is not so a firm can get away with its CSR expenditure. Also laws regarding charitable trust audits are lax so the prospect of anyone getting caught in this exercise is low. Such transactions are difficult to prove without proper forensic audit investigations by ED or CBI. But given the fact that these transactions are rooted in the concept of charity and CSR there will be no political will neither societal pressure to go after these transactions.

Another way of using CSR improperly without falling prey to the law is by using it as an opportunity of doing business instead of a social responsibility. CSR funds are often directed at ventures that create goodwill among the public. For example a construction company building a slum rehabilitation scheme may be counted as CSR if the necessary conditions are met. Here the construction company will get twin benefits of Government favours and societal goodwill by undertaking a slum rehabilitation project. There are reports where large Indian companies have given scholarships to children of bureaucrats, who no doubt wield immense power in public policy and law enforcement.

A Company may argue that without conducting public relations about its CSR activities it loses the chance of maximising the image of the company. Many studies have suggested that companies with a good image get business benefits from it. So if a CEO cannot showcase his good deeds on the company website and media how will shareholder value be maximised. Maximisation of shareholder value is the primary objective of any company. So CSR will be calculated as maximising shareholder value. But then proponents of social welfare will argue these funds could have been better utilized elsewhere. This argument can continue forever.

While the misuses of CSR are many the empirical evidence of wrongdoing is still negligible as the authorities are lax and turn the other way when confronted with such instances.

CONCLUSION:

The CSR programme is still young and it will take time to prosper but excessive legislation might scuttle its chances of success. Also it will take inspired leadership to provide smaller corporate with the ability and means of making a success of their CSR programmes. CSR is a good idea whose time has come and we should generate generous leeway to corporate’s notwithstanding its misuse.

REFERENCES :

CSR & Sustainability Regulation: A new Paradigm

Worldwide, there is a growing emphasis on the impact of business organizations on wider society and local community. Business organizations take different social initiatives to fulfill their social obligations under the term “Corporate Social Responsibility (CSR)”. CSR activities are basically voluntary in nature and business entities take different initiatives based on their own mission, vision, objective and requirement of the local community. This study attempts to investigate the changing paradigm of CSR standards and regulation across the different jurisdictions. The study also elaborates the regulations that has been incorporated in different countries in the area of CSR, Sustainability and its disclosure norms.

1. INTRODUCTION

The growing importance of Corporate Social Responsibility is manifested in the growth of CSR standards, rules, regulations and reporting schemes. No doubt, through these initiatives companies are able to organize and integrate the Corporate Social Responsibility initiatives into their business processes and thus creating a transparent and ethical business making. Voluntary CSR regulation has contributed immensely in the development of CSR standards across the world. Various CSR rules and certifications include SA 8000, ISO 26000, Global Reporting Initiatives (GRI), UN Global Compact have been framed for adoption by the business entities. Over the years, there is a significant increase in the number of companies which are adopting these standards on their own. For instance, more than 9000 companies and 4000 non-business entities have joined the UN Global Compact, which was started in the year 2000, though it is not binding and voluntary in nature. The adoption of the CSR standards and regulations will certainly change the way companies operate businesses and eventually change the way business entities act in order to be portrayed as a legitimate societal actors by the stakeholders.

2. CSR STANDARD

The following table summarizes some of the most prominent CSR standards which are accepted and adopted worldwide:

<table>
<thead>
<tr>
<th>CSR Standard</th>
<th>Norms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OECD Guidelines for Multinational</strong></td>
<td>The OECD Guidelines for Multinational Enterprises are the most comprehensive set of government-backed recommendations on responsible business conduct in existence today. The governments adhering to the Guidelines aim to encourage and maximise the positive impact MNEs can make to sustainable development and enduring social progress. The Guidelines provide voluntary principles and standards for responsible business conduct in areas such as employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation. A total of 48 countries adhere to the guidelines which includes 36 OECD countries and 12 non-OECD countries. The Guidelines were first adopted in 1976 and have been reviewed 5 times since then to ensure that they remain a leading tool to promote responsible business conduct in the changing landscape of global economy.</td>
</tr>
<tr>
<td><strong>UN Guiding Principles</strong></td>
<td>The UN Guiding Principles on Business and Human Rights which was endorsed in June 2011 are a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations. The Guiding Principles are founded on 3 pillars: (a) The State duty to protect human rights against abuse by third parties, including business, through appropriate policies, legislation, regulations and adjudication; (b) The corporate responsibility to respect human rights, meaning to act with due diligence to avoid infringing on the rights of others and address adverse impacts with which they are involved; (c) The need for greater access to effective remedy, both judicial and non-judicial, for victims of business-related human rights abuse.</td>
</tr>
<tr>
<td><strong>Global Reporting Initiative</strong></td>
<td>Since inception in 1997, GRI Sustainability Reporting Standards are the first and most widely adopted global standards for sustainability reporting. GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. GRI reports are produced in more than 90 countries. Of the world’s largest 250 corporations, 93% report on their sustainability performance and 82% of these use GRI’s Standards to do so.</td>
</tr>
<tr>
<td><strong>ISO 26000</strong></td>
<td>Launched in 2010, ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society. It provides guidance rather than requirements, so it cannot be certified to unlike some other well-known ISO standards. Instead, it helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions and shares best practices relating to social responsibility, globally.</td>
</tr>
<tr>
<td><strong>United Nations Global Compact</strong></td>
<td>UN Global Compact are a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. UN Global Compact supports companies to do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption. The ten principles of UN Global Compact are: (1) Businesses should support and respect the protection of internationally proclaimed human rights, (2) Businesses make sure that they are not complicit in human rights abuses, (3) Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; (4) Businesses should work for the elimination of all forms of forced and compulsory labour, (5) Businesses should work for the effective abolition of child labour, (6) Businesses should work for the elimination of discrimination in respect of employment and occupation, (7) Businesses should support a precautionary approach to environmental challenges, (8) Businesses should undertake initiatives to promote greater environmental responsibility, (9) Businesses should encourage the development and diffusion of environmentally friendly technologies and (10) Businesses should work against corruption in all its forms, including extortion and bribery.</td>
</tr>
<tr>
<td><strong>Equator Principles</strong></td>
<td>The Equator Principles (EPs) is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence and monitoring to support responsible risk decision-making. The EPs apply globally, to all industry sectors and to four financial products: 1) Project Finance Advisory Services 2) Project Finance 3) Project-Related Corporate Loans and 4) Bridge Loans. Currently 96 Equator Principles Financial Institutions (EPFIs) in 37 countries (including India) have officially adopted the EPs, covering the majority of international project finance debt within developed and emerging markets.</td>
</tr>
<tr>
<td><strong>Extractive Industries Transparency Initiative (EITI)</strong></td>
<td>Natural resources, such as oil, gas and minerals should benefit all citizens. EITI is a standard by which information on the oil, gas and mining industries is published. The standard requires countries and companies to disclose information on the key steps in the governance of oil, gas and mining revenues.</td>
</tr>
<tr>
<td><strong>UN Principles for responsible Investment</strong></td>
<td>Responsible investment is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns. The ESG factors include environmental (climate change, resource depletion, including water, waste and pollution, deforestation), social (working conditions, including slavery and child labour, local communities, including indigenous communities, conflict, health and safety, employee relations and diversity and governance (executive pay, bribery and corruption, political lobbying and donations, board diversity and composition, tax structure)</td>
</tr>
<tr>
<td><strong>AA1000</strong></td>
<td>AccountAbility’s AA1000 Series of Standards are principle-based Standards and frameworks used by businesses organizations, governments and civil societies to demonstrate leadership and performance in accountability, responsibility and sustainability. AA1000 Principles helps an organisation understand, manage and improve its sustainability performance. AA1000 is based on 3 Principles – (1) The Principle of Materiality; (2) The Principle of Responsiveness, and (3) The principle of Inclusivity.</td>
</tr>
<tr>
<td><strong>Fairtrade Labeling Organization</strong></td>
<td>Fairtrade offers consumers a powerful way to reduce poverty through their everyday shopping. When a product carries the FAIRTRADE Mark it means the producers and traders have met Fairtrade Standards. The Fairtrade Standards are designed to address the imbalance of power in trading relationships, unstable markets and the injustices of conventional trade. There are now thousands of products that carry the FAIRTRADE Mark. Fairtrade Standards exist for products ranging from tea, coffee, fresh fruits, nuts, flowers, plants, sports balls and seed cotton.</td>
</tr>
<tr>
<td><strong>Forest Stewardship Council (FSC)</strong></td>
<td>FSC is a global not for profit organization established in the year 1993 and sets standards for what is a responsibility managed forest, both environmentally and socially. FSC works to take care of the world’s forests for future generations. FSC certification on a product gives an assurance that the product is made from wood from responsible sources.</td>
</tr>
<tr>
<td><strong>Marine Stewardship Council</strong></td>
<td>Established in 1997, Marine Stewardship Council is an international non-profit organization which recognises and reward efforts to protect oceans and safeguard seafood supplies for the future so that future generations are able to enjoy seafood and oceans full of life, forever. It uses its ecolabel and fishery certification program to contribute to the health of the world’s oceans by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with different partners to transform the seafood market to a sustainable basis.</td>
</tr>
</tbody>
</table>
Over the years, there is a significant increase in the number of companies which are adopting these standards on their own. For instance, more than 9000 companies and 4000 non-business entities have joined the UN Global Compact, which was started in the year 2000, though it is not binding and voluntary in nature.

From January 1, 2016, Danish Financial Supervisory Authority through an executive order has made it mandatory for large companies in class C and D category, institutional investors, mutual funds and other listed financial businesses to report on their CSR activities. These eligible companies have to report “A brief description of company’s business model and a description of CSR policies pursued”. They need to elaborate the Environmental policies, including measures to reduce the climate impacts of company’s activities, Social conditions and employee conditions, Respect for human rights, and Measures to fight bribery and corruption. For each policy area, the company shall state “how the business puts its CSR policy into practice, and any systems or procedures in this respect must be described.” The company shall also provide the non-financial key performance indicators, company’s assessment of achieved results of its CSR initiatives, and future expectations.

These various CSR standards also create challenges in front of the corporations as they differ in their content which are to be adopted. The number of adoption by companies in developed countries are far more than the number of companies in developing countries which have adopted these CSR standards. The companies which are larger in size in terms of turnover adopt more standards than the companies which are smaller in size, as the pressure on the large companies are greater from different stakeholders as their influence on different stakeholders are far bigger. Another factor which encourages the adoption of CSR practices by large business organizations is their ability to mobilize money, resources and employee which helps them into institutionalizing the CSR in their business processes.

3. **CSR DISCLOSURE**

There is also a growing trend worldwide on the adoption of norms for CSR disclosure through the annual report or sustainability report. Though, many countries have not made it compulsory for every company, the disclosure norms have been voluntarily adopted by companies on their own. The norms of CSR / Sustainability disclosure are prescribed by the government as a part of the corporate law or adopted by the regulator or the stock exchange as a part of the listing agreement. The following are the summary norms of sustainability disclosure being prescribed in different countries:

<table>
<thead>
<tr>
<th>Countries</th>
<th>CSR Norms</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>From 2008 onward, the Shanghai Stock Exchange (SSE) required both Chinese and overseas companies listed on the stock exchange to engage in ESG reporting. The rules governing ESG reporting at the Shenzhen Stock Exchange are broadly similar to those in Shanghai, although the guidance on reporting content is more specific. Companies should report on the implementation of social responsibility relating to employee protection, impact on environment, product quality and community relations. Companies should further report on how well they have implemented the instructions and reasons for gaps, if any. Finally, companies should report on any measures for improvement taken and the timetable for those. From 1 January 2016, the new Hong Kong Stock Exchange ESG Reporting Guide came into effect which prescribed that listed companies must report on “comply or explain” provisions of the ESG reporting guide, which means either report the information or report why they have chosen not to provide the information. The ESG guide contains an environmental component and a social component. The social and environmental subject areas involve both general disclosures and specific KPIs. Until 1 January 2017, environmental disclosures remain “recommended” only, after which they shift to “comply or explain” mode.</td>
</tr>
<tr>
<td>Denmark</td>
<td>From January 1, 2016, Danish Financial Supervisory Authority through an executive order has made it mandatory for large companies in class C and D category, institutional investors, mutual funds and other listed financial businesses to report on their CSR activities. These eligible companies have to report “A brief description of company’s business model and a description of CSR policies pursued”. They need to elaborate the Environmental policies, including measures to reduce the climate impacts of company’s activities, Social conditions and employee conditions, Respect for human rights, and Measures to fight bribery and corruption. For each policy area, the company shall state “how the business puts its CSR policy into practice, and any systems or procedures in this respect must be described.” The company shall also provide the non-financial key performance indicators, company’s assessment of achieved results of its CSR initiatives, and future expectations.</td>
</tr>
<tr>
<td>European Union</td>
<td>European Union (EU) requires large companies to provide information pertaining to the way, they operate and manage social and environmental challenges. Directive 2014/95/EU lays down the rules on disclosure of non-financial and diversity information by large companies. The rules on non-financial reporting only apply to large public-interest companies with more than 500 employees. Companies have to publish reports on the policies they implement in relation to environmental protection, social responsibility and treatment of employees, respect for human rights, anti-corruption and bribery, diversity on company boards (in terms of age, gender, educational and professional background).</td>
</tr>
</tbody>
</table>

**SA8000**

Established in 1997, SA8000 Standard is the leading social certification standard for factories and organizations across the globe. The Standard helps certified organizations demonstrate their dedication to the fair treatment of workers across industries and in any country. SA8000 measures social performance in eight areas important to social accountability in workplaces. The Standard reflects labor provisions contained within the Universal Declaration of Human Rights and International Labour Organization (ILO) conventions.

**ISO50001**

ISO 50001 makes it easier for organizations to integrate energy management into their overall efforts to improve quality and environmental management. ISO 50001 provides a framework of requirements for organizations to Develop a policy for more efficient use of energy, fix targets and objectives to meet the policy, Use data to better understand and make decisions about energy use, Measure the results, review how well the policy works, and continually improve energy management. Like other ISO management system standards, certification to ISO 50001 is possible but not obligatory.
In France, The Grenelle 2 Act, 2010 has made Social and Environmental Report mandatory for all companies which has more than 500 employees. There are 42 information that companies must report spanning social (employment, labour relations, health and safety), environmental (pollution, and waste management, energy consumption); and societal categories (social impacts, relations with stakeholders, human rights).

In Indonesia, three different laws specify the CSR obligation. (a) The State-Owned Enterprises Law: This law states that State-Owned Enterprises must be active in assisting Small and Medium-Sized Enterprises, cooperatives and the people and shall allocate 2% of their net profit to CSR. (b) The Investment Law: This law defines CSR as ‘the responsibilities attached to every investment so as to maintain a harmonious and balanced relationship that concurs with the environment, local values, local norms, and local cultures’. The responsibilities of investors with regard to CSR are (i) to maintain environmental conservation; (ii) to care for the safety, health, comfort and well-being of employees; and (iii) to comply with the laws. The violation of the provision may lead to the withdrawal of a business license. (c) The Limited Liability Company Law: This Law imposes an obligation to engage in environmental social responsibility on companies which carry out activities in the natural resources sector. A company is obligated to allot funds for CSR implementation and the allocated funds are considered corporate operational expense.

In India, in 2014, India became one of the first country in the world to make CSR spending mandatory. The provision requires companies with a networth of more than INR 500 crore or a turnover above INR 1000 crore or net profit of INR 5 crore to spend at least 2% of their average net profit on different social development programmes. If the company fails to spend aforementioned amount, the Board shall specify the reasons for not spending the amount in its report. The legislation doesn’t define the word CSR rather it prescribes certain activities like poverty eradication, rural development, women empowerment, education, health and sanitation, etc. as CSR activities. The legislation in India may encourage other developing countries to take a leaf and legislate similar kind of law in their own jurisdiction. Further, Companies (CSR Policy) Rules, 2014 prescribes that The Board’s Report shall mandatorily include an annual report on CSR. The annual report on CSR shall disclose their CSR Policy, composition of CSR Committee, CSR programs / projects / activities undertaken, amount spent as a part of Board Report.

In Mauritius, in the year 2009 by incorporating an amendment in the Income Tax Act, 1995 through Section 50L of the Finance (Miscellaneous Provisions) Act 2009 made CSR mandatory. Section 50L states that any company making profit is required to contribute 2% of their book profit after tax for carrying out CSR activities under approved programmes. The activities can be carried out by an approved NGO, a Foundation or a corporate part ner. The CSR activity shall be for the Socio economic development, Health, Leisure and sports, Environment, Education & training and Natural Catastrophes.

In South Africa, In 2009, King III prescribes integrated reporting for companies listed on the Johannesburg Stock Exchange (JSE) and, through the JSE listing requirements, companies are therefore obliged to produce an integrated report. King III report recommends that organisations produce an integrated report in place of an annual financial report and sustainability report. Listed companies choosing not to produce an integrated report need to explain why they are not doing so. The integrated report should be published annually and report’s emphasis should be on “substance over form” - integration should not merely be a “copy and paste” from source documents. King IV Report (2016) on Corporate Governance for South Africa now give more emphasis on integrated reporting and integrated thinking. King IV recommends the preparation of an integrated report by small and medium-sized enterprises, non-profit organisations, retirement funds, state-owned enterprises and municipalities.

In Singapore, In June 2016, Singapore Exchange (SGX) introduced sustainability reporting on a “comply or explain” basis. Listing Rule 711A requires every listed issuer to prepare an annual sustainability report, which must describe the issuer’s sustainability practices. The sustainability reporting requirements prescribes that the Companies have to publish a sustainability report at least once a year, no later than 5 months after the end of each financial year. The report should describe the sustainability practices with reference to five primary components: material ESG factors, policies, practices and performance, targets, sustainability reporting framework, and the Board statement.
The UAE Council of Ministers issued a new resolution (the CSR Law) concerning Corporate Social Responsibility (CSR) in the UAE which came into force on 1 February 2018. The objectives of the CSR Law are to establish a regulatory framework for CSR contributions in the UAE, document, manage and direct CSR contributions made to UAE based CSR initiatives, provide incentives and privileges for UAE businesses that contribute to CSR practices within the UAE, establish the Federal Social Responsibility Fund, and empower the Fund to promote a culture of social responsibility, including the preparation of a National Social Responsibility Index as an annual report to rank contributions made by UAE businesses to CSR in the UAE. The CSR Law applies to commercial companies of all legal forms operating in the UAE, including banks, financial institutions and branches of foreign companies, companies owned (partially or wholly) by Federal or Local Governments; and other organisations and entities which opt to be listed on the Platform. CSR contributions which may be considered for inclusion on the Portal include contributions to social developments by monetary or in-kind contributions to fund programmes and projects, adopting eco-friendly policies for production and work, promoting the spirit of innovation and scientific research, contributing to solutions to problems or challenges faced by society, and establishing a culture of social responsibility through strategies, providing opportunities for humanitarian and community campaigns and initiatives and engaging in voluntary programs. The CSR Law states that social responsibility is based on voluntary principles. However, while CSR contributions will remain voluntary, filing a CSR return and listing on the platform will become mandatory for all businesses in the UAE which fall within the scope of the CSR Law. Before the annual trade licence renewal, the CSR Law provides that businesses must disclose their contribution, or non-contribution, to social responsibility for the preceding year, via the Platform. If the company discloses a CSR contribution, it must include all data and information relating to the type and volume of the contribution. The CSR Law establishes a mandatory annual contribution into the Fund, currently AED 1,500, which forms part of a UAE business's contribution to social responsibility. If companies wish to obtain the Social Responsibility Mark there is a required contribution of AED 10,000, and AED 15,000 to obtain the Social Responsibility Permission.

These various CSR standards also create challenges in front of the corporations as they differ in their content which are to be adopted. The number of adoption by companies in developed countries are far more than the number of companies in developing countries which have adopted these CSR standards. The companies which are larger in size in terms of turnover adopt more standards than the companies which are smaller in size, as the pressure on the large companies are greater from different stakeholders as their influence on different stakeholders are far bigger.

4. CONCLUSION

So, is the legislation the way forward and will legislating CSR become a norm throughout the globe? Yes, There is a clear trend globally towards CSR disclosure through regulation especially for large companies. The reporting requirement has increased the quantity of CSR information in annual reports. But critics suggest that it is more about quantity than quality. Very few companies include specific indicators in order to report results.

REFERENCES

CSR Effectiveness - after 5 Financial Years of implementation - a Do’s and Don’ts Analysis

An attempt is made in this article to analyse the real character of Corporate Social Responsibility (CSR) provisions and rules by explaining that CSR provisions and rules are equally important provisions for compliance, much similar to any other provisions of the Companies Act. Thirty points are also suggested to carry out CSR activities in an effective manner.

The provisions of the Companies Act, 2013 under Section 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, have now completed full 5 financial years, after becoming effective from 1st April, 2014. While different data is reported by different agencies in last five years, one may question about how much amount is spend, by all the companies liable for CSR and what is the effectiveness of CSR spending and status of adoptability of CSR provisions. As per estimates, total spending on CSR liabilities have crossed about Rs.80,000 Crores in last 5 years, by all the companies together coming under the CSR criteria. This signifies the volume of activities carried out by the companies in India into CSR filed and therefore, a test of purposefulness and objectivity of CSR activity has got attention of all. Over the period in last 5 years, CSR has been gradually adopted by corporates and now it is done more willingly in India. CSR has become a centre stage topic for discussion in many conferences, conventions and meetings of senior corporate executives, CSR activities have got this enormous importance, because, despite huge spending in social schemes and socialistic efforts by the Governments in last 5 years, CSR spending by non-Government players has also significantly influenced and affected the lives of millions of poor, needy, helpless, backward and last mile citizens in India.

Government keenly watching

CSR objectivity

Anybody can easily conclude that the Government has been successful in achieving its primary objectives behind bringing this important piece of legislation in 2014, whereby it aimed non-government financial participation and skilful support of mostly private players, in social spending and upliftment of weaker and backward class of society. The Government is keeping watchful eyes on the volume and ways of CSR spending vis-a-vis its benefits derived by the society. Thus it intends to do by time to time analysing relevant data collected from company’s report of Board of Directors and Annual Report on CSR. This analysis also reveals, how CSR spending is concentrated into specific sectors. Also it reveals, if any particular sector is neglected or left behind in CSR spending. The Government, after analysing these data/information, can formulate new policies for CSR spending in future. It can also promote some other sectors, if it finally believes that some sectors/area henceforth been not selected for CSR spending or still lacking in spending which need more funds in future out of CSR spending. Based on past five year experience, changes may be proposed in future amendments in the Companies Act or the relevant rules as the case may.

Some recent enquiries by the Registrar of Companies (ROC), through the e-form CFI-CSR about the amount spent and yet to be spent as per CSR rules, also suggest Government wishes to analyse list of those companies, who have not yet fulfilled their CSR obligations. Another important information collected through this e-form is about the reason of failure, where target CSR spending could not be achieved. Till date CSR compliances of applicable companies, are examined and reported through audited annual financial statements and audit report of the statutory auditors. It is further examined through the views on CSR compliance expressed in annual secretarial audit report of the secretarial auditors. Neither a separate exclusive audit is prescribed for CSR spending nor any independent audit reporting is required in current law. But considering the growth in quantum, the Government may consider bringing in some new regulations in future for a separate audit report on CSR compliances either on quarterly or yearly basis.

CSR non compliance – Most favoured excuses for failure

Generally companies who fail to achieve target CSR spending, within the same financial year, provide following reasons for failure for reporting purpose;

I. taking time in CSR activities due to limited staff;
II. delay in identifying good projects and programs for CSR activities;
III. delay caused due to strict evaluation of CSR proposal so that honest spending can be ensured;
IV. non-involvement of any third party agencies to avoid misuse of CSR funds and
V. Time consumed in collecting data / evidence of CSR for the purpose of audit;

Some of the other excuses could include;

VI. non-applicability of the CSR rules in a particular financial years;
VII. change in CSR calculation rules from three year profitability to one year profitability; and
VIII. expenses being carried forward to the next year due to cash flow constraints
IX. could not find suitable project to undertake etc. etc.

*The views expressed are personal views of the author.
If we analyse the purpose and objectives of the Government, when it puts the onus of decision to shift the CSR spent to next year, on the shoulders of board of directors of the companies, it does not wish that many companies shift their CSR spending into next year, except only Board of those companies, which have justifiable reasons to explain this shifting into their Board Report and Annual Report of CSR.

Whether penalties u/s 450 attracted on CSR non-compliance:
Let us examine applicability of Section 450 of the Companies Act, 2013, on CSR non-compliance. Section 450 provides for punishment where no specific penalty or punishment is provided under the Companies Act, 2013. Generally there is a perception among many corporate executives and professionals that CSR liability and its compliance is still recommendatory and it is non-mandatory or not a legal binding, till date. This perception gets some strength when they find, no penalty provisions u/s 135 and CSR rules, 2014 is provided. However, one should not ignore the language and intention of the legislation, which uses word "shall ensure" u/s 135(1) and 135(5), as we read it “The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company”.

Here, the word “shall ensure” indicate the mandatory nature of CSR spending, and any company, on which CSR rules become applicable, shall be liable for CSR spending within the same financial year. The importance of spending CSR money in same financial year comes from the words “in every financial year”. Thus non-compliance of CSR provisions within the same financial year, definitely attract penalties u/s 450 of the Act, 2013, as no other specific penalty provisions are prescribed in the Act and rules.

The provisions u/s 450 provides that “If a company or any officer of a company or any other person contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be punishable with fine which may extend to ten thousand rupees, and where the contravention is continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the contravention continues.”

CARRYING FORWARD UNSPENT CSR LIABILITY TO NEXT YEAR- WHETHER PERMITTED AND DESIRABLE:
Let us do a purposeful analysis of this provision from a different angle, to know whether carrying forward unspent CSR liability to next financial year, be considered as an acceptable excuse or whether it may be permitted under current laws without attracting any penalties.

In this regard attention is invited of readers to the Press Note dated 8th March, 2016, released by the Press Information Bureau of the Ministry of Corporate Affairs, Government of India, about position of carrying forward any unspent CSR funds in to next financial years and the press note reads as under:

“The Ministry of Corporate Affairs in its circular dated 12th January 2016, has clarified that, the Board of the Company is free to decide whether any unspent amount from out of the minimum required CSR expenditure is to be carried forward to the next year. This provision is uniformly applicable to all CSR eligible companies including Public Sector Undertaking (PSUs).

This was stated by Hon’ble Minister of Corporate Affairs in written reply to a question in the Rajya Sabha today i.e. on 8th March, 2016.”

There could be a good debate on this press note and can it be concluded that it gives full freedom to the Companies, whether to spend the target CSR amount in the same financial year or carry forward, the unspent amount into next financial year. Can we say, even if the amount is not spent in next financial year, it can be carried forward again to the next financial year/s. Since there is no limit given for how many years, the unspent amount can be carried forward in this press note or any other rules, so can it be concluded that, any company can carry it forward for any number of years, and if one goes by this concept, no company need to spend any amount on CSR same year, and it can just carry it forward endlessly and defeat the whole purpose of this legislation.

Reading the above press note to draw a conclusion like above, shall be wrong. Giving the freedom to carry forward unspent amount does not absolve any company from its liability towards CSR, as explained in above paras. The Company shall be liable to report the non-compliance under Act and Rules and in the Board’s report. Simultaneously, the Board should have justifiable reasons to explain, why it chose to carry forward an expenditure into next year instead of spending it, in the same year. The Company shall be exposed to penalty provision of section 450 for taking such a decision. Thus, freedom to carry forward unspent amount of CSR into next financial year, is basically a responsibility casted on the Board of Directors of the Company, to analyse the situation on CSR and then conclude about carrying it forward, but this action is still open for any violation on CSR.

IMPACT OF NON-SPENDING OF CSR TARGET AMOUNT IN SAME FINANCIAL YEAR:
During the last five year period after implementation of CSR provisions, the Government was liberal and did not followed the
CSR compliances aggressively. But recently instances have been reported that not only, the Government has been strictly watching all non-compliances of CSR in any respect, even show cause notices have been issued to many companies. At present the number is estimated to be around against six thousand non-compliant companies and in some cases, even prosecution is filed before the competent court. Such punitive actions have been initiated on various grounds of non-compliances of CSR rules, including lapses on disclosures regarding formation of CSR policy, formation of CSR committee, lapses on CSR spending in the same year by the companies without having justifiable reasons, lapses of attaching annual report on CSR with the report of the Board of Directors etc. In all such cases where prosecutions are initiated against non-compliant companies, they may be required to go for compounding of offence or re-opening of the financial statements for adoption of the revised Board report etc. And this process may be cumbersome and painful for companies. Thus, more or less, the Government is strictly watching the misuse, of the freedom provided to the Companies to decide CSR activities, on their own way to keep it within the framework of CSR rules. The Government now considers that all those companies which have been failing in achieving their target liability spending on CSR, failing on CSR disclosure requirements and also have been relaxing considering there is no clear penal provisions in the Act and Rules, should be brought to the book. At present, the combined provisions on CSR prescribed in the Act, Rules, Circulars, and Notifications, suggests that there is no specific violation attached to non-spending of desired CSR amount in any particular year, except that under second proviso to Section 135(5) of the Companies Act, 2013, “if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.”

Further to the above, under provisions of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Board Report of every company liable for CSR activity, shall include an annual report on CSR containing particulars specified in annexure to the rules and in this annexure every company is to report the unspent amount of CSR.

Also as per para 7 of this annexure attached to CSR rules, non-compliant companies need to give in the Annual Report on CSR, a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy.

Thus, every company is under an obligation to report actual reason for not spending target CSR amount, and proper disclosures in the Board Report regarding constitution of the CSR Committee, CSR Policy, and annexing an annual report of CSR etc. Everyone has to be careful that, giving unjustifiable reasons in this report, may invite further explanations by the concerned regulating authorities in future. Therefore, non-spending of CSR target amount within the same financial year and other disclosures required under the Act and rules thereunder, should be not only ethically justified, it need to be properly explained also.

**UNDERSTANDING OBJECTIVE BEHIND NOT CARRYING FORWARD CSR SPENDING INTO NEXT FINANCIAL YEAR**

If we analyse the purpose and objectives of the Government, when it puts the onus of decision to shift the CSR spent to next year, on the shoulders of board of directors of the companies, it does not wish that many companies shift their CSR spending into next year, except only Board of those companies, which have justifiable reasons to explain this shifting into their Board Report and Annual Report of CSR. Thus, more emphasis is given to the fact that every year company fulfills its CSR obligations in same financial year itself and does not accumulate its CSR liability for next years. The intention of Government in this provision appears to be more proactive as it does not want to delay the process of social spending, and delay the process of benefits accruing to the society from CSR spending. If such CSR spending is shifted to next year, means delay in spending thereby delay and depriving the social benefits. Also accumulation of CSR liability by carrying it forward to another years, may create cash flow, accounting and taxation issues into subsequent years. Since no liability provisions are required to be made in books of account for unspent CSR liability, an accumulation of it may have cash flow constraints in future and jeopardies the whole concept of CSR in case of cash flow losses in future in any company.

**FUTURE POSSIBLE CHANGES IN CSR:**

In future the Government may make such changes in CSR rules, which bring more emphasis on achieving defined objectivity or purposefulness from the CSR spending. For this purpose, the Government may modify CSR Rules, as how a CSR activity should be performed, which fulfills the desired objective. In other words we may see in future some guidelines, which may take away some part of current freedom from the corporate India on CSR spending. These changes may also bring in more clarity about functions to be carried out for an effective CSR, so that CSR is used for social upliftment and no part of it is wasted. That
is the reason we see many government officers in state level, district level and taluka level keep a close coordination with Trade and Industry Associations, District Industry Centres, Business bodies-like Chamber of Commerce and other NGOs carrying charitable projects, as they know a good amount of CSR corpus could be channelize to support local Government Schemes.

**ANALYSIS OF CSR FUNCTIONALITY AS DEFINED IN RULES BY THE GOVERNMENT:**

The philosophy or objectives of the Government of India, behind promulgating important piece of legislation like CSR, can be understood further from answers by the Ministry of Corporate Affairs through its FAQ on CSR:

1. **Whether there is enough freedom to select CSR activity/project?**
   Current set of CSR rules gives enough freedom to Corporates for CSR work as per their choice, as Government has broadly identified areas and within the area, actual CSR work can be done with complete freedom and independent choice of the corporates. The Government gives freedom of liberal interpretation, till CSR activity captures the essence of the subjects / area reckoned in the rules. The items listed in the Schedule VII of the Act, are broad-based and allow intended coverage for any wide range of activities.

2. **Whether expenditure is deductible under the Income Tax on CSR spending?**
   The Government denies benefit of any specific deduction as business expenditure on CSR but does not debar if CSR spending is done intelligently towards contributions to Prime Minister’s Relief Fund, spending on scientific research, rural development projects, skill development projects, agricultural extension projects, etc., which are otherwise covered in Schedule VII and also qualify for exemptions under different sections of the Income Tax Act, 1961.

3. **Whether spending on personal likings and business expenditure is CSR?**
   The Government believes in judicious use of CSR corpus and that is the reason it has guided to not use CSR funds on such events, which may not be fulfilling socialistic objective from CSR. It appears events which are more business oriented and depending upon personal likings, such as marathons/promotional awards and distributions / selective charitable contributions / business advertisement / sponsorships of TV programmes, reality shows, where we intend to receive certain considerations against our spending, are not qualified as part of CSR expenditure. However, there could be paper thin differences in many such activities which may one side may be defined as part of eligible CSR and on the other side may be denied. Therefore, in our conviction, we must justify our self before indulging into such CSR spending, whether it can be convincingly defined as CSR and not a business expenditure. Because if it can be considered as a business expenditure than surely it will not be a CSR expenditure.
   As per statutory clarification CSR is not a business expenditure. Though quantum of CSR is based on business earnings but its spending is not for business. The objective behind it could be that, CSR spending is from that part of kitty which stakeholders sacrifice from their earning, every year as social obligation and this amount is decided before they distribute their business earnings to themselves. Government’s intention is further clarified, when spending to fulfill any other obligation is not recognised as an eligible CSR activity.

4. **Contributions to political parties not CSR:**
   The Government has in its full conviction and clarity denied that contribution of any amount, to any political parties, either directly or indirectly, shall not to be considered as a CSR spending. The clarity assigned on this aspect in the CSR rules, should be strictly followed in terms and spirit that, even the Government does not want politics to come in between, the CSR spending and CSR beneficiaries. Perhaps the Government correctly visualise future possibility, that any permission to channelize CSR fund to political parties, will completely destroy the very objective of Socialistic upliftment through corporate spending.

5. **Whether small companies are exempted from CSR requirements?**
   Large companies having prescribed threshold financial strength only, are liable to spend a small part of their net earnings for society every year. That Means a large section of those small companies, who does not fulfil /surpass the minimum thresholds of financial strength of turnover, net worth and profitability, are still not subject to any compulsory CSR obligation. Even if these not so large companies, may be earning a good profit, in the current set of rules, such comparatively small companies are left on their own wisdom to do or not, spending on CSR on their own way. If such companies decide to do CSR voluntarily, they shall not be bound to follow any CSR rules, as they are not covered in it.

6. **Freedom to choose third party agency for carrying out CSR activities:**
   The Government has allowed CSR spending either directly by the Company itself or through any specific trust / society or charitable company. In old days when CSR was not a legal obligation, many corporate houses formed their own independent trust / societies and charitable companies to carry out their social activities. These trust and societies were engaging separate human force, which were working exclusively for charitable purposes. While forming new regulations on CSR, the Government recognised excellent contributions made by these trust, societies and charitable companies and allowed continuance of this form of agency for CSR. Therefore, any company may either select to form its own trust or society or charitable company for carrying CSR activities or even can contribute its CSR funds to others. Even creating a separate department of skilled manpower to carry out CSR activities, is accepted and CSR provisions permit charging up to 5% of amount spent on CSR every year, as a permissible CSR expenditure if in-house human resources are used for CSR. Thus the government is thinking over a period large corporate houses may build strong in-house CSR capabilities, who are dedicated to take CSR on to new heights in future. However, a section of corporates think that current 5% limit, is on lower side and in future Government should allow higher percentage (may be up to 10%) of total CSR spent every year, as in-house human resource capacity building, will bring higher level sustainability into CSR. Another aspect to take care here shall be that every company, which contribute fund to other trust and society or section 8 companies, it should be able to identify, based on documentary evidence and records, its CSR activities and spending separately out of the pool of activities carried out by these agencies. Because, a company can transfer the fund to a third party agency for CSR spending, but it cannot transfer the responsibilities associated with CSR activities. So, whenever demanded, any company should be able to provide satisfactory record and evidence to the Statutory Auditors and Secretarial Auditors in respect of CSR spending.

7. **Why spending on employees and their families, is not CSR?**
   Exclusive spending on employees and their families
has been specifically excluded from CSR, because it will dilute the socialist objective of CSR. Historically, charity was defined to begin from home and in the past, employee and their families were the most beneficiaries of all charity work in India by big corporate houses. That is why, Government explained that Corporate’s responsibility towards employees which are well defined and covered in other regulations, are excluded from counting into CSR. Here CSR is meant for public and society, which may co-incidentally but unintentionally, include employees and/or their families. But exclusive spending towards employees and their families, should not be part of CSR. Such a restriction was necessary, otherwise corporate may count their employee welfare schemes into CSR and this will divert the funds of CSR within themselves and defeat the socialist purpose of CSR.

8. **Why CSR spending to be within or around the vicinity of business place?**

This is another important aspect to care into CSR spending that, every company has to do spending in and around the area where it has a business place. It could be an office, factory, branch, yard, garage, workshop, depot, store etc. A business place in any form will be acceptable. The objective behind this is that, local public contribute or suffer the most in relation to any business operation. Therefore if a part of corporate earning is to be spent on CSR, than all the people living nearby to any place of business of that corporate, should get priority over spending of such resources. If we see, one way this guidelines put restriction over corporate’s freedom of spending CSR fund into any area of his choice, but on the other hand, we must realise that this restriction, will give chance to cater to the local needs of those poor and needy people, whose support to the industry is always desirable. Social uplifting of the people living nearby its own place of business, will save it from many odd situation. Even localities who could benefit from CSR spending, can develop a sense of belongingness with such business units and their owners, employees, visiting customers and suppliers. They can found support of localities in many ways, in their routine daily business life. Therefore a direction to concentrate CSR spending on nearby to a place of business, is a welcome and well thought move.

9. **The CSR provisions further expect that every company shall formulate its CSR policy, which shall be around guidance given by the Government and it will adhere this policy, so as to help and support the Government’s objective of achieving development and upliftment of those area and people, which have still been lacking or neglected even after Government’s efforts. Formation of a monitoring committee of directors is another CSR activity and highest level management body of corporate India is given the Corporate Social Responsibility so that any misuse or improper use and irresponsible spending of CSR corpus is avoided.**

30 **SUGGESTIVE POINTS TO DO EVERY CSR IN SUCCESSFUL WAY:**

Thus doing CSR activities as per expectation and objectives of CSR Rules, become important and if one can plan/prepare CSR activity as suggested below, it can be successful from all angles:

1. Formation of a Board level CSR Committee
2. Formation of Company’s own CSR policy
3. Formation of in-house team of CSR executives
4. Such in-house teams be formed for each office or place of business
5. Preparing a draft format for getting CSR proposals from all places
6. Checking each new CSR proposals, whether pass the criteria test prescribed in CSR policy and Rules.
7. After acceptability of CSR proposal as per coverage, each proposal can be approved by local area office CSR Team.
8. A well-defined serial number be assigned to each CSR activity for easy identification.
9. Local CSR team need to examine the volume, timing, area, amount, items, list of beneficiaries etc. etc. under all CSR proposals.
10. Permission from concerned local government agency in writing to be secured.
11. Checking about availability or under pipeline of any government’s financial support for that CSR, which company wants to undertake.
12. Personal support and involvement of local influential personalities in proposed CSR activity be checked before decision.
13. Avoiding taking such CSR work where government funds are already sanctioned.
14. Taking photograph / or video clip of that area, to create a proof of “before CSR situation”, then after CSR photo/video also to be taken as proof of Company’s CSR justification.
15. Identify appropriate supply and service providing agency for CSR.
16. Cost effectiveness, quality of material and series are to be checked.
17. Proper negotiations with all agencies involved for carrying out work under proposed CSR are to be instructed / advised to be morally and financially honest while doing CSR work.
18. Regular monitoring the progress of work, if it is a long project by respective CSR team.
19. Releasing of fund to CSR agencies based upon progress on CSR work.
20. Properly displaying the name of Company and its local unit over the assets created by CSR activity. This will also create a definite record of CSR activity.
21. Once project is completed, do a small not much spending, formal inauguration of the CSR work in presence of concerned people.
22. While starting or inaugurating any new CSR project, try to ensured participation of different employees to create a sense of belongingness and fulfilment in each employee through CSR.
23. Preserving copies of all record of discussion, proposal, quotation, photos, video clips, permissions, invoices, inauguration work, for each activities.
24. Getting a project completion certificate by local area CSR Team.
25. Passing and paying all CSR invoices on time.
26. Proper accounting of CSR expenditure with all supporting.
27. Reporting of all completed CSR work, with before and after photos, to all offices and place of business.
28. Selective reporting of few completed CSR work to local government, news-paper agencies, trade associations for creating positive visibility about the Company.
29. Appoint a team who shall periodically do sustenance audit post CSR work.
30. Such CSR efforts get due acknowledgment from public and its mouth publicity help is getting better CSR projects in future.

**WHY CSR WORK IN AGE OLD DAYS WERE MORE SUCCESSFUL?**

It would be difficult to conclude if debated, which part of the society has spent more money on CSR, whether those companies who
come under CSR obligation in current set of rules verses those companies which are out of coverage of these rules. In other words compulsory CSR spending is more in our country or voluntary spending is more. Because India is a land where social obligations have been a part of our culture and daily routine life and no disclosed figure is available for voluntary charitable spending done on activities carried in India every year.

Despite this fact, modern day CSR activities driven by CSR rules is also getting momentum and gradually accepted by the Corporates. In India corporate philanthropy was imbibed into all spheres of life and many famous and successful corporate houses including Tatas, Birlas, Singhania, Thaper, Bangur and many more, have been doing praiseworthy charitable work in their own ways and means, even when it was not driven by law. In old days money spending on social issues by these corporates were associated with their public image building initiatives and these activities were carried out for self-satisfaction. But such patronage was mostly selective and close to their community, employees, associates and aides. This was also driven by the needs of the life of these people, and that is why, we see more social work being done towards building Temples, setting up Orphanages and Dhrmashalas, Planting trees, supporting education of the poor and creating medical facilities for extremely needy and the helpless. In old days such social activities were carried out mostly by self, families or close aides of the owners of corporate houses with personal involvement in supervising the charitable work. Many corporate houses were running separate trust, societies or offices for CSR work and such activities were done throughout the year by engaging independent capable people.

The main reasons, why the big corporate house families were personally involved in these activities can be listed out as under:

1. To enjoy the sense of self-satisfaction in doing charitable activities through their own hands.
2. To personally supervise the spending of money on social work, so it reaches to real need, poor and help-less beneficiaries.
3. Supervise the charitable activity on ground as how it is done, to understand different needs of the society and to see that whether their efforts are really achieving their goals.
4. To avoid chances of any improper treatment given to the beneficiaries while doing philanthropic activity.
5. To avoid any malpractice, improper distribution or to avoid slippage of benefits into wrong hands.

LIST OF ITEMS WHICH CAN DEFEAT YOUR CSR INITIATIVES:

Going through the following suggestive list of items will make you aware and careful that, what can defeat your purpose of doing a good CSR work:

i. If any activity is not covered in defined four corners of CSR rules
ii. If any activity can be arguably taken out of CSR rules, if debated.
iii. If CSR spending is through third party agency and separate identifiable records and evidence of CSR not maintained.
iv. Substantial benefits of CSR goes to employees and their families
v. If any personal favour / preference can be identified in CSR benefit distribution to owners’ related parties.
vi. If any political party is directly involved behind any agency, to whom CSR work is assigned.
vii. If Government fund is already sanctioned or under pipeline, mixing CSR work with it, can complicate it because of conflicting interest.
viii. If proper monitoring is not done, and fund is diverted.
ix. If dishonest people gets associated with CSR work.
x. If CSR work is done totally out of the limits of local area of place of business.
xi. If forged / wrong / multiple invoices are booked into CSR expenditures, either knowingly or unknowingly by any person.
xii. If quality used / supplied / distributed under CSR is improper, it will also defeat the purpose and essence of CSR policy /rules.
xiii. If Company’s CSR activity is not able to create a sense of belongingness and sense of satisfaction into employees of that Company, it could be considered as failed activity.

It is a general belief that liability to carry out CSR as designed by the Government is really an opportunity for the Company itself to grow further and a good CSR work, will create a majestic aura around the concerned Company which can protect it from many odds in difficult days. One should consider that CSR activity is such a philanthropic work that when each CSR activity is done with full sense of divinity and holiness, test of compliance with CSR rules will automatically satisfied and effectively proved.

CONCLUSION:

Corporate Social Responsibility (CSR) provisions and rules are equally important provisions for compliance to follow, much similar to any other provisions of the Companies Act and it is necessary that companies which are liable under CSR remain careful and pays attention towards responsibility fixed under this rules, either in respect of formation of policy, committee, disclosures, spending, selection of area for spending and keeping justifiable evidence of CSR activities. This is more important from the fact that, current set of rules gives enough freedom in spending CSR corpus, so the corporate houses are to win the trust of the society and government that such funds, even if it is our own earnings, but it is not misused or improperly used and such careful approach towards CSR shall help the companies in avoiding any harsh action by regulating authorities for non-compliance.

REFERENCES

1. MCA Circular on Clarifications with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013 dated 18th June, 2014
2. FAQs with regard to CSR under Section 135 of the Companies Act, 2013 dated 12th January 2016 issued by MCA
Corporate Sustainability

Corporate Sustainability has become a topic of frequent discussions in most related forums. Some questions that arise in this regard include - What is the link between CSR and Corporate Sustainability? CSR is a mandate under Section 135 of the Companies Law, 2013; why should I care about Corporate Sustainability? How will my Company benefit from Corporate Sustainability?

These are all very relevant and topical questions and if you attend any seminars or conferences on CSR or Sustainable Investing, they will, more often than not, come up for discussion. Through the course of this article the author endeavours to address these and other related questions and hopefully ignite curiosity on learning more on the subject.

This article is in continuation to the discussion on subject in the December 2016 edition of Chartered Secretary, in an article titled “CSR in the Indian Context – the Past, Present and the future.

Quoting from that article –
“As CSR matures in Corporate India, we are coming across more and more references to what is called “Corporate Sustainable Development (CSD)”. Interestingly enough, the origins of the phrase “Sustainable Development” are from 18th Century forestry. It meant cutting down only so many trees, so that the overall tree population is preserved.”

Hence, Corporate sustainability requires a broader interpretation of capital than is used normally by either economists or ecologists. Three different types of capital – economic, natural and social – have different properties and thus require different approaches.

However, Corporate Sustainability, in its full glory, extends beyond these three types of capital. Hence, before we get into a detailed discussion on these different types of capital, let us spend some time talking about some related concepts.

RELATED CONCEPTS

The concept of Corporate sustainability borrows elements from four more established concepts: 1) sustainable development, 2) corporate social responsibility, 3) stakeholder theory, and 4) corporate accountability theory. The contributions of these four concepts are illustrated in Figure 1. (Figure courtesy Mel Gibson, Ivey Business Journal)

1. Sustainable Development

Sustainable development is a broad concept underlying TBL that balances the need for economic growth with environmental conservation and social equity. The term was first popularized in 1987, in ‘Our Common Future’, a book published by the World Commission for Environment and Development (WCED). The WCED described sustainable development as “a process of
Traditionally, firms have tended to overemphasize short term gains by concentrating more on quarterly results than laying the foundation for long-term success. Such a focus on short-term profits is contrary to the spirit of sustainability, which requires the firm to meet the needs of its stakeholders in the future as well as today.

WCED recognized that sustainable development could not be left to regulators and policy makers. It asserted that industry had a significant role to play. The authors argued that while corporations have always been the engines for economic development, they needed to be more proactive in balancing this drive with social equity and environmental protection, partly because they have been the cause of some of the unsustainable conditions, but also because they have access to the resources necessary to address the problems.

The response to the WCED’s call was staggered as organisations tried to understand what sustainable development in action should look like. The first serious sign of support came from the International Chamber of Commerce when it issued its Business Charter for Sustainable Development in 1990. This was followed in 1992 by the Business Council for Sustainable Development (now the World Business Council for Sustainable Development). Both focused on the role of corporations in sustainable development, and argued that supporting sustainable development was as much an economic necessity as it was an environmental and social necessity. Since then, many business leaders and corporations have come forward to show their support for the principles of sustainable development.

Sustainable development helps set out the areas that companies should focus on: environmental, social, and economic performance. Also, it provides a common societal goal for corporations, governments, and civil society to work toward: ecological, social, and economic sustainability. However, sustainable development by itself does not provide the necessary arguments for why companies should care about these issues. Those arguments come from corporate social responsibility and stakeholder theory.

2. Corporate social responsibility (CSR)
In the most general terms, CSR deals with the role of business in society. Its basic premise is that corporations have an ethical obligation to address the needs of society, not just to act in self-interest or in the interests of the shareholders.

As a concept, CSR has been around much longer than sustainable development. A 1973 article by Nicholas Eberstadt traced the history of CSR back to ancient Greece, when governing bodies set out rules of conduct for businessmen and merchants. The role of business in society has been debated ever since. The modern era of CSR began with the publication of the book Social Responsibilities of the Businessman by Howard Bowen in 1953. Since then, many authors have written on the topic. Initially, the focus was on whether Corporates had an ethical responsibility to consider the needs of society. By 1980, it was generally agreed that Corporates did have this responsibility, and the focus changed to practising CSR.

But why should Corporates have this ethical responsibility? There were four philosophical theories for the same:

- Social contract theory - The central pillar of the social contract theory is that society consists of a series of explicit and implicit contracts between individuals, organizations, and institutions. These contracts evolved so that exchanges could be made between parties in an environment of trust and harmony. According to social contract theory, corporations, as organizations, enter into these contracts with other members of society, and receive resources, goods, and societal approval to operate in exchange for good behaviour.

- Social justice theory - The Social justice theory is a variation of the social contract theory and focuses on fairness and distributive justice—namely, according to what principles, society’s goods (such as wealth, power, and other intangibles) are distributed amongst the members of society. According to it, a fair society is one in which the needs of all members of society are considered, not...
just those with power and wealth. Hence, Corporates need to consider how these goods can be most appropriately distributed in society.

- **Rights theory** - Rights theory is concerned with the meaning of rights, including basic human rights and property rights. One tenet in rights theory is that property rights should not override human rights. From a CSR perspective, this would mean that while shareholders of a corporation have some property rights, this does not give them licence to override the basic human rights of employees, local community members, and other stakeholders.

- **Deontological theory** - Deontological theory deals with the belief that everyone, including Corporate, have a moral duty to treat everyone else with respect, including listening and considering their needs. This is sometimes referred to as the “Golden Rule.”

CSR contributes to corporate sustainability by providing ethical arguments as to why Corporates should work toward sustainable development: If society in general believes that sustainable development is a worthwhile goal, corporations have an ethical obligation to help society move in that direction.

3. **Stakeholder theory**

Stakeholder theory, was first popularized by R. Edward Freeman in his 1984 book ‘Strategic Management: A Stakeholder Approach’. Freeman defined a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives.” The basic premise of stakeholder theory is that the stronger your relationships are with other external parties, the easier it will be to meet your corporate business objectives; and vice-versa. Strong relationships with stakeholders are based on trust, respect, and cooperation. The goal of stakeholder theory is to help corporations strengthen relationships with external groups in order to develop a competitive advantage.

As a concept, CSR has been around much longer than sustainable development. A 1973 article by Nicholas Ebserstadt traced the history of CSR back to ancient Greece, when governing bodies set out rules of conduct for businessmen and merchants. The role of business in society has been debated ever since.

First step for a Corporate, of course, is to identify their stakeholders. There is general agreement among companies about certain groups are stakeholders — shareholders and investors, employees, customers, and suppliers. However, beyond these, it becomes more challenging because there are no clear criteria for defining stakeholders. The issue of qualifying criteria for stakeholder status is currently being debated.

Once the main stakeholders have been identified, the next challenge for Corporates is to develop strategies for dealing with them. This is a challenge because different stakeholder groups will have different goals, priorities, and demands. For example, Shareholders and investors want optimum return on their investments; employees want safe workplaces, competitive salaries and job security; customers want quality goods and services at fair prices; local communities want community investment etc. However, generally it is agreed that the goals of economic stability, environmental protection, and social justice are common across most stakeholder groups.

The contribution of stakeholder theory to the corporate sustainability is the addition of business arguments as to why companies should work toward sustainable development. Stakeholder theory suggests that it is in the company’s own best economic interest to work in this direction because doing so will strengthen its relationship with stakeholders, which in turn will help the company meet its business objectives.

4. **Corporate Accountability**

Accountability is the responsibility to explain, justify and/or report for which one is responsible.

In our context, the key accountability relationship is the one between corporate management and shareholders. This relationship is based on the fiduciary model, which in turn is based on agency theory and agency law, wherein corporate management is the ‘agent’ and the shareholders the ‘principal’. This relationship can be viewed as a contract in which the principal entrusts the agent with capital and the agent is responsible for using that capital in the principal’s best interest. The agent is also held accountable by the principal for how that capital is used and the return on the investment.

Corporate accountability need not be restricted to this relationship only. Companies enter into contracts (both explicit and implicit) with other stakeholder groups, and these contractual arrangements can serve as the basis for accountability relationships. E.g., companies that receive environmental permits and approvals from regulators to operate facilities are often held accountable by the regulators for whether the terms of the approval are being met.

The contribution of corporate accountability theory to corporate sustainability is that it helps define the nature of the relationship between corporate managers and the rest of society. It also sets out the arguments as to why companies should report on their environmental, social, and economic performance, not just financial performance. This forms a basis for TBL reporting.

**THE THREE PILLARS**

Now that we have established a theoretical framework for Corporate Sustainability, let us peel the layers to understand what foundation lies underneath it.

As mentioned several times in this article, Corporate
Sustainability is addressed fundamentally through Planet, People and Profit, also known as Triple Bottom Line. This forms the basis of the foundation – hence the three pillars – Environmental, Economic and Social. Let us examine each one of these in detail.

1. The Social Pillar
This has been discussed in the CSR related discussion in the previous section. A sustainable business should have the support and approval of its employees, stakeholders and the community it operates in. The approaches to securing and maintaining this support are various, but it comes down to treating employees fairly and being a good neighbour and community member, both locally and globally.

On the employee side, businesses create retention and engagement strategies, including more responsive benefits such as better maternity and paternity benefits, flexible scheduling, and learning and development opportunities. For community engagement, companies have come up with many ways to give back, including fundraising, sponsorship, scholarships and investment in local public projects.

2. The Economic Pillar
The economic pillar of sustainability is where most businesses feel they are on familiar ground. To be sustainable, a business must be profitable. However, profit at any cost is not at all what the economic pillar is about. Activities that fit under the economic pillar include compliance, proper governance and risk management.

It is the inclusion of the economic pillar and profit that makes it possible for corporations to come on board with sustainability strategies. The economic pillar provides a counterweight to extreme measures that corporations are sometimes pushed to adopt, such as abandoning fossil fuels or chemical fertilizers instantly rather than phasing in changes.

3. The Environmental Pillar
The environmental pillar usually gets the most attention. Companies are focusing on reducing their carbon footprints, packaging waste, water usage and their overall effect on the environment. Companies have found that have a beneficial impact on the planet can also have a positive financial impact. Lessening the amount of material used in packaging usually reduces the overall spending on those materials, for example.

Other businesses that have an undeniable and obvious environmental impact, such as mining or food production, approach the environmental pillar through benchmarking and reducing. One of the challenges with the environmental pillar is that a business's impact are often not fully costed, meaning that there are externalities that aren't being captured. This is where benchmarking comes in to try and quantify those externalities, so that progress in reducing them can be tracked and reported in a meaningful way.

CONCLUSION
Any discussion on Sustainability would be incomplete without a mention of the 17 SDGs by the UN, for which India has also signed up. There is enough information and discussion around them already and hence am not describing them here. They provide a handy framework for measuring sustainability. The key here is being able to measure and rate an organisation on the applicable SDGs.

The main question for Investors and Managers is whether or not sustainability is an advantage for a company. Sustainability provides a larger purpose and some new deliverables for companies to strive for and helps them renew their commitments to basic goals like efficiency, sustainable growth and shareholder value.

Perhaps more importantly, a sustainability strategy that is publicly shared can deliver intangible benefits such as public goodwill and a better reputation. The trend is to make sustainability and a public commitment to it basic business practices, much like compliance is for publicly traded companies.

Although it very much a buzzword, sustainability is here to stay. For some companies, sustainability represents an opportunity to organize diverse efforts under one umbrella concept and gain public credit for it. For other companies, sustainability means answering hard questions about the how and why of their business practices that could have a serious, if gradual, impact on their operations.
Corporate Social Responsibility : As discussed in the Parliament

This article traces the history of formal inclusion of the concept of Corporate Social Responsibility (CSR) under the Companies Act, 2013 as a mandatory provision. The fact that the debate on the Companies Bill was dominated by discussion on CSR and regularly asked questions in the Parliament involves around different dimensions of CSR establish that the law makers are proactive to ensure that the provisions of section 135 are complied by the companies in the letter and spirit.

INTRODUCTION

The Companies Bill, 2009 as introduced in the Lok Sabha did not contain any provision on the Corporate Social Responsibility (CSR). The said Bill was referred to the Standing Committee and the Committee strongly recommended the incorporation of necessary clause on CSR. The Companies Bill, 2009 replaced by the Companies Bill, 2011 was passed by the Lok Sabha as the the Companies Bill, 2012 and passed by the Rajya Sabha as the Companies Bill, 2013. Table A gives an overview of the events dealing with the introduction of CSR in the statute. Section 135 of the finally enacted Companies Act, 2013 deals with the CSR. During the deliberations by the two Standing Committees and the debates in the both the houses of Parliament, provisions on CSR were the most commented upon issue. Even after its notification, section 135 continues to be an important subject in the Parliament and a large number of questions have been asked related to numerous dimensions of the CSR. This article is based on the numerous documents, dealing with CSR, placed in the Parliament from time to time.

THE COMPANIES BILL, 2009

The Companies Bill, 2009 was introduced in Lok Sabha on 3rd August 2009 and was referred to the Standing Committee on Finance of Parliament on 9th September, 2009 for detailed examination and report. The Committee received numerous suggestions for modifications, inclusions in the Bill and all these suggestions were processed and a detailed questionnaire was sent to the Ministry of Corporate Affairs (the MCA) for comments. Suggestions were also received from regulatory bodies, institutions, experts etc. after detailed and comprehensive examination of the replies and comments from the MCA and other institutions, the Committee presented its Report to both the houses of the Parliament on 31st August 2010. The Committee’s extensive deliberations and interventions on the Bill engendered amendments / modifications and fresh inclusions which required recasting of several clauses and matters covered in the Bill. One of the Guiding Principles of the Committee was introduction of CSR as a concept in the Bill, requiring bigger companies to make disclosures about their CSR policies and activities thereunder. On CSR, the Committee observed as under:

While welcoming the Ministry’s acceptance of the Committee’s suggestion to bring Corporate Social Responsibility (CSR) in the statute itself, the Committee feel that separate disclosures required to be made by Companies in their Annual Report by way of CSR statement indicating the company policy as well as the specific steps taken thereunder will be a sufficient check on non-compliance.

SPECIFIC OBSERVATIONS BY THE MCA

On the issue of Corporate Social Responsibility, during evidence, the Committee raised their concerns on the role of corporates in discharging their social responsibilities. In response, the key inputs from the Ministry of Corporate Affairs included the following facts:

a. There was no mention in the earlier Companies Act about corporate social responsibility. We are just mentioning that there will be a Corporate Social Responsibility Policy in each and every company beyond a certain limit, which are profitable companies and which are of certain size.

b. The whole emphasis of the Act is disclosure method. Whatever is being done, what is being done will be in public domain. It will be disclosed. It will be given in the report. It will come to the Ministry and anybody can monitor that way. But if you think of an oversight mechanism that some Government officer will look into it, then no, we have not conceived of that idea. We have not put up that type of idea there.

c. This is the first time and historically it may be the first time in the world – is that we are putting the corporate social responsibility which the Chairman directed to us.

THE COMPANIES BILL, 2011

On 14th December 2011, a revised Bill, namely, the Companies Bill, 2011, making numerous amendments to the Companies Bill, 2009 was introduced in the Lok Sabha. Clause 135 of this Bill introduced a new concept under the heading ‘Corporate Social Responsibility’, which prescribed the norms on constitution of CSR Committee, formulation of CSR Policy, disclosure of information in Board’s Report by every company.
On 14th December 2011, a revised Bill, namely, the Companies Bill, 2011, making numerous amendments to the Companies Bill, 2009 was introduced in the Lok Sabha. Clause 135 of this Bill introduced a new concept under the heading ‘Corporate Social Responsibility’, which prescribed the norms on constitution of CSR Committee, formulation of CSR Policy, disclosure of information in Board’s Report by every company having specified net worth or turnover or net profit during any financial year.

This Bill was referred to the Standing Committee on Finance and on 5th January, 2012 for examination and report thereon. The Committee submitted its Repost on 26th June, 2012 and on CSR related provisions, it observed as under:

The Committee are of the view that corporates in general are expected to contribute to the welfare of the society in which they operate and wherefrom they draw their resources to generate profits. Accordingly, the Committee recommend that Clause 135(5) of the Bill mandating Corporate Social Responsibility (CSR) be modified by substituting the words ‘shall make every endeavour to ensure’ with the words ‘shall ensure’. Further, the Committee recommend that the said clause shall also provide that CSR activities of the companies are directed in and around the area they operate.

Finally, based on the above recommendations, the said clause 135 was amended and the following amended clause 135 was passed by the Parliament:

135. (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board’s report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—
(a) formulate and recommend to the Board, a Corporate Social Responsibility 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 in clause (a); and
(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—
(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company’s website, if any, in such manner as may be prescribed; and
(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:
Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:
Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (a) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

DEBATE IN THE LOK SABHA

The Companies Bill, 2011 was moved in the Lok Sabha on 18th December 2012 and while introducing the Bill, the Hon’ble Minister made following introductory remarks about the provisions on CSR:

…… we believe that in India we must have the corporate entities contribute meaningfully and while they do that, it is for the first time and India perhaps will be the first country that will have Corporate Social Responsibility as a statute. I must thank the Standing Committee on Finance and all its Members for having really forced this issue to be a part of this Bill.

…… every company, be it manufacturing or production companies, they work in certain areas and we believe that it is these companies who must also give back to the society. Giving taxes is a responsibility of the company, but to have a corporate social responsibility as a part of their functioning, I think, will go a long way in clearing the air as we go forward. We have seen a big division in this country, the divide between the rich and the poor is getting bigger and bigger. It is about time that we do a perception correction.
That can only be done if the companies themselves move forward and show that they are responsible, sensitive and they want to give back to the society. Therefore, CSR has now become a mandatory part of this Bill.

we also have focussed upon self-regulation. We have focussed upon transparency in functioning. In this Bill we also have a lot of focus on making sure that the compliances are made, the rules and regulations are complied with.

Intensive debate followed after the introduction of the Bill in Lok Sabha. Almost every member who participated in the debate touched the provisions on CSR. It was suggested that a company should not be given an option to get away by just specifying the reasons for failure to spend the amount on CSR. Another suggestion was that there should be a CSR Fund where companies/organisations will put 2% profit. From that Fund the work on CSR can be done all over India. Any company can pick up any particular area, like girl child education or immunisation or water for all or power for all, etc. They can choose some kind of a specific area and give the list of the same to the Fund.

Responding to the debate on CSR, the Minister stressed upon the fact that this is a beginning; this is the gestation period for this concept to become institutionalised. We are making it a part of the law. The Bill says that the companies have to spend this money; report it – self reporting and self declaration – but it will be visible to all, viewed to all. If the companies are not able to spend that money for whatever reason, then they are obliged to state in their books of records and accounts why they have not spent it. If they do not spend and if they do not report, then Section 134 will be invoked, and they will be fined and penalised. That action can be taken under the new Bill that we are putting for consideration and passing today. He added that as time goes by, we will start looking at more nuances of CSR but I think as an enabling provision, as a first step, as a law that is going to be historic in many senses, we must give our corporate sector the openness and the freedom to do what their conscience tells them and make this Bill and law with all positivity at our disposal and have faith in our corporate world so that we can share with them the benefits that are going to accrue to the society.

DEBATE IN THE RAJYA SABHA

The Companies Bill, 2011 which was passed by the Lok Sabha on 18th December 2012 as the Companies Bill, 2012 came up for consideration by the Rajya Sabha on 7th August 2013 and the debate continued on 8th August 2013. Like Lok Sabha, almost every member who participated in the debate offered views on CSR provisions. Replying on the debate, the Minister stated as under:

The Corporate Social Responsibility is one issue on which everyone is very, very keen and interested in. I would like to point out that CSR is now, for the first time, being put as a part of the statute. I would like to place it on record my personal great appreciation for the amount of work that corporate sector has already done. There are innumerable examples that the Indian corporate sector has contributed in doing social responsible behaviour. We are providing, for the first time, to the corporate sector a structured format to report what they are doing and also to give a framework to the activities that the companies are able to do through their profits. Now, certain class of companies will qualify to do the CSR. Sir, 2 per cent of net profit has to be ploughed back into the communities. And, I would like to make it clear that this 2 per cent is not Cess or tax. This money does not come to the Government of India or to any State Government. This is the profit that companies are earning. All we want is that these companies should put this money as investment into those communities where they are drawing their manufacturing and earning revenue. This figure of 2 per cent or this concept of CSR is not something that we have developed in an opaque fashion sitting in one Ministry or in one room. This has been debated and talked about through the years when this Bill was being formulated.

Sir, I think all of you will agree that CSR is a new initiative. I would urge all Members to consider this as a leap of faith in our corporate sector. Let us not try and straitjacket the corporate sector in mandating so much that, before this Bill is made into law and before companies have a chance to demonstrate their commitment and loyalty to this nation, we start questioning them.

…… I think, most Members have supported it and I believe that, as time goes on, you will have many more occasions to give more inputs and we will tweak the rules as we go along. But, today, for the sake of passing of this Bill, I think, the provision of two per cent net profit going back into communities is a welcome step. ……The freedom to choose the area of work should be with the company, but there must be enough disclosures so that the world at large, shareholders, and all of us, know that the good work the companies are doing is reported on the companies’ websites and on our own website.

Sir, we do not want to create an Inspector Raj. We don’t want to have ‘No Objection Certificates’ from the Government. I think, we should allow the corporate sector to come forward and work and we would see in the next year or two how things evolve and, at that point of time, we can revisit the issue if it is required.

Answers to over 250 questions related to the CSR have been tabled in the Parliament during the period 2013-2019. These questions cover diverse aspects of the CSR like spending by PSUs; social audit of CSR funds; setting up of Non-Governmental Organisations to spend CSR funds; CSR spending in particular states; use of CSR funds for specific schemes like Saansad Adarsh Gram Yojana, Swachh Bharat Kosh, Clean Ganga Fund etc. The questions also include the possibilities of use of CSR funds in various sectors like renewable energy projects, cleanliness and preservation of water, rural infrastructure, housing, construction of hospital buildings and roads etc., dairy sector, war widows and war veterans, destitute children, sports activities.
QUESTIONS ON CSR ANSWERED IN PARLIAMENT

Answers to the questions raised in the Parliament give an insight about the issues concerned. The questions relating to the Company Law cover topics like corporate governance, company directors, dividend, investor protection, vanishing companies, shell companies etc. It is interesting to notice that the CSR takes the lead with maximum number of questions raised. Answers to over 250 questions related to the CSR have been tabled in the Parliament during the period 2013-2019. These questions cover diverse aspects of the CSR like spending by PSUs; social audit of CSR funds; setting up of Non-Governmental Organisations to spend CSR funds; CSR spending in particular states; use of CSR funds for specific schemes like Saansad Adarsh Gram Yojana, Swachh Bharat Kosh, Clean Ganga Fund etc. The questions also include the possibilities of use of CSR funds in various sectors like renewable energy projects, cleanliness and preservation of water, rural infrastructure, housing, construction of hospital buildings and roads etc., dairy sector, war widows and war veterans, destitute children, sports activities.

In a reply to unstarred question no. 2041 (Lok Sabha) it was stated on 21st December 2018 that on the basis of scrutiny, call for information letters to 5,382 companies have been issued for the financial year 2015-16. Further, 295 prosecutions have been sanctioned for the financial year 2014-15 and 33 companies have filed application for compounding for the same year. According to this submission, the number of companies who have spent funds on CSR (as on 30.06.2018) was 16785, 21498 and 19933 for the financial year 2014-15, 2015-16 and 2016-17 respectively.

In another answer, to Rajya Sabha starred question (No. 89, replied on 18th December 2018) the following statement was tabled detailing the prescribed, spent and unspent CSR amount:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Financial Year</th>
<th>Prescribed CSR Amount (in Rs. Crores)</th>
<th>Total CSR Amount Spent (in Rs. Crores)</th>
<th>Total CSR Amount Unspent (in Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2014-15</td>
<td>15,251.32</td>
<td>10,065.93</td>
<td>5,185.39</td>
</tr>
<tr>
<td>2</td>
<td>2015-16</td>
<td>15,256.20</td>
<td>14,366.29</td>
<td>889.91</td>
</tr>
<tr>
<td>3</td>
<td>2016-17</td>
<td>15,705.00</td>
<td>13,466.22</td>
<td>2,238.78</td>
</tr>
</tbody>
</table>

CONCLUSION

The Minister during the debate in the Parliament, rightly stated that CSR as a legal concept is new one and would be picked up in due course. And as the nodal ministry, the MCA is constantly on the move to ensure that the evolution process is carefully attended to. Amendment to section 135, issue of clarificatory circulars, amendment of Schedule VII, release of frequently asked questions (FAQs), setting up of High Level Committee (in 2015 and 2018) are the major initiatives taken by the MCA. All this is being done to ensure that despite being mandatory in nature, the CSR regime in the country is absolutely corporate friendly.

<table>
<thead>
<tr>
<th>Table A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>August 3, 2009</td>
</tr>
<tr>
<td>September 9, 2009</td>
</tr>
<tr>
<td>August 31, 2010</td>
</tr>
<tr>
<td>December 14, 2011</td>
</tr>
<tr>
<td>January 5, 2012</td>
</tr>
<tr>
<td>December 18, 2012</td>
</tr>
<tr>
<td>August 8, 2013</td>
</tr>
<tr>
<td>August 29, 2013</td>
</tr>
</tbody>
</table>
An assessment of efficacy of legislating Corporate Social Responsibility Obligations

Almost five years after enacting section 135, Indian CSR scenario calls for a rethink of strategy. This article proposes to assess the efficacy of having a legislative mandate for CSR on the touchstones of principles of corporate law and Game Theory and suggests alternative means to achieve the objectives.

1. Overview of CSR in India
   Before embarking on the discussion about section 135, it is apposite to take a conceptual overview. The scholarly opinion in India is CSR was already practiced in India and can be traced back to “times immemorial”. The earliest recognition of the concept by Supreme Court of India came in the year 1983 wherein the evolution of the concept of company from a vehicle in the hands of stakeholders into “a species of social organisation” was recognised, by calling the traditional view of company as a shareholders’ concern “an exploded myth”. Since then, through various judgments, the same interpretation is furthered.

   While the JJ Irani Committee Report did not initiate the discussion on the inclusion of CSR, the Standing Committee on Finance (2009-2010) did so and included a clause related to CSR in the Companies Bill, 2009. The first regulatory actions came in the form of framing of Corporate Social Responsibility Voluntary Guidelines in the year 2009 and their subsequent widening in the year 2011 in the form of National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business. The same were further updated and released in the form of National Guidelines on Responsible Business Conduct in 2019.

2. Provisions, interpretational and operational challenges
   Section 135 of the Companies Act, 2013, in its present form, is a section which, seen cursorily, is a simple one and, when seen as a component of the tapestry of corporate laws, full of conundrums. These conundrums are of two types: regarding the interpretation of the provision and regarding its operation.

2.1 A brief overview of the provisions
   The provisions of the amended section 135, in a nutshell, are as follows:
   - Companies having net worth more than Rs. 500 crores, or turnover of more than Rs. 1000 crores, or net profit of more than Rs. 5 crores in the immediately preceding financial year are required to constitute a CSR Committee of the Board of Directors.
   - A CSR policy for undertaking the activities under Schedule VII is required to be drafted by CSR Committee and approved by the Board of Directors.
   - Board of a company is required to ensure that the company spends at least 2% of the average net profits of the company during the 3 previous financial years.
   - In case of failure to spend the said amount, an explanation for the same is required to be entered in the Board’s report.
   - Preference is to be given to local area where the

In this article, Part 1 takes the overview of the concept of CSR in India from judicial and regulatory point of view while Part 2 is dedicated to the provisions of section 135 and the resultant interpretational and operational observations and challenges. Principles of Corporate Law and the desirability of section 135 on their touchstone forms Part 3 while the Part 4 assesses the efficacy of legal intervention using Game Theory. Part 5, while concluding the assessment, points out certain implementable solutions.

Amogh Diwan, ACS
Practising Company Secretary, Pune
amogh.diwan@gmail.com

Rohan Shinde, ACS
Assistant Manager, Secretarial Department
L & T Finance Limited, Mumbai
rohannshinde@gmail.com

AN ASSESSMENT OF EFFICACY OF LEGISLATING CORPORATE SOCIAL RESPONSIBILITY OBLIGATIONS

The Companies Act, 2013 was a watershed legislation for India Inc. With its passage and enforcement, India became the first country with a statutory mandate for Corporate Social Responsibility (‘CSR’). The mandate was codified under section 135 titled ‘Corporate Social Responsibility’ which gave legislative sanctity to the obligation of the companies towards the society at large. The section was subsequently amended by the Companies (Amendment) Act, 2017 to add clarity to the provisions.

In this article, Part 1 takes the overview of the concept of CSR in India from judicial and regulatory point of view while Part 2 is dedicated to the provisions of section 135 and the resultant interpretational and operational observations and challenges. Principles of Corporate Law and the desirability of section 135 on their touchstone forms Part 3 while the Part 4 assesses the efficacy of legal intervention using Game Theory. Part 5, while concluding the assessment, points out certain implementable solutions.

1 The Institute of Company Secretaries of India, Premier on Company Law (Vols. I, Section 1-148, 2016) p. 9.70
2 National Textile Workers’ Union v. P.R. Ramkrishnan & Others AIR 1983 SC 750
While there is a clear obligation for expenditure of 2%, it is not clear whether it is a ‘comply-or-explain’ scenario or an offence is committed in case of failure to spend the said amount.

The section is required to be read with Schedule VII and the Companies (Corporate Social Responsibility) Rules, 2014. As the concept was entirely new, there were multiple circulars to clarify the provisions. One such important circular was General Circular No. 01/2016 which answered certain Frequently Asked Questions (FAQs). Some of the important points clarified, both regarding the intention and interpretation, are as follows (quoted verbatim):

- The objective of section 135 is indeed to involve the corporates in discharging their social responsibility with their innovative ideas and management skills and with greater efficiency and better outcomes. Therefore, CSR should not be interpreted as a source of financing the resource gaps in Government Scheme. Use of corporate innovations and management skills in the delivery of ‘public goods’ is at the core of CSR implementation by the companies. In-principle, CSR fund of companies should not be used as a source of funding Government Schemes.
- The amount spent by a company towards CSR cannot be claimed as business expenditure.
- The entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule.
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc do not count as CSR expenditure.
- No specific exemption is given to section 8 companies with regard to applicability of Section 135.
- Government has no role to play in monitoring implementation of CSR by companies.

2.2 Interpretational and operational observations and challenges

While the provisions, prima facie, seem congruent, the following observations are pertinent to be noted:

- While the criteria of net worth and turnover are likely to apply to very large companies, the criterion of profit is applicable to a larger number of companies. Further, as per the explanation appended to the section, the profit is required to be calculated as per section 198, which is primarily profit before tax. Hence, the net of applicability is further widened.
- While there is a clear obligation for expenditure of 2%, it is not clear whether it is a ‘comply-or-explain’ scenario or an offence is committed in case of failure to spend the said amount.
- The spending obligation of sub-section (5) of section 135 is 2% of average net profits for the three immediately preceding financial years. It is not clear whether the losses in those years are to be set off against the profits or only the average of profits is required to be taken.
- The applicability to foreign companies operating in India as well as incurring expenditure only in India does not augur well for the stated lofty objective of encouraging companies to engage in CSR.

In addition to these objections, it is relevant to note the objections raised by the Comptroller and Auditor General of India in its report, regarding the CSR activities reported by 77 Central Public Sector Enterprises (CPSEs). There are a number of major lapses ranging from delayed compliances to non-compliances.

3. Testing on the touchstone of principles of corporate law

The principles of corporate law, though harder to ascertain due to multiplicity of stakeholders and conflicting interests, must be the touchstones against which any changes in the law are to be tested. While the there is a severe dearth of research, principles propounded by Kent Greenfield may serve as a beginning. It is pertinent to note that he outrightly rejects the philosophy that the companies exist with the sole aim of making money. This rejection is of great significance as it rejects the philosophy that the companies exist with the sole aim of making money. Therefore, CSR should not be interpreted as a source of financing the resource gaps in Government Scheme. Use of corporate innovations and management skills in the delivery of ‘public goods’ is at the core of CSR implementation by the companies. In-principle, CSR fund of companies should not be used as a source of funding Government Schemes.
the key shareholders. His 5 principles, which grow increasingly specific, are as follows:

- The ultimate purpose of corporations should be to serve the interests of society as a whole.
- Corporations are distinctly able to contribute to the societal good by creating financial prosperity.
- Corporate law should further principles one and two.
- A corporation’s wealth should be shared fairly among those who contribute to its creation.
- Participatory, democratic corporate governance is the best way to ensure the sustainable creation and equitable distribution of corporate wealth.

To consider the Principle 1, if the company is making money for all its key stakeholders (shareholders, workers, suppliers etc) but violating the principle 1 in some way, it is not acceptable. Hence, Principle 1 acts as a qualifier to sustainability of the organisation too. While it is true that determining social costs and benefits for every business is subjective and not cost effective, and that the regulators cannot be saddled with this task due to unnecessary burden and possibility of less than equal treatment of companies, such objections need not result into its dismissal without delving further. Such Principle is likely to be served well by the Triple Bottom Line approach, absent in Indian law. Greenfield has himself suggested that: “What is crucial is the question of how we construct a legal framework for corporations that maximizes the probability that businesses serve the interests of society as a whole.”

The Principle 2 forms the pivot of the gravest objections on section 135. The author states as follows:

“It follows, then, that a corporation that does nothing more than create wealth for its shareholders, employees, and communities is providing an important social service. Even if the corporation does nothing else to advance social welfare (and, importantly, assuming Principle One is otherwise met), the corporation has satisfied its purpose for existence. … A company that is otherwise a neutral, lukewarm actor in society can still be counted as a success, if it creates wealth for society. Indeed, care should be taken that over-regulation of corporations does not destroy their ability to contribute to society by building wealth for it. Also, Principle Two means that there are some social goods that we should not expect corporations to produce on their own. … Other social institutions – government or non-corporate private groups – must step in to provide goods and services that the market cannot profitably provide.”

The regulations which are necessary for modification of an organisation into this pattern could be internal or external. External regulations are essentially redistributive while the internal pressures like changes in corporate governance structures would cause more social good or equitable distribution of surplus.

In the Principle 2, the traits include easy transferability of shares, limited liability, specialized and centralized management, and a perpetual existence separate from their shareholders. The same traits are highlighted by Armour and others as the essential ingredients of corporations. What follows is the corporate law shall take care of these essentials to ensure that the companies, and consequently societies, could flourish.

Regarding the third Principle, Greenfield has argued that the corporate law makes the directors to look at the interests of the shareholders exclusively and has argued for a wider consideration of interests. This aspect is already taken care of under the Indian Companies Act, 2013 where section 166 mandates the directors to discharge their duties not only towards the shareholders but to other stakeholders including the society at large. Corporate law shall “reinforce” the principles rather than work against them.11 Regarding principle 5 and what it entails, Greenfield propounds that:

“A fair allocation of the corporate surplus is essential to sustaining socially beneficial corporations over time, but allocative decisions are extremely difficult, especially ex ante. Instead of trying to reach agreements ex ante about substantive fairness, corporate governance should instead focus on procedural fairness.”

The other work which focused on principles of corporate law was the essay on ‘What is Corporate Law?’12 Interestingly, it also proceeds on the ground that “overall social welfare” in the goal of corporate law.14 The narrower view of the goals of maximisation of current share price are also interpreted as a way of ensuring that shareholder interests are best served by taking into account interests of all other stakeholders and ensuring that other shareholders get a beneficial deal too. A similar view is taken in one article on theories of firm, while replying to the objection of not considering the social elements for measuring stakeholder utility (as a guide to the decisions of the firm), where Harrison and Wicks have argued that the stakeholders can judge the value of their association on their societal preferences and hence, such concerns will be impliedly considered15.

In addition to things already covered, the work by Armour and others points out to two important factors and their effect on determining the structure of the corporate law. Firstly, “political effect on corporate law” which includes both the undue preference to any one of the stakeholders and enacting legislative changes to assuage the feeling of dissent or discontent. Both of which are to be avoided.16 The second point is the ownership structures. “To some extent, therefore, the structure of corporate law in any given country is a consequence of that country’s pattern of corporate ownership. This in turn is determined at least in part by forces exogenous to corporate law.”17 While this article does not propose to ponder on that point, some problems of under-spending may find its roots there.

Wide amplitude of the section opens another line of criticism. A point made, after studying the provisions of section 135 by Enriques and others is that “unsurprisingly, given its ambition, the effectiveness of this regime remains very much open to

6 Ibid, p. 93
7 Ibid, p. 95
8 Ibid, p. 97
9 Ibid, p. 94
10 John Armour and others, ‘What is corporate law?’ in Reinier Kraakman and others (editors), The anatomy of corporate law (3rd edition Oxford University Publication 2017) pp. 1-28 at pp. 5-15
11 Ibid, p. 106
12 Ibid, p. 113
13 John Armour and others, ‘What is corporate law?’ in Reinier Kraakman and others (editors), The anatomy of corporate law (3rd edition Oxford University Publication 2017) pp. 1-28
14 Ibid, p. 23
17 Ibid, p. 27
CSR is not deductible as business expenditure as per the Explanation 2 of section 37 of Income Tax Act, 1961. While this is logical considering the fact that CSR expenditure is other than business expense, it does not prohibit the other deductions available to certain funds under the Income Tax Act, 1961. Hence, the companies are more likely to donate the CSR money to such funds, claim the deductions, and consider their CSR obligations discharged.

After the principles of Corporate Law, a narrower inquiry into the nature of CSR may be undertaken. Brejning has divided the concept of CSR from three perspectives: philanthropic CSR; social policy CSR; and globalization CSR.20 The concept of CSR, as ingrained in Indian law, seems to border on the concept of ‘philanthropic CSR’, which tends to suffer in the times of economic hardship. The current interpretation emanating from the provisions of section 135 is that when there are no net profits, the CSR obligations are not attracted. Denmark’s example, which adopted CSR as a Social Policy, may prove instructive to the administrators today who want to systematically encourage CSR.21 The third strand of CSR as a Globalisation policy is very much ignored and to a certain extent suppressed but the discussion about the same does not form part of this work.

4. Testing on the touchstone of Game Theory

After falling short on the touchstone of principles of corporate law, it may seem superfluous to test the section again on the principles of Game Theory. However, this test goes more to the root of the matter i.e. desirability of a legislative action. Both game theory and law seek to achieve the ends of securing coordination between the actors in the game. It may well be argued that by enacting section 135, the legislative intervention is moving the parties to a better equilibrium. But as noted by Benditt there is an absence of prior strategic information, no clear preference for equilibriums over non-equilibriums, or agreement about the nature of the problem.22 While these were the reservations expressed over the applicability of game theory to law, they are equally applicable for a half-hearted legal intervention which does not result into an equilibrium.

Usually Prisoner’s dilemma is used as an example to invoke the legislative intervention but Picker has called it “willy-nilly invocation”23 and has countered it using two arguments: one, whether the Government decision-making is better than private decision making and whether a normal form game should be treated as a game structure to invoke such intervention. In case of games with multiple equilibria, Picker has advocated the use of legislation only as the last resort when everything has failed.24

What Picker further stresses, and is more relevant for the analysis of section 135 is that the “game structure matters”25. The context of the game and its position in a larger tapestry determines the justifiability of legal intervention and seen that way, section 135 fails to play a larger role in corporate laws.

5. The way forward

“There seems to be a clear recent trend toward employing the legal strategies of corporate law to tackle broad social problems. Whether this is a functional response to government failures in addressing externalities, or merely window-dressing to deflect more fundamental regulatory reforms, remains an open question”.26

On this note, it is crucial to analyse what section 135 allows us to achieve. After the above discussion, the section starts to look like an effort to bridge the shortfall of Government funds and demand for public goods. Further, ensuring CSR expenditure shall not be treated as an excuse for running a business in a manner that creates more social costs than benefits. The right way appears to be making section 166 regarding the duties of the director stronger and more complete. The current section 166 is actionable only through section 439 and does not provide adequate guidance for resolution of conflicts in interests which leaves too much of gaps to be filled by the Courts. Solutions like two-tiered boards modelled on German laws could prove to be effective as the introduction of only Independent Directors is not sufficient.27 Such initiatives are likely to make available prior strategic information and allow effective legislative intervention.

To conclude, despite multiple shortcomings observed above, repeal of section 135 is not called for as it was a mere step in the journey of inculcating the culture of CSR. However, the other suggestions made above crave to be considered and with the constitution of another High Level Committee on CSR, the time is ripe now.

---

24 Ibid, p. 14
25 Ibid, p. 19
26 Ibid, p. 70
28 Ibid, p. 72-75

---

Ibid, p. 107

---
Advance Your Career With Holistic Business Understanding

MBA (Law) is a one of its kind program in India providing a unique combination of business management and legal expertise. Enhance your decision-making skills along with legal insights. Join the NMIMS legacy of excellence in management education.

Admissions open 2019

MBA (Law)

Why NMIMS?

- Ranked amongst the Top 10 B-Schools in India
- Legacy of 38 years
- 15000+ students
- 750+ full time faculty members

Highlights

- Intensive and next gen curriculum curated by industry experts
- Networking opportunities and great industry exposure
- 2-Year full time program, in association with Kirit P. Mehta School of Law

Eligibility

- LL.B., CS, CA, CMA or equivalent qualification (full time / part-time / external / open / distance) as per UGC guidelines
- Minimum 50% marks in final year examinations

V.L. Mehta Road, Vile Parle (W), Mumbai - 400 056
Toll Free No.: 1800-102-5138 | Email: admissions.sbm@nmims.edu
STEEL AUTHORITY OF INDIA LTD V. SHRI AMBICA MILLS LTD. & ORS [SC]
PVP GLOBAL VENTURES PVT LTD v. SEBI [SAT]
USHA MARTIN VENTURES LTD. & ORS v. USHA MARTIN LTD. & ANR [NCLAT]
AFFINITY FINANCE SERVICES PVT LTD v. KIEV FINANCE LTD [NCLAT]
SUN ELECTRONICS PVT LTD v. ELECTEK SOLUTIONS PVT LTD & ORS [CCI]
Ms. DEJEE SINGH & ORS v. SANA REALTORS PVT LTD [CCI]
GLOBE GROUND INDIA EMPLOYEES UNION v. LUFTHANSA GERMAN AIRLINES & ANF [SC]
The State Bank of India & ORS v. P. SOUPRAMANIANE [SC]
REGIONAL MANAGER, U.P.S.R.T.C. &ANR v. MASLAAHDDIN (DEAD) [SC]
BHARAT BROADBAND NETWORK LTD v. UNITED TELECOMS LTD [SC]
The Respondent obtained an advance license and submitted to SAIL for the supply of rolled strips in coils under a special scheme. As the licence was defective SAIL rejected the license and refused to supply the goods at concessional price. Respondent company contended that the license issuing authority and the major shareholder of SAIL are the same government and because of this SAIL could not have rejected the defective advance license.

We are primarily concerned with this issue here.

**Decision:** Appeal allowed.

**Reason**

Coming to the merits of the case, we accept the contention of the appellant that the High Court went wrong in holding that SAIL was a department of the Union of India. In Dr. S.L. Agarwal v. The General Manager, Hindustan Steel Ltd, AIR 1970 SC 1150 and Western Coalfields Ltd. vs. Special Area Development Authority, Korba & Anr, AIR 1982 SC 697 this court had held that the companies which are incorporated under the Companies Act have a corporate personality of their own, distinct from that of Government of India.

In the view of the above decisions of this Court, we have no hesitation to hold that the High Court erred in thinking that SAIL was a department of the Union of India and most of the reasons given in the judgment are based on this wrong premise.

The High Court held that the licensing authority and the appellant being two different wings/departments of Union of India, the appellant on receipt of rectified documents on 26.8.1983 must register the indent as if it was presented on 20.8.1983. We are afraid, we cannot accept the above reasoning of the High Court as we have pointed out that the basic error committed by the High Court was in assuming that the appellant was a Department of Union of India. We have already noticed that there are number of judgments of the Court taking the view that a company though fully owned by Union of India when incorporated takes its own entity/identify and cannot be considered as department of the Union of India. In view of our above conclusion, it is not necessary for us to consider and decide the other points raised by learned counsel for the appellant.

**Appeal allowed.**

**Reason**

The object and intention of inserting Section 28A to the SEBI Act was to provide a mechanism for recovery of the amount due to SEBI. Instead of prescribing an independent mechanism for collection and recovery of the amounts due to SEBI, the legislature deemed it fit to follow the mechanism provided under the Income Tax Act and accordingly inserted Section 28A to SEBI Act wherein the provisions of the Income Tax Act relating to collection and recovery have been incorporated. Thus, the legislature by inserting Section 28A to SEBI Act has provided that if a person fails to pay the amounts referred in Section 28A, then the Recovery Officer shall draw up a statement/certificate and proceed to recover the amounts specified in the certificate by any one or more of the five modes specified therein.

This Tribunal in Dushyant N. Dalal & Anr. v. SEBI decided on March 10, 2017 (Appeal No. 41 of 2014) which judgment was affirmed by the Supreme Court reported in 2017 SCC OnLine SC 1188, after considering the provision of Section 28A of SEBI Act read with Section 220 of the Income Tax Act held that the liability to pay interest under Section 28A read with Section 220 is automatic and arises by operation of law.

We further find that the Adjudicating Officer in its order while imposing penalty had also directed the appellant to pay the
penalty amount within 45 days. In our view this order of penalty would also be deemed to include a notice of demand and thus a formal requirement for issuance of a separate notice of demand pursuant to the order of penalty is no longer required. Thus, the contention raised by the appellant is not sustainable and is rejected.

The contention that interest was impliedly waived when the penalty was reduced by the Tribunal or that interest cannot be imposed with retrospective effect is patently misconceived. Hon’ble Supreme Court while affirming the judgment of this Tribunal in Dushyant Dalal’s case (supra).

From the aforesaid, it becomes clear that interest was not only chargeable under Section 28A read with Section 220(2) of the Income Tax Act but the provisions of Interest Act, 1978 could also be taken into consideration and interest could be charged from the date on which the penalty became due.

In the light of the aforesaid, we are of the view that the Recovery Officer was justified in charging interest from the date of the order passed by the Adjudicating Officer. In view of the aforesaid, we find no merit in these appeals and are dismissed. In the circumstances there shall be no order on costs.

**LW 33:05:2019**

**USHA MARTIN VENTURES LTD. & ORS v. USHA MARTIN LTD. & ANR [NCLAT]**

Company Appeal (AT) No. 94 of 2019

S.J. Mukhopadhyaya, A.L.S Cheema & Kanthi Narahari. [Decided on 22/04/2019]


**Brief facts**

The Appellant filed Petition under Section 241 & 242 of the Companies Act, 2013 alleging oppression and mismanagement against Respondents. The State Bank of India filed an intervention application, which was allowed by National Company Law Tribunal. Appellants challenged the impleadment of SBI in this appeal.

**Decision:** Appeal dismissed.

**Reason**

Learned counsel appearing on behalf of the Appellants/ Petitioners submitted that State Bank of India being a lender is not a necessary party nor a formal party and, therefore, it cannot be impleaded as Respondents in a petition under Section 241 & 242 of the Companies Act, 2013.

Referring to the impugned order, it is submitted that even the Tribunal observed that the State Bank of India is not a necessary party, inspite of the same, it has allowed to intervene the Respondents.

Counsel for the Respondent – State Bank of India submitted that the bank has a nominee Director in the Board of Directors of the company who is required to be present in board meetings in the interest of the company.

Having heard learned counsel for the parties, as we find that the lender State Bank of India has a nominee as one of the Director of the Company and the petitioner have alleged mismanagement of the company, we hold that the Tribunal rightly allowed the State Bank of India to intervene in the matter. The appeal is accordingly dismissed. No cost.

**LW 34:05:2019**

**AFFINITY FINANCE SERVICES PVT LTD v. KIEV FINANCE LTD [NCLAT]**

Company Appeal (AT) (Insolvency) No.171/2019

Bansi Lal Bhat & Balvinder Singh. [Decided on 26/04/2019]

Insolvency and Bankruptcy Code, 2016- corporate insolvency proceedings- liquidation order passed- recall rejected- whether refusal to recall the liquidation order correct-Held, Yes.

**Brief facts**

The appellant, operational creditor, filed petition under Section 9 of the Insolvency & Bankruptcy Code, 2016 seeking initiation of corporate insolvency resolution process against the Respondent, Corporate Debtor for committing default in paying of its debt. The petition was admitted by the Adjudicating Authority and Interim Resolution Professional was appointed and Committee of Creditors came to be constituted. Subsequently appointment of IRP was confirmed as Resolution Professional. The COC had as many as six meetings but did not receive any resolution plan during the period of 180 days.

Resolution Professional approached the Adjudicating Authority for liquidation of the Corporate Debtor. The Adjudicating Authority passed the liquidation order qua the corporate debtor and the Resolution Professional was appointed as Liquidator.

However, subsequently an application appears to have been filed by the Liquidator seeking recall of the liquidation order, which was dismissed on the ground that the order of liquidation of corporate debtor passed by it could not be subjected to review or revocation. It was also noticed by the Adjudicating Authority that corporate debtor could be sold as an ongoing concern during the liquidation process. The application seeking review was also accordingly dismissed. Hence the present appeal.

**Decision:** Appeal dismissed.

**Reason**

After hearing learned counsel for the appellant for a while we find no merit in the instant appeal. Admittedly no resolution applicant came forward with a resolution plan during the corporate insolvency resolution process and the Resolution Professional was left with no option but to seek an order of liquidation from the Adjudicating Authority. Learned Adjudicating Authority also did not have any option but to pass order for liquidation of the corporate debtor. Even if it is accepted that any resolution applicant did intend to submit a resolution plan before the order of liquidation was passed, same could be evaluated for considering its feasibility, viability and financial matrix only during the period of Insolvency Resolution Process. The Resolution Professional, in terms of Section 30(3) is required to present to the COC for its approval such resolution plans which confirm the conditions referred to in sub-section (2) of Section 30. It is only thereafter that
feasibility and viability of such resolution plan is considered by the COC and the resolution plan is subjected to vote. All this has not been done. In fact review was sought on the ground that the proposed resolution applicant intended to file a resolution plan which in fact could not be evaluated and subjected to scrutiny for determining its viability and feasibility by the COC unless the same had been submitted within the prescribed time frame. This, coupled with the fact that the order of liquidation goes un-assailed, did not justify recalling of the order of liquidation at the instance of appellant, operational creditor, who claims to be sole member of COC. The impugned order declining to recall the liquidation order does not suffer from any legal infirmity and we do not find any justifiable ground to interfere. The Adjudicating Authority has rightly pointed out in the impugned order that even during the liquidation process corporate debtor can be sold as an ongoing concern. That should allay the apprehension of the appellant, if any, with regard to fair value of the Assets of the Corporate Debtor. For the aforesaid reasons, the appeal is dismissed.

Reason

In this regard, the Commission observes that so far as the allegation pertaining to contravention of the provisions of Section 3(3) of the Act are concerned, suffice to note that the Informant has not been able to show any ‘agreement’ amongst the OPs which can be examined within the framework of Section 3(3) read with Section 3(1) of the Act. Similarly, the Commission notes that the Informant has alleged abuse of dominance by all the OPs by averring in the Information that “[…] [A]ll the respondents together in collusion are tactically are accomplishing such unlawful acts or are able to make such demands due to the dependence of the consumer on the enterprise.” Such allegations made by the Informant alleging abuse of dominance by all the OPs, do not warrant any examination as the present scheme of Section 4 of the Act does not envisage or provide for joint or collective dominance.

With respect to the relevant geographic market, the Commission is of the view that Smart Home Solutions can be bought from anywhere in India as there are many suppliers of the same providing a variety of services on customized basis. As such, it appears that the relevant geographic market would be ‘India’. Accordingly, the Commission is of the view that the relevant market in the instant matter appears to be ‘the market for supply and installation of smart home solutions in India.’

In this market, the Commission observes that there are many players providing smart home solutions in India. Some of these players are Schneider, Electric, Smartify, Z-wave, Pert, Cubical, Odessi, Infineon etc., who provide Smart Home Automation Solutions to the consumers by offering a variety of services. As such, in the view of the Commission, the OPs are not found to be dominant in the relevant market delineated supra, be it OP-1 or OP-2, owing to the presence of several other integrators/distributors who are vendors of the competitors of OP-3/OP-4. Further, in the absence of any material to the contrary, it is also observed that OP-3/OP-4 as supplier/manufacturer of RTI Home Automation Solutions may also be facing inter-brand competition from other suppliers/manufacturers operating in the relevant market defined supra. Upon perusing the material and literature in public domain, it appears that this market is evolving in India with the presence of many players who are offering Smart Home Solution to the consumers. Further, there is nothing on record to suggest that OP-1 is the only integrator to design Smart Home Solution in Mumbai or that OP-2 is the only distributor offering Smart Home Solutions or that the consumers are dependent on OP-1 and/or OP-2, as the case may be. Based on the above assessment, the Commission is of the view that none of the OPs individually are found to be dominant in the relevant market defined supra. In the absence of the dominance of an entity, the question of assessment of abuse does not arise.

Coming to the allegations made by the Informant pertaining to contravention of the provisions of Section 3(4) of the Act, it is observed that it inter alia proscribes any agreement amongst enterprises or persons at different stages or levels of the production chain in different markets, in respect of production, supply, distribution, storage, sale or price of, or trade in goods or provision of services if such agreement causes or is likely to cause an appreciable adverse effect on competition in India.

Thus, for a case to be examined under Section 3(4) of the Act, the parties should be operating at different stages or levels of the production chain in different markets. In this regard,
it is observed that while OP-1 is stated to be an integrator and supplier of RTI Home Automation Solution in the State of Maharashtra, OP-2 is the dealer and distributor of such products across India. Similarly, OP-3 and OP-4 are companies engaged in the business of providing RTI Home Solutions and Automation products in India and abroad respectively.

In view of the above discussion, the Commission is of the view that no case of contravention of the provisions of Section 3 or Section 4 of the Act has been made out and the matter is accordingly ordered to be closed forthwith under the provisions of Section 26 (2) of the Act.

**LW 36:05:2019**

Ms. DEJEE SINGH & ORS v. SANA REALTORS PVT LTD [CCI]

Case No. 06 of 2019


Competition Act, 2002- sections 3 & 4- delay in handing over possession of shop - whether constitute abuse of dominance -HeId. No.

**Brief facts:**

The present information has been filed by the informants alleging abuse of dominant position by the OP in the real estate market for “Small Office Home Office” (hereinafter “SOHO”). As per the brochure of the OP, the SOHO units are modern architectural masterpiece that will serve as a home as well as an office. It takes care of all the basic needs so that one can work from the comfort of a home. The primary grievance of the Informant seems to stem from delay in handing over of possession of the units which was promised to be delivered by the OP by the year 2013 as per the Agreement, and which according to the Informants has violated the provisions of Section 4 (2) (a) of the Act.

**Decision:** Dismissed.

**Reason**

The Commission notes that the OP has advertised the model of Small Office Home Office as “small and affordable office space to ensure beauty and comfort catering to the needs of the corporate, small and medium enterprises”. The Commission therefore is of the view that the primary use of the space, therefore, relates to office use only. Furthermore, the particulars of the place are marked as office in the Agreement as well. The only distinguishing feature of the project for office space offered by the OP is the unit for a bedroom in the proposal, allowing the comfort of a home office. Though OP has stated in his offering that this is an additional feature that might make the OP’s product preferable to consumers/ buyers in a differentiated product market, the Commission notes that such an additional feature can be added by the consumer on his own in any office space he/ she prefers, as it is up to the discretion of the consumer to style his/ her office space in the way he/ she desires, subject however to any limitations under the contract or any law. The said feature, therefore, is not sufficient to qualify the product as a separate relevant product market altogether. The Commission, therefore, is of the opinion that the relevant market in the present case may be defined as “market for commercial units for office space”.

Choice of a consumer for office space depends on various factors such as development of the region, supply of land, location of business establishment, etc. A buyer of office space is likely to take into account all these factors while exercising his choice, and therefore a buyer desirous of setting office in Gurugram may not be willing to establish office in areas other than Gurugram, as market conditions that exist in Gurugram can be distinguished from the conditions prevailing in the neighbouring areas. This may be due to factors like proximity of his/ her customers, better connectivity/ transport facilities/ infrastructure, etc. to name a few. Thus, geographical area of Gurugram region has to be taken as the relevant geographic market in the instant case, and “the market for commercial units for office space in Gurugram” is accordingly considered as the relevant market in the instant case.

As per information available in the public domain, there have been many established and bigger organised real estate companies such as DLF Limited, Omaxe, etc. offering their projects in the relevant market at the relevant time. The Commission notes that the presence of other players in the relevant market indicates that competing products are available to consumers in the relevant market and the OP, therefore, doesn’t appear to be dominant in the relevant market as delineated above. In the absence of dominance, its conduct cannot be examined under the provisions of Section 4 of the Act.

The Commission further notes that no facts, evidence, or even appropriate provisions of Section 3 of the Act are set out in the Information. Thus no case of contravention of Section 3 of the Act is also made out in the present case. In view of the foregoing, the Commission is of the view that based on Information filed, no case of contravention of the provisions of the Act is made out against the OP and the matter is ordered to be closed.

**LW 37:05:2019**

GLOBE GROUND INDIA EMPLOYEES UNION v. LUFTHANSA GERMAN AIRLINES & ANR [SC]

Civil Appeal Nos. 4076-4077 of 2019 [Arising out of S.L.P (C) Nos.25341-42 of 2017]


Industrial Disputes Act, 1947- section 10- employees of subsidiary company raised dispute over retrenchment-implement of the holding company sought- whether permissible-Held, No.

**Brief facts:**

Globe Ground India Private Ltd [Respondent No.2 herein] is subsidiary of Lufthansa German Airlines [Respondent 1
herein]. Appellant is the employees union representing the employees of Respondent No.2. The appellant raised the industrial dispute which was referred by the Central Government to Industrial Tribunal-cum-Labour Court. In the proceedings the appellant sought to implead the respondent No.1 also as it was the holding company of respondent No.2. The impleadment application was allowed by the Tribunal, which was on appeal reversed by the High Court. Hence the present appeal before the Supreme Court seeking the impleadment of the respondent No.1 holding company in the industrial reference made against the subsidiary Respondent No.2 Company.

**Decision:** Appeal dismissed.

**Reason**

Having heard learned counsel on both sides, we have perused the material placed on record. The only question which is required to be considered is whether, the first respondent – Lufthansa German Airlines is to be impleaded as a party respondent or not, in adjudication proceedings to answer the reference referred by the Central Government to the Industrial Tribunal-cum-Labour Court vide order dated 4.2.2010. From a reading of the reference, which is referred to Industrial Tribunal, it is clear that the reference which is required to be answered by the Industrial Tribunal is that, whether the action of the Management of M/s Globe Ground India (Pvt.) Limited, in closing down their establishment on 15.12.2009 and retrenching the services of 106 workmen is justified and legal. At this stage, it is apt to refer to Section 10 of the Industrial Disputes Act. It is clear from the above said section, whenever, the appropriate Government refers the points of dispute for adjudication, the Labour Court or the Tribunal or the National Tribunal, as the case may be, shall confine its adjudication to those points only and matters incidental thereto.

Whenever, an application is filed in the adjudication proceedings, either before the Industrial Tribunal in a reference made under the Industrial Disputes Act, 1947 or any other legal proceedings, for impleadment of a party who is not a party to the proceedings, what is required to be considered is whether such party which is sought to be impleaded is either necessary or proper party to decide the lis. The expressions “necessary” or “proper” parties have been considered time and again and explained in several decisions. The two expressions have separate and different connotations. It is fairly well settled that necessary party, is one without whom no order can be made effectively. Similarly, a proper party is one in whose absence an effective order can be made but whose presence is necessary for complete and final decision on the question involved in the proceedings.

Reverting back to the facts of the case on hand it is clear that the first respondent had a subsidiary, namely, Globe Ground Deutschland GmbH, which was holding 51% shares along with 49% shares held by the Bird Group in the second respondent company. Further, it is clear that the Bird Group had floated another company, Bird Worldwide Flight Services Ltd. to provide ground handling and ancillary services which started from the month of January, 2009. It is the allegation of the appellant’s union that even after the formation of a new company, such new company is utilizing same equipment and vehicles belonging to the second respondent. It is also the allegation of the appellant that after the formation of the new company, it has retained most of the employees, except the trade union activists. The appellant workers’ union does not seek employment of the alleged retrenched workers in the first respondent.

Further, we are of the view that even in a subsidiary company which is an independent corporate entity, if any other company is holding shares, by itself is no ground to order impleadment of parent company per se. In the case at hand, it is clear that the second respondent itself is a company in which the subsidiary of the first respondent, namely, Globe Ground Deutschland GmbH, was holding 51% shares and 49% shares were held by the Bird Group. As per the case of the appellant, the Bird Group has floated another company and started handling services from the month of January, 2009 by utilizing the same equipments and vehicles belonging to the second respondent. Further, having regard to limited scope of adjudication, to answer the reference, which is circumscribed by Section 10(4) of the Industrial Dispute Act, 1947, we are of the view that the first respondent is neither necessary nor proper party, to answer the reference by the Industrial Court. Further, we do not find any error in the order passed by the learned Single Judge or in the order of the Division Bench passed by the High Court of Delhi in the impugned judgment, so as to interfere with such reasoned and concurrent findings recorded by the courts. Thus, these civil appeals are devoid of merits and the same are accordingly dismissed, with no order as to costs.

**LW 38:05:2019**

**THE STATE BANK OF INDIA & ORS v. P SOUPRAMANIANE [SC]**

Civil Appeal No. 7011 of 2009

L. Nageshwar Rao & M.R.Shah, JJ. [Decided on 26/04/2019]

Banking service- messenger- convicted for assault and later discharged on probation- dismissed from service for moral turpitude- whether tenable-Held, No. What is moral turpitude-explained.

**Brief facts**

The Respondent who was working as a Messenger in the State Bank of India at Puducherry was discharged from service by an order dated 15.05.1986 on the ground of his conviction by a criminal court for an offence involving moral turpitude. The respondent was convicted for the offence committed under section 324 of the IPC [assault] and sentence of 3 months imprisonment was given. The appellate court released him under section 360 of the CrPC on probation on the ground that the Respondent was employed as a Messenger in a Bank and any sentence of imprisonment would affect his career.

The appeal filed by the Respondent against the order of discharge was dismissed and the Staff Union took up the cause of the Respondent and made a representation on his behalf which was also rejected. Challenging the aforementioned orders, the Respondent filed a Writ Petition in the High Court of Judicature at Madras which was dismissed by a learned Single Judge. Aggrieved thereby, the Respondent filed a Writ Appeal which was allowed by the Division Bench of the Madras High Court. The order of discharge of the Respondent from service was set aside and the Appellants were directed to reinstate the Respondent. The Appellants were directed to pay 1/4th of the salary from the date of discharge till the date.
of reinstatement as back wages. Now the appellant bank is before the Supreme Court. 

**Decision:** Appeal dismissed.

**Reason**

We do not agree with the reasons given by the High Court for setting aside the order of discharge and directing the reinstatement of the Respondent in service. A show-cause notice was issued to the Respondent in which it was categorically mentioned that the Respondent cannot continue in service after his conviction in a criminal case involving moral turpitude in view of Section 10(1) (b) (i) of the Banking Regulation Act, 1949. After considering the explanation of the Respondent, an order of discharge was passed. The High Court is not right in holding that no reasons had been given by the bank for discontinuing the Respondent from service. The High Court committed an error in holding that the order of discharge should be set aside on the ground that the provision of law under which the Respondent was discharged was not mentioned in the order. Yet another reason given by the High Court for interference with the order of discharge is that the criminal court released the Respondent on probation only to permit him to continue in service. The release under probation does not entitle an employee to claim a right to continue in service. In fact the employer is under an obligation to discontinue the services of an employee convicted of an offence involving moral turpitude. The observations made by a criminal court are not binding on the employer who has the liberty of dealing with his employees suitably.

Though we do not agree with the reasons given by the High Court for setting aside the order of discharge of the Respondent from service, it is necessary to examine whether Section 10(1) (b) (i) of Banking Regulation Act is applicable to the facts of the case. Conviction for an offence involving moral turpitude disqualifies a person from continuing in service in a bank. The conundrum that arises in this case is whether the conviction of the Respondent under Section 324 IPC can be said to be for an offence involving moral turpitude.

There can be no manner of doubt about certain offences which can straightaway be termed as involving moral turpitude e.g. offences under the Prevention of Corruption Act, NDPS Act, etc. The question that arises for our consideration in this case is whether an offence involving bodily injury can be categorized as a crime involving moral turpitude. In this case, we are concerned with an assault. It is very difficult to state that every assault is not an offence involving moral turpitude. A simple assault is different from an aggravated assault. All cases of assault or simple hurt cannot be categorized as crimes involving moral turpitude. On the other hand, the use of a dangerous weapon which can cause the death of the victim may result in an offence involving moral turpitude. In the instant case, there was no motive for the Respondent to cause the death of the victims. The criminal courts below found that the injuries caused to the victims were simple in nature. On an overall consideration of the facts of this case, we are of the opinion that the crime committed by the Respondent does not involve moral turpitude. As the Respondent is not guilty of an offence involving moral turpitude, he is not liable to be discharged from service.

For the aforementioned reasons, we affirm the judgment of the High Court. The Appeal is dismissed accordingly.

---

**Regional Manager, U.P.S.R.T.C. & ANR v. Maslahuddin (Dead) [SC]**

Civil Appeal No. 3959 of 2019 [Arising out of SLP (C) No. 29305 of 2008] with connected appeals.

L. Nageshwar Rao & M.R. Shah, II. [Decided on 16/04/2019]

Superannuation of employees- initially employed in category D- retirement age 60years – subsequently placed in category C with retroactive effect- retirement age 58 years- accordingly retired at 58 years- employees claimed they are entitled service up to 60 years- whether tenable-Held, No.

**Brief facts:**

As common question of law and facts arise in these appeals, as such, arising out of the impugned judgment and order passed by the High Court, all these appeals are being disposed of by this common judgment and order.

Respondents were appointed as drivers by the appellant Corporation and placed them under category D, for which the retirement age is 60 years. During the course of their service their pay scale have been revised and due to this they have been placed under category C, for which the retirement age is 58 years. The appellant retired them at the age of 58 years and the respondents raised a dispute over this and the labour court as well as the High Court held that the respondents’ retirement age should be 60. Hence the present appeal of the appellant Corporation.

**Decision:** Appeals allowed.

**Reason**

We have heard the learned counsel appearing on behalf of the respective parties at length. The issue in the present appeals is in a very narrow compass. The short question which is posed for consideration by this Court is whether the respective respondents Drivers would fall in Group “D” or Group “C”?

It is required to be noted that all those employees who were getting the salary less then Rs.200/ would fall in Group “D” category. As per the Rules prevailing at the relevant time, the employees getting salary more than Rs.200/ would fall in Group “A”, “B” or “C” as per the classification and those who would not fall in either Group “A”, “B” or “C” category, they would fall in Group “D” category. As per the Rules prevailing at the relevant time, the age of superannuation of Group “D” employees was 60 years and for the others, i.e. Group “A”, “B” and “C”, the age of retirement was 58 years.

It appears, (from the affidavit of the appellant), that at the time when the respective respondents Drivers were appointed, they were in the pay scale of Rs.185/- and under the normal circumstances they would fall in Group “D” category and therefore their age of superannuation would be 60 years. However, in the year 1982 the pay scale of all the employees of the Corporation was revised, including the Drivers, and the pay scale of the Drivers of the Corporation was revised to Rs.335/- from Rs.200/-. That the pay scale of the respondents was also revised to Rs.335/ w.e.f. the date of their initial appointment and they were also paid the arrears from the date of their initial appointment till August, 1981. That, in the year 1984, it was
resolved to fix the age of superannuation of the Drivers and Conductors as 58 years and place them in Group “C”. In the year 1985, the Board of Directors resolved that the classification of posts of all the employees would be revised in view of the recommendations of the Second Pay Commission and that the pay scale of the Drivers and Conductors was again revised to Rs. 335/- and above and that they would be placed in Group “C”. That the above resolution was notified on 10.06.1985 and it was also clarified that the revision in classification will be applicable while determining the age of retirement of the employees.

There is no further counter on behalf of the respondents to the rejoinder filed on behalf of the appellant Corporation. Therefore, the averments in the rejoinder on behalf of the appellant Corporation had gone uncontroverted.

In view of the above, both the Labour Court as well as the High Court have committed a grave error in holding that the respective respondents Drivers were in Group “D” category and that their age of superannuation would be 60 years. As the pay scale of the respective respondents Drivers was revised to Rs.335 with retrospective effect and in fact they were paid the arrears also, thereafter it was not open for the respondents Drivers to contend that as per their original pay scale, their salary was less than Rs.200/-, they would be in Group “D” category. Once having taken the advantage of the revised pay scale retrospectively and that their pay scale was revised to Rs.335/- with retrospective effect and they were paid the arrears which the respective respondents accepted, in that case, they would fall in Group “C” category and, therefore, considering the Rules, their age of superannuation would be 58 years and not 60 years, as contended on behalf of the respective respondents Drivers. Therefore, the appellant Corporation rightly retired/superannuated the respective respondent Drivers on completion of 58 years of age.

In view of the above and the reasons stated above, all these appeals succeed and the impugned common judgment and order passed by the High Court is hereby quashed and set aside. In the facts and circumstance of the case, there will be no order as to costs.

Arbitration and Conciliation Act, 1996- section 12- appointment of arbitrator- CMD disqualified and became ineligible to be appointed as arbitrator- whether such disqualified person can appoint an arbitrator-Held, No.

Brief facts:
The Chairman & Managing Director of the appellant, had the right to appoint the arbitrator as provided in the arbitration clause in the purchase order dated 30/09/2014 (contract). Since disputes and differences arose between the parties, the respondent, by its letter dated 03.01.2017, invoked the aforesaid arbitration clause. The appellant’s Chairman and Managing Director, by a letter dated 17.01.2017, nominated one Shri K.H. Khan as sole arbitrator to adjudicate and determine disputes that had arisen between the parties.

The Supreme Court, by its judgment in TRF Ltd. v. Energo Engineering Projects Ltd., (2017) 8 SCC 377 (rendered on 03.07.2017), held that since a Managing Director of a company which was one of the parties to the arbitration, was himself ineligible to act as arbitrator, such ineligible person could not appoint an arbitrator, and any such appointment would have to be held to be null and void.

The appellant therefore made an application to the sole arbitrator praying that since he (arbitrator) is de jure unable to perform his function as arbitrator, he should withdraw from the proceedings to allow the parties to approach the High Court for appointment of a substitute arbitrator in his place. The application was rejected and on appeal High court also rejected the appeal stating that the very person who appointed the arbitrator is estopped from raising a plea that such arbitrator cannot be appointed after participating in the proceedings. Hence the present appeal before the Supreme Court.

Decision: Appeal allowed.
Reason
From a conspectus of the above decisions, it is clear that Section 12(1), as substituted by the Arbitration and Conciliation (Amendment) Act, 2015 [“Amendment Act, 2015”], makes it clear that when a person is approached in connection with his possible appointment as an arbitrator, it is his duty to disclose in writing any circumstances which are likely to give rise to justifiable doubts as to his independence or impartiality. The disclosure is to be made in the form specified in the Sixth Schedule, and the grounds stated in the Fifth Schedule are to serve as a guide in determining whether circumstances exist which give rise to justifiable doubts as to the independence or impartiality of an arbitrator. Once this is done, the appointment of the arbitrator may be challenged on the ground that justifiable doubts have arisen under sub-section (3) of Section 12 subject to the caveat entered by sub- section (4) of Section 12. The challenge procedure is then set out in Section 13, together with the time limit laid down in Section 13(2). What is important to note is that the arbitral tribunal must first decide on the said challenge, and if it is not successful, the tribunal shall continue the proceedings and make an award. It is only post award that the party challenging the appointment of an arbitrator may make an application for setting aside such an award in accordance with Section 34 of the Act.

Section 12(5), on the other hand, is a new provision which relates to the de jure inability of an arbitrator to act as such.
Under this provision, any prior agreement to the contrary is wiped out by the non-obstante clause in Section 12(5) the moment any person whose relationship with the parties or the counsel or the subject matter of the dispute falls under the Seventh Schedule. The sub-section then declares that such person shall be “ineligible” to be appointed as arbitrator. The only way in which this invalidity can be removed is by the proviso, which again is a special provision which states that parties may, subsequent to disputes having arisen between them, waive the applicability of Section 12(5) by an express agreement in writing. What is clear, therefore, is that where, under any agreement between the parties, a person falls within any of the categories set out in the Seventh Schedule, he is, as a matter of law, ineligible to be appointed as an arbitrator. The only way in which this invalidity can be removed, again, is by an express agreement in writing. What is clear, therefore, is that parties may, subsequent to disputes having arisen between them, waive the applicability of this sub-section by an “express agreement in writing”. Obviously, the “express agreement in writing” has reference to a person who is interdicted by the Seventh Schedule, but who is stated by parties (after the disputes have arisen between them) to be a person in whom they have faith notwithstanding the fact that such person is interdicted by the Seventh Schedule.

The scheme of Sections 12, 13, and 14, therefore, is that where an arbitrator makes a disclosure in writing which is likely to give justifiable doubts as to his independence or impartiality, the appointment of such arbitrator may be challenged under Sections 12(1) to 12(4) read with Section 13. However, where such person becomes “ineligible” to be appointed as an arbitrator, there is no question of challenge to such arbitrator, before such arbitrator. In such a case, i.e., a case which falls under Section 12(5), Section 14(1)(a) of the Act gets attracted inasmuch as the arbitrator becomes, as a matter of law (i.e., de jure), unable to perform his functions under Section 12(5), being ineligible to be appointed as an arbitrator. This being so, his mandate automatically terminates, and he shall then be substituted by another arbitrator under Section 14(1) itself. It is only if a controversy occurs concerning whether he has become de jure unable to perform his functions as such, that a party has to apply to the Court to decide on the termination of the mandate, unless otherwise agreed by the parties. Thus, in all Section 12(5) cases, there is no challenge procedure to be availed of. If an arbitrator continues as such, being de jure unable to perform his functions, as he falls within any of the categories mentioned in Section 12(5), read with the Seventh Schedule, a party may apply to the Court, which will then decide on whether his mandate has terminated. Questions which may typically arise under Section 14 may be as to whether such person falls within any of the categories mentioned in the Seventh Schedule, or whether there is a waiver as provided in the proviso to Section 12(5) of the Act. As a matter of law, it is important to note that the proviso to Section 12(5) must be contrasted with Section 4 of the Act. Section 4 deals with cases of deemed waiver by conduct; whereas the proviso to Section 12(5) deals with waiver by express agreement in writing between the parties only if made subsequent to disputes having arisen between them.

On the facts of the present case, it is clear that the Managing Director of the appellant could not have acted as an arbitrator himself, being rendered ineligible to act as arbitrator under Item 5 of the Seventh Schedule. Whether such ineligible person could himself appoint another arbitrator was only made clear by this Court’s judgment in TRF Ltd. (supra) on 03.07.2017, this Court holding that an appointment made by an ineligible person is itself void ab initio. Thus, it was only on 03.07.2017, that it became clear beyond doubt that the appointment of Shri Khan would be void ab initio. Since such appointment goes to “eligibility”, i.e., to the root of the matter, it is obvious that Shri Khan’s appointment would be void. There is no doubt in this case that disputes arose only after the introduction of Section 12(5) into the statute book, and Shri Khan was appointed long after 23.10.2015. The judgment in TRF Ltd. (supra) nowhere states that it will apply only prospectively, i.e., the appointments that have been made of persons such as Shri Khan would be valid if made before the date of the judgment. Section 26 of the Amendment Act, 2015 makes it clear that the Amendment Act, 2015 shall apply in relation to arbitral proceedings commenced on or after 23.10.2015. Indeed, the judgment itself set aside the order appointing the arbitrator, which was an order dated 27.01.2016, by which the Managing Director of the respondent nominated a former Judge of this Court as sole arbitrator in terms of clause 33(d) of the Purchase Order dated 10.05.2014. It will be noticed that the facts in the present case are somewhat similar. The APO itself is of the year 2014, whereas the appointment by the Managing Director is after the Amendment Act, 2015, just as in the case of TRF Ltd. (supra). Considering that the appointment in the case of TRF Ltd. (supra) of a retired Judge of this Court was set aside as being non-est in law, the appointment of Shri Khan in the present case must follow suit.

We thus allow the appeals and set aside the impugned judgment. The mandate of Shri Khan having terminated, as he has become de jure unable to perform his function as an arbitrator, the High Court may appoint a substitute arbitrator with the consent of both the parties.

Members would henceforth be required to declare their PAN (mandatory) and Aadhaar/UID Number (optional) at the time of making online payment of annual membership fees and while applying for Fellow membership of the Institute in Form-B.

Further, offline Membership fee / Certificate of Practice fee would not be accepted in any office of the Institute from 1st June, 2019. Only online fees shall be accepted from 1st June, 2019 onwards.

Members may also note that as per Regulation 3 of the Company Secretaries Regulations, 1982, they are required to communicate to the Institute any change in their Professional Address within one month of such change.

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

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

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

**How to join**
- By making an application in Form A (available at www.icsi.edu/csbf) along with one time subscription of ₹10,000/.
- One can submit Form A and also the subscription amount of ₹10,000/- ONLINE through Institute’s web portal: www.icsi.edu. Alternatively, he can submit Form A, along with a Demand Draft or Cheque for ₹10,000/- drawn in favour of ‘Company Secretaries Benevolent Fund’, at any of the Offices of the Institute/ Regional Offices/ Chapters.

**Benefits**
- ₹7,50,000 in the event of death of a member under the age of 60 years
- Upto ₹3,00,000 in the event of death of a member above the age of 60 years
- Upto ₹40,000 per child (upto two children) for education of minor children of a deceased member
- Upto ₹60,000 for medical expenses in deserving cases
- Limited benefits for Company Secretaries who are not members of the CSBF

**Contact**
For further information/clarification, please write at email id csbf@icsi.edu or contact Mr. Saurabh Bansal, Executive on telephone no.0120-4082135.

For more details please visit www.icsi.edu/csbf
FROM THE GOVERNMENT

- Companies (Registration Offices and Fees) Second Amendment Rules, 2019
- Companies (Incorporation) Fourth Amendment Rules, 2019
- Filing of one time return in DPT - 3 Form - Reg.
- Relaxation of additional fees and extension of last date of filing E-Form CRA-2 (Form of intimation of appointment of cost auditor by the company to Central Government) in certain cases under the companies act, 2013 Reg.
- Net worth requirements for clearing corporations in International Financial Services Centre (IFSC)
- Guidelines for determination of allotment and trading lot size for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)
- Technology Committee for Mutual Funds / Asset Management Companies (AMCs)
- System Audit Framework for Mutual Funds / Asset Management Companies (AMCs)
- Risk-based capital and net worth requirements for clearing corporations under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
- Separate BSDA limit for debt securities
- Issue of certified copies of orders and circulars
- Streamlining the process of public issue of equity shares and convertibles- Extension of time line for implementation of Phase 1 of unified payments interface with application supported by block amount
- Empowerment of Insolvency Professionals (IPs) to be appointed as administrator, remuneration and other incidental and connected matters under the securities and exchange board of India (appointment of administrator and procedure for refunding to the investors) regulations, 2018.
01 Companies (Registration Offices and Fees) Second Amendment Rules, 2019

[Issued by the Ministry of Corporate Affairs vide F. No. 01/16/2013 CL-V (Pt-1) dated 25.04.2019. To be published in the Gazette of India Extraordinary, Part - II, Section - 3, Sub Section (i)]

In exercise of the powers conferred by sections 396,398,399, 403 and 404 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Registration Offices and Fees) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Registration Offices and Fees) Second Amendment Rules, 2019.

(2) They shall come into force from the date of publication in the Official Gazette.

2. In the Companies (Registration Offices and Fees) Rules, 2014, in the Annexure, in item VIII. FEE FOR FILING e-Form ACTIVE under rule 25A of the Companies (Incorporation) Rules, 2014., the following shall be substituted, namely.-

(i) Fee payable till 15.06.2019 on e-form ACTIVE.

(ii) Fee payable (in delayed case). Rs.10,000

K. V. R. MURTY
Joint Secretary

02 Companies (Incorporation) Fourth Amendment Rules, 2019

[Issued by the Ministry of Corporate Affairs vide F. No. 1/13/2013 CL-V, part-1, Vol. II dated 25.04.2019. To be published in the Gazette of India Extraordinary, Part - II, Section-3, Sub Section (i)]

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

1. Short title and Commencement.- (1) These rules may be called the Companies (Incorporation) Fourth Amendment Rules, 2019.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Companies (Registration Offices and Fees) Rules, 2014, in rule 25A, in sub-rule (1) of for the words and figures ‘on or before 25th April, 2019’ the words and figures ‘on or before 16th June, 2019’ shall be substituted.

SRIDHAR PAMARTHI
Joint Director

03 Filing of one time return in DPT - 3 Form - reg.

[Issued by the Ministry of Corporate Affairs vide F. No. 01/8/2013- CL V (Vol-VI) dated 12.04.2019.]

1. As per Rule 16A(3) of the Companies (Acceptance of deposit) Rules, 2014 “every company other than Government company shall file a onetime return of outstanding receipt of money or loan by a company but not considered as deposits, in terms of clause (c) of sub-rule 1 of rule 2 from the 01st April, 2014 to the date of publication of the notification in the Official Gazette, as specified in Form DPT-3 within ninety days from the date of said publication of this notification along with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014”. It may also be noted that data on deposits should be filed upto 31st March, 2019 (as opposed to 22nd January, 2019 which was originally indicated in the said Rule). Rule change is being issued separately.

2. Pending the deployment of DPT-3 Form on MCA 21 portal and in order to avoid inconvenience to stakeholders on account of various factors, it is stated that the additional fee, as provided under the Companies (Registration Offices and Fees) Rules, 2014, shall be levied after 30 days from the date of deployment of the DPT-3 form on MCA 21 portal.

3. This issues with the approval of competent authority.

SRIDHAR PAMARTHI
Joint Director

04 Relaxation of additional fees and extension of last date of filing e-form CRA-2 (Form of intimation of appointment of cost auditor by the company to Central Government) in certain cases under the Companies Act, 2013 reg.

[Issued by the Ministry of Corporate Affairs vide F. No. 52/10/CAB/2019 dated 04.04.2019.]

1. The Ministry has received several representations about extension of last date for filing e-form CRA-2 without additional fees where the company has been mandated to get its cost records audited for the first time under Companies Act, 2013 on account of Companies (Cost Records and Audit) Amendment Rules, 2018 as notified vide G.S.R. 1157(E) dated 03.12.2018.

K. V. R. MURTY
Joint Secretary
2. The matter has been examined and it has been decided to extend the last date for filing e-form CRA-2 in the abovementioned cases without payment of additional fees upto 31.05.2019.

3. This issue with the approval of the competent authority.

K. M. S. NARAYAN
Assistant Director (Policy)

05 Net worth Requirements for Clearing Corporations in International Financial Services Centre (IFSC)

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MRD/DRMNP/CIR/P/2019/60 dated 26.04.2019.]

1. Clause 5 of SEBI (IFSC) Guidelines, 2015 prescribes net worth requirements for, inter alia, Clearing Corporations operating in IFSC.

2. Subsequent to the notification of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations, 2018), wherein it is prescribed, inter alia, that every recognized Clearing Corporation shall maintain, at all times, a minimum net worth of one hundred crore rupees or capital as determined under Regulation 14(3)(a) and 14(3)(b), whichever is higher, SEBI issued a circular SEBI/HO/MRD/DRMNP/CIR/P/2019/55 captioned ‘Risk-based capital and net worth requirements for Clearing Corporations under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018’ on April 10, 2019.

3. The aforementioned circular lays down the methodology for determining the minimum capital/net worth requirements for clearing corporations.

4. In view of the above, Clause 5(2) of SEBI (IFSC) Guidelines, 2015 is being amended and shall now read as under:

“(2) (a) Every applicant seeking recognition as a clearing corporation shall have, in the form of liquid assets, a minimum net worth equivalent of fifty crore rupees.

b) Every recognized clearing corporation, on commencement of operations, shall have at all times, in the form of liquid assets, a minimum net worth equivalent of fifty crore rupees or capital as determined in accordance with the aforementioned SEBI circular dated April 10, 2019 as amended from time to time.

c) Further, every recognized clearing corporation shall enhance, over a period of three years from commencement of operations, its net worth, to be maintained in the form of liquid assets, to a minimum equivalent of one hundred crore rupees or capital as determined in accordance with aforementioned SEBI circular dated April 10, 2019 as amended from time to time.”

5. The Clearing Corporations shall regularly review their net worth requirement and ensure that the net worth does not fall below the prescribed threshold. A certificate to this effect, as signed by the Managing Director of the Clearing Corporation, shall be submitted to SEBI within 15 days from the end of every quarter. The first such submission shall be made applicable for the April - June, 2019 quarter.

6. In exceptional cases where the net worth of Clearing Corporation falls below the prescribed threshold, it shall forthwith inform SEBI inter alia mentioning the reason(s) behind the same and the measure(s) it intends to adopt in order to re-attain the prescribed net worth.

7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

SANJAY PURAO
General Manager

06 Guidelines for determination of allotment and trading lot size for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/59 dated 23.04.2019.]

1. SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) and SEBI (Real Estate Investment Trusts) Regulations, 2014 (“REIT Regulations”) were amended vide notifications dated April 22, 2019.

2. The said amendments have, inter-alia, for publicly offered InvITs and REITs, reduced the minimum subscription requirement and has defined the trading lot in terms of number of units. Further, limits for aggregate consolidated borrowings and deferred payments, net of cash and cash equivalents, have been increased to seventy percent of the value of the InvIT assets.

Manner of determining minimum allotment for publicly offered InvITs and REITs

3. For determining the allotment in an initial offer, by a publicly offered InvITs/REITs, following guidelines shall be applicable:

3.1. The value of each allotment lot shall not be less than Rs 1 lakh for InvITs and Rs 50,000 for REITs, where such lot shall consist of 100 units.

3.2. Allotment to any investor shall be made in the multiples of a lot.

4. For follow-on offer, by a publicly offered InvITs/REITs, following guidelines shall be applicable:

4.1. Minimum allotment shall be of such number of lots, whose value is not less than Rs 1 lakh for InvITs and Rs 50,000 for REITs, where each lot shall consist of such number of units as in its trading lot.

4.2. Allotment to any investor shall be made in the multiples of a lot.

5. Recognised Stock Exchange(s) shall, in consultation with the publicly offered InvITs/REITs, whose units are listed on the date of this circular, determine the number of units in the trading lot for such REITs/InvITs, within a period of 6 months from the date of this circular.
Enhanced financial disclosures for InvITs

6. InvITs, which in terms of Regulation 20(3)(b) of the InvIT Regulations, have their aggregate consolidated borrowings and deferred payments above 49 percent, shall, in addition to financial disclosures as specified vide circular no. CIR/IMD/DF/127/2016 dated November 29, 2016, disclose following additional line items:
   6.1. Asset cover available;
   6.2. debt-equity ratio;
   6.3. debt service coverage ratio;
   6.4. interest service coverage ratio;
   6.5. net worth;

7. This Circular is issued in exercise of powers conferred under Section 11(1) of Securities and Exchange Board of India Act, 1992 read with Regulation 33 of REIT Regulations and Regulation 33 of InvIT Regulations.

8. This Circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and under the drop down “Circulars”.

RICA G. AGARWAL
Deputy General Manager

Technology Committee for Mutual Funds / Asset Management Companies (AMCs)


1. With rapid technological advancement in securities market, technology is playing a very important role in asset management business and have a major impact on the various processes and controls designed and implemented by AMCs. The role of technology related aspects has become even more critical in managing risks related to asset management business.

2. In order to deal with various technology related issues, AMCs are advised to constitute a Technology Committee comprising experts proficient in technology. Such committee shall have at least one independent external expert with adequate experience in the area of technology in Mutual Fund industry / BFSI.

3. The aforementioned committee shall, inter alia, review the cyber security and cyber resilience framework for Mutual Funds / AMCs in terms of Para 7 of Annexure-1 of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/12 dated January 10, 2019 and review the system audit related aspects of AMCs in terms of Para 4 of SEBI Circular SEBI/HO/IMD/DF2/CIR/P/2019/57 dated April 11, 2019 on system audit framework for Mutual Funds / AMCs.

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

JYOTI SHARMA
General Manager

System Audit framework for Mutual Funds / Asset Management Companies (AMCs)

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/57 dated 11.04.2019.]

1. Requirement of system audit for mutual funds was introduced vide SEBI Circular SEBI/IMD/CIR No.9/176988/2009 dated September 16, 2009.

2. Considering the importance of systems audit in technology driven asset management activity and to enhance and standardize the systems audit, revised guidelines in this regard are placed at Annexure 1. These guidelines are indicative and not exhaustive in nature. On the date of issuance of this circular, SEBI Circular SEBI/IMD/CIR No.9/176988/2009 dated September 16, 2009 shall stand rescinded.

3. The aforementioned audit should be encompassing audit of systems and processes, inter alia, related to examination of integration of front office system with the back office system, fund accounting system for calculation of net asset values, financial accounting and reporting system for the AMC, Unit-holder administration and servicing systems for customer service, funds flow process, system processes for meeting regulatory requirements, prudential investment limits and access rights to systems interface.

4. Mutual Funds / AMCs are advised to conduct systems audit on an annual basis by an independent CISA / CISM qualified or equivalent auditor to check compliance of the provisions of this circular.

5. Mutual Funds / AMCs are further advised to take necessary steps to put in place systems for implementation of this circular. The exception report as per Annexure 2 should be placed before the Technology Committee for review. The Technology Committee after review shall place the same before the AMC & Trustee Board. Thereafter, exception observation report along with trustee comments starting from the financial year April 2019 – March 2020 should be communicated to SEBI within six months of the respective financial year. Further, System Audit Reports shall be made available for inspection.

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

JYOTI SHARMA
General Manager

Annexure -1

<table>
<thead>
<tr>
<th>IT Environment</th>
<th>Organization Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>What is the IT team size (Employees)?</td>
<td></td>
</tr>
<tr>
<td>What is the IT team size (Vendors)?</td>
<td></td>
</tr>
<tr>
<td>IT Setup &amp; Usage</td>
<td></td>
</tr>
<tr>
<td>Data Center and DR Site (Location, owned/outsourced)</td>
<td></td>
</tr>
</tbody>
</table>
### IT Information Systems (IS) Audit: Information Security

<table>
<thead>
<tr>
<th>Audit Objective Question No</th>
<th>Audit Objective Heading</th>
<th>Sub-Heading</th>
<th>Audit Checklist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IT GOVERNANCE</td>
<td>IT GOVERNANCE</td>
<td>IS Audit Information Systems (IS) Audit:</td>
</tr>
<tr>
<td>1a</td>
<td>IT GOVERNANCE</td>
<td>IT Governance Framework</td>
<td>Information Security Function:</td>
</tr>
<tr>
<td>1b</td>
<td>IT GOVERNANCE</td>
<td>IT Strategy Committee</td>
<td>Information Security Function:</td>
</tr>
</tbody>
</table>

#### System Audit Program Checklist

The checklist is intended to provide guidance to the Mutual Funds/Asset Management (MFs/AMCs) Companies and Firms/Companies appointed by MFs/AMCs for performing the system audit. MFs/AMCs are responsible for ensuring that adequate and effective control environment exists over the IT systems in use for supporting business operations, including that at vendors/third parties supporting operations like Register & Transfer Agents (RTAs), Fund Accountants, Custodians etc.

<table>
<thead>
<tr>
<th>Application Systems</th>
<th>Location of server(s)</th>
<th>HW/OS/DB for DB Server</th>
<th>HW/OS/DB for Web Server</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. Front Office System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.g. Back Office System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.g. Email System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.g. Intranet System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.g. File Server System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.g. Finance &amp; Accounting System</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Network Diagram (schematic) with WAN connectivity |
| Network/Security Systems: (Please specify Version/make/model) |
| - Routers |
| - Switches |
| - Proxy servers |
| - Firewall |
| - Intrusion Detection Systems |
| - Intrusion Prevention Systems |
| - Remote Access Servers |
| - Data Leakage Prevention (specify network and/or host) |
| - Privileged Identity Management |
| - Others (please specify e.g. WIPS) |

Total number of workstations (incl. laptops) & users

**Primary Operating Systems in use for workstations?**
<table>
<thead>
<tr>
<th>2b INFORMATION SECURITY</th>
<th>Information Security Policy</th>
<th>Information Security policy:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Whether a defined and documented information security policy exists and is approved by the BOD?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether the information security framework ensures security requirements are in-built into key IT architecture, operations and other non-IT aspects, including but not limited to:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a. Access management - Physical and Logical Infrastructure and applications change management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. Infrastructure and applications change management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Backup and recovery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d. Automated batch jobs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e. Incident management (including security incidents)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>f. Problem management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>g. Data center Operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>h. Operating systems and database management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>i. Network and communication management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>j. End user computing, in addition consider phone, faxes, photocopiers, scanners, etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>k. Security Operations - logging and monitoring</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether defined and documented procedures exist for the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a. Hardening procedures, standards and guidelines for operating systems, databases, servers and network devices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. Use of cryptography</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Third Party Security</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d. Human Resources controls for information security</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e. Information classification guidance and process including mechanisms for storage, transmission and disposal of information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether the information security framework/policy is reviewed on an yearly basis at a minimum?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2g INFORMATION SECURITY</th>
<th>Human Resource Controls</th>
<th>Human Resource Controls:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Whether policies and procedures have been implemented to address HR controls as part of information security?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether hiring policies are defined in line with IT operations and information security requirements?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether induction trainings are conducted for all new joiners?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether all new joiners are required to confirm and accept the organization’s policies and procedures with respect to information technology, information security and cybersecurity?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether background check procedures are performed for all new joiners?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2h INFORMATION SECURITY</th>
<th>Digital Technologies</th>
<th>Digital Technologies:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Whether the organization has a defined process to identify, develop and implement digital technologies supporting internal and external facing functions?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether all digital technologies including mobile applications, web-based portals, mobile websites, cloud storage, etc. are implemented only after performing risk assessment, testing and where required independent reviews?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether the organization has a defined and approved social media usage policy to address information security and reputational risks arising out of the same?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2i INFORMATION SECURITY</th>
<th>Third Party Security</th>
<th>Third Party Security:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Whether the organization has a defined vendor management framework and is approved by the BOD?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2j INFORMATION SECURITY</th>
<th>Information Security Risk Management</th>
<th>Information Security Risk Management:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Whether a defined process exists and is followed for Information Security (IS) risk management on an annual basis, at a minimum?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether the IS risk management is performed in line with the organization and IT risk management framework?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether the risk assessment is performed for new functions, processes, teams and locations,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether relevant risk mitigation and monitoring actions are implemented as per the defined framework?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2k INFORMATION SECURITY</th>
<th>Cyber Security</th>
<th>Cyber Security:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Whether Mutual Funds / AMCs has complied with the provisions of Cyber Security and Cyber Resilience prescribed vide SEBI circular SEBI/HO/IMD/DF2/CSR/P/2018/12 dated January 10, 2019 and any further guidelines by SEBI with regard to cyber security for MFs / AMCs?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2l INFORMATION SECURITY</th>
<th>Information Security Compliance</th>
<th>Information Security Compliance:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Has the organization implemented procedures to assess compliance against defined information security procedures in the form of periodic assessments/ reviews?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Are critical functions within the organization subject to stringent security reviews by internal teams or external agencies, where necessary?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Are IS review reports, findings and action plans reported to IT/IS risk committees, IT Strategy Committee of BOD as appropriate?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2m INFORMATION SECURITY</th>
<th>Access Management</th>
<th>Access Management:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Whether the vendor management framework includes processes to be followed for vendor due diligence, selection, risk assessment, onboarding, contracting and monitoring?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether vendors are onboarded only after performing a technical due diligence, risk assessment and background checks?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether formal contracts are signed with vendors and include the following at a minimum:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a. Services provided</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. Processes to be followed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Service Level Agreements and related penalty clauses, if any</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d. Confidentiality, service continuity and data privacy clauses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e. Performance monitoring processes and reports to be provided</td>
</tr>
<tr>
<td></td>
<td></td>
<td>f. Escalation procedures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>g. Right to access and audit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2n INFORMATION SECURITY</th>
<th>Access Policies and procedures</th>
<th>Access Policies and procedures:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Whether defined and documented policies and procedures exist for managing access to applications and infrastructure (including network, operating systems and database) and are approved by relevant authority?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Whether the defined procedures include responsibilities and process to be followed for:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a. Access grant and modification including definition of authorization matrix as per system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. Access revocation procedures including notification as well as timeliness of revocation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Access rights and Roles review procedures for all systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d. Privileged access to systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e. Review of access logs for privileged users</td>
</tr>
<tr>
<td></td>
<td></td>
<td>f. Segregation of Duties (SOD) - Whether appropriate risk acceptance is taken in the event entire approved procedures cannot be implemented due to system limitations?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Delegated risk mitigation measures are implemented?</td>
</tr>
<tr>
<td>3b ACCESS MANAGEMENT Privileged access</td>
<td>Privileged access:</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Whether privileged access to systems is available to limited authorized personnel?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Whether privileged access to systems is subject to more stringent security controls (such as Privileged Identity Management Solutions, more stringent password parameters, etc.) as compared to normal users?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Whether access rights for privileged users are monitored on periodic basis?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Whether logs of privileged users are stored and reviewed on a periodic basis based on criticality of systems?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3c ACCESS MANAGEMENT Access Administration</th>
<th>Access Administration:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether role-based and least privilege access mechanisms are in-built into systems to enable authorized access as per job roles?</td>
</tr>
<tr>
<td></td>
<td>- Whether access administration requests, related approvals/notifications and related actions (creations, revocation and modification) are logged and documented using automated tools with date-time stamps and appropriate evidences are retained as per defined procedures for review and audit purpose?</td>
</tr>
<tr>
<td></td>
<td>- Whether creation and modification of access to systems requires a formal approval based on a defined authorization matrix?</td>
</tr>
<tr>
<td></td>
<td>- Whether access revocation notifications are sent on a timely basis?</td>
</tr>
<tr>
<td></td>
<td>- Whether access is revoked on a timely basis on the last working date of the user?</td>
</tr>
<tr>
<td></td>
<td>- Whether sufficient monitoring mechanisms have been implemented to ensure all access administration requests are addressed as per procedures?</td>
</tr>
<tr>
<td></td>
<td>- Whether users are provided with unique user identifier as per organizations naming conventions?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3d ACCESS MANAGEMENT Access Authentication</th>
<th>Access Authentication:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether appropriate authentication mechanisms are used for access to systems including use of passwords, One Time Passwords (OTP), Single Sign on, etc.?</td>
</tr>
<tr>
<td></td>
<td>- Following password parameters should be defined (in brackets some prevalent practices are shared):</td>
</tr>
<tr>
<td></td>
<td>a. Minimum length (e.g. 8 characters)</td>
</tr>
<tr>
<td></td>
<td>b. Complexity (combination of alphabets (upper case and lower case)/ numbers/ symbols.)</td>
</tr>
<tr>
<td></td>
<td>c. Maximum Age (e.g. 90 days)</td>
</tr>
<tr>
<td></td>
<td>d. History (e.g. 3)</td>
</tr>
<tr>
<td></td>
<td>e. Account lockout threshold (e.g. 3 or 5 attempts)</td>
</tr>
<tr>
<td></td>
<td>- Whether defined procedures require usage of unique user IDs for each individual?</td>
</tr>
<tr>
<td></td>
<td>- Whether usage of generic IDs and default IDs is prohibited unless necessary and with risk acceptance sign-off? In such cases ownership and accountability for usage of generic IDs should be documented.</td>
</tr>
<tr>
<td></td>
<td>- Whether the system allows for automatic session logout after a system defined period of inactivity?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3e ACCESS MANAGEMENT Access Review and Monitoring</th>
<th>Access Review and Monitoring:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether access rights to systems are reviewed on a periodic basis on criticality of systems?</td>
</tr>
<tr>
<td></td>
<td>- Whether access logs of users having access to critical activities are monitored?</td>
</tr>
<tr>
<td></td>
<td>- Whether rule based automated or manual alerts are implemented for unauthorized access or activities, whether such alerts are monitored and addressed on a timely basis?</td>
</tr>
<tr>
<td></td>
<td>- Whether audit trails of critical activities including key business transactions, modification of security parameters, masters’ updates, and access administration activities are available with details around related user IDs, approvers and date-time stamps. Whether audit trails are retained for evidence, review and audit purposes?</td>
</tr>
<tr>
<td></td>
<td>- Whether control mechanisms such as periodic reconciliation of user lists with HR lists, deactivation of users with no logins for a defined timeframe, etc. have been deployed to ensure any unauthorized access is timely terminated?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3f ACCESS MANAGEMENT Segregation of Duties (SOD)</th>
<th>Segregation of Duties (SOD):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether a defined and documented SOD matrix exists describing key roles within the systems and conflicting rights?</td>
</tr>
<tr>
<td></td>
<td>- Whether access approvals, creations and modifications are performed based on approved SOD matrix?</td>
</tr>
<tr>
<td></td>
<td>- Potential SOD conflicts are investigated during periodic access reviews and corrective actions are taken, if any.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3g ACCESS MANAGEMENT Physical Access Administration</th>
<th>Physical Access Administration:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether defined and documented procedures exist for managing physical access to data center and processing facilities?</td>
</tr>
<tr>
<td></td>
<td>- Whether creation of physical access requires documentation of appropriate approvals as per authorization matrix?</td>
</tr>
<tr>
<td></td>
<td>- Whether revocation of physical access is performed on a timely basis on the last working day of the user?</td>
</tr>
<tr>
<td></td>
<td>- Whether physical access administration requests, related approvals/notifications and related actions (creations and modification) are logged and documented using automated tools with date-time stamps and appropriate evidences are retained as per defined procedures for review and audit purpose?</td>
</tr>
<tr>
<td></td>
<td>- Whether access to restricted areas is reviewed at least once a year? - Whether physical access logs are available and retained for investigation purpose as per guidelines?</td>
</tr>
<tr>
<td></td>
<td>- Whether physical access related incidents and invalid access attempts are monitored on a periodic basis?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3h ACCESS MANAGEMENT Physical Security</th>
<th>Physical Security:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether appropriate physical security mechanisms have been deployed including guarding entrance, usage of access control system, door alarms, turnstiles, biometric access, etc.?</td>
</tr>
<tr>
<td></td>
<td>- Whether appropriate visitor access controls have been implemented including logging of visitor access including equipment carried, visitor escorting, issue and reconciliation of visitor badges, etc.?</td>
</tr>
<tr>
<td></td>
<td>- Whether Closed Circuit Tele Vision (CCTV) has been installed in restricted areas for monitoring, and logs for the same are retained for investigation purpose?</td>
</tr>
<tr>
<td></td>
<td>- Whether appropriate environmental security measures such as fire alarms, smoke detectors, water detectors, Air-conditioners, etc. have been implemented. Whether environmental controls are monitored on a periodic basis. Are environmental security devices maintained at regular intervals as prescribed by the vendor?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4 CHANGE MANAGEMENT CHANGE MANAGEMENT</th>
<th>CHANGE MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether organization has established formalized change management policy and procedures that define processes to be followed for changes made to all systems including applications and infrastructure (networks, operating systems, databases, etc.) including emergency and configuration changes, capturing the version history and approval history?</td>
</tr>
<tr>
<td></td>
<td>- Whether appropriate guidance is available for categorization and prioritization of changes?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4a CHANGE MANAGEMENT Change Management Policies and Procedures</th>
<th>Change Management Policies and Procedures:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether organization has established formalized change management policy and procedures that define processes to be followed for changes made to all systems including applications and infrastructure (networks, operating systems, databases, etc.) including emergency and configuration changes, capturing the version history and approval history?</td>
</tr>
<tr>
<td></td>
<td>- Whether appropriate guidance is available for categorization and prioritization of changes?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4b CHANGE MANAGEMENT Change Administration</th>
<th>Change Administration:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Whether changes to applications and infrastructure (networks, operating systems and databases), including requests to third party service providers are approved and authorized by both authorized IT and business management personnel, as per defined authorization matrix?</td>
</tr>
<tr>
<td></td>
<td>- Whether for each change, a risk evaluation process is carried out and results of the same are approved by authorized personnel?</td>
</tr>
<tr>
<td></td>
<td>- Whether test cases library is maintained and updated to enable comprehensive testing?</td>
</tr>
<tr>
<td></td>
<td>- Whether changes for relevant applications, including infrastructure changes are tested and documented during User Acceptance testing (UAT). Whether there is a formal signoff of the UAT results provided by the business prior to implementation?</td>
</tr>
<tr>
<td></td>
<td>- Whether changes for applications, including infrastructure (OS/DB) changes are tested and documented during system, unit, and regression testing, where applicable.</td>
</tr>
</tbody>
</table>
**4c CHANGE MANAGEMENT**

Segregation of Duties (SOD), environments and version control:

- Whether there exists a segregation of production, development and test environments?
- Whether the organization has implemented a change management versioning tool to maintain audit trails for all types of changes including applications, databases, operating systems and networks?
- Whether implemented changes are reviewed on a periodic basis and inappropriate or unauthorized activities are investigated and communicated to respective individuals?
- Whether a formal process exists for granting user access to migrate changes to the production environment for relevant applications based upon approval by authorized personnel?
- In case of any new system or module implementation, whether adequate procedures were performed to ensure accurate and complete transfer of data?

**5 INCIDENT MANAGEMENT**

**5a INCIDENT MANAGEMENT**

Incident Management Policies and Procedures:

- Whether management has established formalized incident management policy and procedures that define processes to be followed for incidents related to all systems including applications and infrastructure (networks, operating systems, databases, etc.) capturing the version history and approval history?
- Whether appropriate guidance is available for categorization and prioritization of incidents?

**5b INCIDENT MANAGEMENT**

Incident Resolution:

- Whether incidents are logged using automated tools with a unique ID assigned to each incident?
- Whether incidents are classified based on their severity and urgency. Whether severity of incidents can be changed only by authorized personnel?
- Whether a root cause analysis is performed for each incident and documented?
- Whether a known error database is maintained for resolution and workaround details for similar incidents?
- Whether details of resolution provided against each incident is documented against the ticket logged?
- Whether incidents are tracked and monitored for resolution on a timely basis?
- Whether recurring incidents are identified and logged as problems?

**5c INCIDENT MANAGEMENT**

Service Level Agreements (SLAs):

- Whether formal SLAs have been defined for each incident type and agreed with business and the incident management team?
- Whether SLAs are tracked using automated tools to identify timely escalation to be performed?

**5d INCIDENT MANAGEMENT**

Security Incident Management:

- Whether escalation matrix has been defined and configured using automated tools?
- Whether SLA monitoring reports are generated and sent to senior management on periodic basis and relevant actions are taken?

**6a BACKUP & RECOVERY**

Backup Administration:

- Whether documented policies and procedures exist for backup scheduling, implementation and monitoring capturing version history and approval history?
- Whether regular/periodic backup of relevant data and programs is taken as per approved backup policies and frequency [e.g., daily, weekly, etc.] configured via backup tool?
- Whether access to backup tools is restricted to authorized personnel?
- Whether modifications to backup schedule are performed through the formal change management process?
- Whether appropriate data is backed up including at a minimum database records, audit trails, reports, user activity logs, transaction history, alert logs, etc.?
- Whether execution of backups are monitored for successful completion and failures are investigated and closed?

**6b BACKUP & RECOVERY**

Backup Storage:

- Whether backup tapes are stored onsite in a secure fireproof storage?
- Whether access to onsite backups are limited to authorized personnel? - Whether backup tapes are sent for offsite storage on a periodic basis?
- Whether offsite storage of tapes is monitored on a periodic basis?

**6c BACKUP & RECOVERY**

Restoration:

- Whether restoration testing is performed on a periodic basis and issues, if any are resolved?
- Whether request based restorations are performed only after obtaining approvals from business head?

**7 JOB PROCESSING**

Job Processing:

- Whether documented policies and procedures exist for automated job scheduling, implementation and monitoring capturing version history and approval history?
- Whether automated jobs are processed as per the approved policies and frequency [e.g., daily, weekly, etc.] and configured via automated tool?
- Whether access to job processing tools is restricted to authorized personnel?
- Whether modifications to job schedules are performed through the formal change management process?
- Whether execution of automated jobs are monitored for successful completion and failures are investigated and closed?
<table>
<thead>
<tr>
<th>Page</th>
<th>BUSINESS CONTINUITY PLANNING (BCP) &amp; DISASTER RECOVERY (DR)</th>
<th>BUSINESS CONTINUITY PLANNING (BCP) &amp; DISASTER RECOVERY (DR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8a</td>
<td>BCP Organization:</td>
<td>- Whether the organization has a BCP Committee that provides oversight on BCP planning and functioning in the organization? - Whether the organization has a dedicated BCP Head or Coordinator overall responsible for development of the enterprise BCP framework in conjunction with internal and external facing functions within the organization through a defined process? - Whether the organization has a dedicated BCP Team or Crisis Management team to execute the BCP plan, when required. Does the BCP team have representations from various functions and locations of the organization? - Whether roles and responsibilities of all members of the BCP organization are defined and documented?</td>
</tr>
<tr>
<td>8b</td>
<td>BCP Methodology and Plan:</td>
<td>- Whether the organization has a defined and documented BCP methodology which is approved by the BOD? - Whether the BCP methodology includes a process wise approach for development and maintenance of the BCP framework including Business Impact Analysis (BIA), Risk Assessment (RA), BCP Strategy, and BCP Plan? - Whether a documented BCP plan exists and is approved by the BOD? - Whether the BCP is developed based on the approved methodology and includes at a minimum the following: a. Organization’s strategy for BCP b. Inputs from BIA and RA conducted c. BCP / DR procedures d. Conditions for activating plans e. BCP Team and responsibilities f. Maintenance schedules g. Awareness and education activities h. Resumption procedures i. Responsibilities of employees j. Emergency and fall back procedures</td>
</tr>
<tr>
<td>8c</td>
<td>BCP Plan:</td>
<td>- Whether a BIA is conducted including identification of critical processes within the organization and their dependencies on other processes, vendor dependencies and resources. Whether Recovery Time Objective (RTO) and Recovery Point Objective (RPO) has been calculated as part of the BIA. Whether the BIA is approved by the business, technology and risk teams? - Whether a Risk Assessment is conducted for all critical processes identified in the BIA including identification of risks and threats and their impact, probability and priority. Whether the RA is conducted across parameters including people, processes and technology. Has the organization identified and implemented appropriate procedures and systems for risk mitigation? - Whether a documented BCP plan exists and is approved by the BOD. Whether the BCP is developed based on the approved methodology and includes at a minimum the following: a. Organization’s strategy for BCP b. Inputs from BIA and RA conducted c. BCP / DR procedures d. Conditions for activating plans e. BCP Team and responsibilities f. Maintenance schedules g. Awareness and education activities h. Resumption procedures i. Responsibilities of employees</td>
</tr>
<tr>
<td>9a</td>
<td>Master Controls (Investment management, Front Office, Middle Office, Back Office, Fund Accounting, Registrar &amp; Transfer Agent):</td>
<td>- Whether new schemes/ funds are created in the system through an automated maker checker mechanism and based on the Scheme Information Documentation (SID) and information received from authorized sources? - Whether new customer accounts are created and assigned schemes/ funds based on the agreement signed with the customers? - Whether access to create/ update/ delete any master data (Customer/ Scheme/ Securities/ Broker/ Subscriptions/ Redemptions etc.) is restricted only to the authorized individuals? - Whether changes to masters are performed through an automated maker checker mechanism? - Whether system has the capability to capture audit trails/ logs of all changes, updation, and activities performed? - Whether update of security prices is controlled and is updated only from authorized automated/ manual sources?</td>
</tr>
<tr>
<td>9b</td>
<td>Front Office and Back Office Operations:</td>
<td>- Whether appropriate segregation of duties is maintained between users having access to front office and back office system? - Whether controls exist over data integrity and accuracy on integration between the front office and back office system? - Whether system does not allow cancellation of deal order once the deal is confirmed in the system? - Whether trade settlement process is performed by authorized personnel through an automated maker checker mechanism? - Whether system allocates trades to the schemes as per defined policy?</td>
</tr>
</tbody>
</table>

Note: The table is a continuation from page 8 of the document.
9c BUSINESS CONTROLS Risk Management (Middle Office): Risk Management (Middle Office):
- Whether a documented risk management policy exists defining dealing, counterparty wise limits, securities, etc. and the same is approved by the BOD? - Whether high limits (beyond which system does not allow booking) and soft limits (for which system provides warnings) have been configured in the system line in line with the risk management policy? - Whether there are controls defined to monitor and generate alerts/reports in case of breach of predefined SEBI and Compliance limits defined at scheme/ fund level? - Whether system monitors the adherence to predefined rights/limits assigned to Fund Manager at scheme/ fund level? - Whether systemic checks are performed for prohibiting blacklisted securities if entered by Dealers for Trades? - Whether the system monitors adherence to broker limits defined? - Whether appropriate field level validations and mandatory checks are built in the system to identify and appropriate expenses to individual schemes? - Whether the system monitors adherence to guidelines specified in the Ninth Schedule of the Mutual Fund Regulations with respect to accounting policies? - Whether the system monitors adherence to policies related to documentation of rationale for valuation including inter- scheme transfers?

9d BUSINESS CONTROLS Investor Servicing (Registrar & Transfer Agent): Investor Servicing (Registrar & Transfer Agent):
- Whether automated maker checker controls have been implemented for processing subscription and redemption requests? - Whether appropriate field level validations and mandatory checks are built in the system during subscription and redemption? - Whether the system has the capability to maintain the record of all types of transactions executed on behalf of the investor for specific scheme/ investment? - Whether the system has appropriate controls on brokerage computation and payout?

9e BUSINESS CONTROLS Fund Accounting: Fund Accounting:
- Whether NAV calculations, if automated are accurately calculated? - Whether end of day reconciliations (cash recon, portfolio recon, pricing recon, etc.) are performed to ensure no deals are missed from reporting to the fund accountant for processing and complete data is processed for safekeeping? - Whether details of the expenses accrued by the client (Management fees, audit etc.) are updated appropriately and accurately and maker-checker control exists? - Whether income related transactions are updated in the system appropriately and accurately? - Whether corporate actions are applied accurately and completely? - Whether NAV is accurately computed by Fund Accountant and the same is released to client, press, R&A AMF/AMFII?

9f BUSINESS CONTROLS Reporting: Reporting:
- Does the organization have list of regulatory and standard operational reports? - Has organization implemented reasonable controls over report generation with respect to accuracy and completeness?

9g BUSINESS CONTROLS Custody of mutual fund scheme assets (Custodian): Custody of mutual fund scheme assets (Custodian):
- Whether automated maker checker controls have been implemented for processing of receipt and delivery of securities, collection of income, distribution of dividends and segregation of assets between schemes and settlements between schemes? - Whether appropriate field level validations and mandatory checks are built in the system for receipt and delivery of securities, collection of income, distribution of dividends and segregation of assets between schemes and settlements between schemes? - Whether the system has the capability to maintain the record of all types of transactions executed on behalf of the client for specific scheme/ investment? - Whether end of day reconciliations (cash recon, portfolio recon, pricing recon, etc.) are performed to ensure whether all securities have been gone to the correct schemes in time? - Whether the system monitors adherence to controls related to significant accounting and valuation policies? - Whether the system monitors adherence to compliance with SEBI guidelines and PMLA guidelines?

Annexure 2
Exception (Observation) Reporting Format

Note: Mutual Funds are expected to submit following information with regards to exceptions observed in the System Audit, including open observations from previous audit report.

Name of the Mutual Fund: ___________________

Systems Audit Report Date: ___________________

Table 1:

<table>
<thead>
<tr>
<th>Observation</th>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HIGH</td>
<td>High rating represents weakness in control with respect to threat(s) that is/are sufficiently capable and impacts asset(s) leading to regulatory noncompliance, significant financial, operational and reputational loss. These observations need to be addressed with utmost priority.</td>
</tr>
<tr>
<td></td>
<td>MEDIUM</td>
<td>Medium rating represents weakness in control with respect to threat(s) that is/are capable and impacts asset(s) leading to exposure in terms of financial, operational and reputational loss. These should be addressed reasonably promptly.</td>
</tr>
<tr>
<td></td>
<td>LOW</td>
<td>Low rating represents a weaknesses in control, which in combination with other weaknesses can develop into an exposure. Suggested improvements for situations not immediately/ directly affecting controls.</td>
</tr>
</tbody>
</table>

Table 2:

<p>| Low risk observations in current audit which were observed in previous two System audit reports: | | |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Audit Objective Checklist Number</th>
<th>Audit Objective Heading</th>
<th>Observation</th>
<th>Risk Rating</th>
<th>Management Comment with target date</th>
<th>Trustee Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

86 MAY 2019 | CHARTERED SECRETARY
Risk-based capital and net worth requirements for Clearing Corporations under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MRD/DRMNP/CIR/P/2019/55 dated 10.04.2019.]

Risk-based capital and net worth requirements for Clearing Corporations under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

1. SEBI constituted a Committee under the Chairmanship of Shri R Gandhi, Former Deputy Governor, Reserve Bank of India, to review the extant regulatory framework pertaining to Market Infrastructure Institutions (“MIIs”) viz. Stock Exchanges, Clearing Corporations (“CCPs” or “CC”) and Depositaries. Based on the recommendations made by the Committee, SEBI notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SECC Regulations, 2018”).

2. In order to ensure that the net worth of a CCP adequately captures the risks faced by it, SEBI vide Regulation 14(3) of SECC Regulations, 2018 has adopted a risk-based approach towards computation of capital and net worth requirements for CCPs. The same is reproduced as under:

14(3)(a) Every recognized clearing corporation, on commencement of operations, shall, on an ongoing basis, maintain capital including retained earnings and reserves, as may be specified by the Board from time to time, to adequately cover counterparty credit risk, business risk, legal and operational risk.

14(3)(b) Every recognized clearing corporation shall hold additional capital to cover costs required for orderly wind-down or recovery of operations.

3. Accordingly, in consultation with the recognised Clearing Corporations, it has been decided to issue granular norms related to computation of risk-based capital and net worth requirements for CCPs as under:

3.1. For Credit Risk (“A”):

3.1.1. The credit risk from default of clearing members is being captured through the Core SGF framework as prescribed vide SEBI circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014 on “Core Settlement Guarantee Fund, Default Waterfall and Stress Test”. The CCP contribution to Core SGF shall be at least 50% of the Minimum Required Corpus (MRC).

3.1.2. The minimum contribution required to be made by the CCP towards Core SGF shall be considered for the purpose of computing capital requirements towards credit risk.

3.2. For Business Risk (“B”):

3.2.1. The capital requirement for general business risk shall be based on a CCP’s own estimate as it is dependent on factors specific to each CCP such as execution of business strategy, market environment, response(s) to competition or technological progress etc.

3.2.2. A CCP shall identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern.

3.2.3. The capital requirement for business risk shall be subject to a minimum of 25% of annual gross operational expenses.

3.3. For Orderly Wind-down (“C”):

3.3.1. A CCP shall have in place a viable recovery or orderly wind-down plan and hold sufficient liquid net assets funded by equity to implement this plan.

3.3.2. These assets shall be determined by the general business risk profile of the CCP and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services.

3.3.3. While computing the capital requirement for winding down, a CCP shall consider a minimum time span of six months for ensuring an orderly winding down or restructuring of its activities and thus, hold liquid net assets equal to at least six months of gross operational expenses.

3.4. For Operational and Legal Risks (“D”):

3.4.1. A CCP shall identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, and control measures. CCPs may be exposed to risk of litigations from participants/investors or other entities. It is,
4. The total risk-based net worth requirement for CCPs shall be computed as the aggregate of capital requirements for counterparty credit risk, business risk, orderly wind-down or recovery of operations, i.e. 20% of (A+B+C).

5. The CCPs shall use the most recent audited information from their annual financial statement for the purpose of calculation of gross operational expenses.

6. The CCPs shall regularly review their net worth requirement and ensure that the net worth does not fall below the prescribed threshold. A certificate to this effect, signed by the Managing Director of the CCPs, shall be submitted to SEBI within 15 days from the end of every quarter. The first such submission shall be made applicable for the April 2019 – June 2019 quarter.

7. In exceptional cases where the net worth of a CCP falls below the prescribed threshold, the CCP shall forthwith inform SEBI inter alia mentioning the reason(s) behind the same and the measure(s) it intends to adopt in order to re-attain the prescribed net worth.

8. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market. This circular is available on SEBI website at www.sebi.gov.in under the category “Circulars”.

SANJAY PURAO
General Manager

10 Separate BSDA limit for Debt Securities

[Issued by the Securities and Exchange Board of India vide Circular No. MRD/DoP2DSA2/CIR/P/2019/51 dated 10.04.2019.]

1. SEBI vide circulars CIR/MRD/DP/22/2012 dated August 27, 2012 and CIR/MRD/DP/20/2015 dated December 11, 2015, introduced the facility of “Basic Services Demat Account” (BSDA) with limited services for eligible individuals with the objective of achieving wider financial inclusion and to encourage holding of demat accounts.

2. In order to further boost participation in Debt Market and based on representation received from market participants, in partial modification of the abovementioned SEBI circulars, it has been decided to revise the structure of charges for debt securities as defined in SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as given below:

a) No AMC shall be levied in case the value of holdings of debt securities is up to Rs. 1 lakh and a maximum AMC of Rs. 100 shall be levied if the value of holdings of debt securities is between Rs. 1,00,001 and Rs.2,00,000. and

b) No AMC shall be levied in case the value of holdings other than debt securities is below Rs. 50,000 and a maximum AMC of Rs. 100 shall be levied if the value of holdings other than debt securities is between Rs.50,001 and Rs.2,00,000.

3. This circular shall come into effect from June 01, 2019.

4. The Depositories are advised to:-

a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision as may be applicable / necessary; and

b) communicate to SEBI, the status of implementation of the provisions of this circular by the DPs in the Monthly Development Report.

BITHIN MAHANTA
Deputy General Manager

11 Issue of Certified copies of Orders and Circulars

[Issued by the Securities and Exchange Board of India vide Circular No. CIR/LAD/1/2019 dated 04.04.2019.]

In order to streamline the procedure for issuance of certified copies of orders and circulars based on requests for certified copies of orders passed by the Board, Adjudicating Officers or Recovery Officers or circulars issued by the departments of the Board, the following procedure shall be adopted.

Issue of certified copy to persons against whom order has been passed by the Board, Adjudicating Officer or Recovery Officer

1. A certified copy of the order passed by the Board or Adjudicating Officer or Recovery Officer shall be provided by the Enforcement Department or by the Enquiries and Adjudication Department (EAD) or by the Recovery and Refund Department or by the concerned Operational Department, as the case may be, to the person who is a party to the said proceedings, without charging any fee. Provided that where there is an acknowledgment on record of service of the certified copy of the order upon such persons against whom such order has been passed by the Board or Adjudicating Officer or Recovery Officer, and such a person subsequently seeks another certified copy of the order, the fees provided herewith shall be applicable to such applications. Provided further that where an application is filed for the certified copy of an order passed within two months prior to
the date of issue of this circular for which no certified copy was issued to such applicant against whom an order had been passed, such an application may be processed without charging any fee.

**Issue of certified copy of Order or Circular to any applicant**

2. An application may be made by any person seeking a certified copy of the order passed by the Board, Adjudicating Officer or Recovery Officer or circulars issued by the departments of the Board. The application shall be filed with the concerned department or the Enforcement Department or the Recovery and Refund Department, as the case may be.

3. An application may be made by an applicant at any time after the order is passed or the circular is issued.

4. An officer of the rank of Assistant Manager and above of the concerned division of the department which is in possession of the original order or circular, may issue the certified copy of the order or the circular with the prior approval of the Division Chief, within five working days from the date of receipt of the complete application.

5. The certified copy of the order or circular, as the case may be, shall be issued after verifying the same with the original order or circular.

6. The certified copy shall contain the following:
   a) the words “Certified to be true copy” shall be conspicuously visible on the bottom of the last page along with the name and designation of the officer certifying it;
   b) Office Seal at the bottom of every page along with the full signature of the officer certifying it on the last page of the certified copy and the initials of the certifying officer on the remaining pages;
   c) the date of issue of the certified copy; and
   d) information as to the number of pages of the order or circular contained.

7. Every division/department that issues a certified copy of an order or circular, as the case may be, shall maintain a record of the certified copies given and give a serial number to each copy.

**Fee Payment**

8. A non-refundable fee of ₹ 50/- per order or circular or ₹ 5/- per page, whichever is higher, shall be charged as fees for each certified copy. The same shall be paid along with the application or subsequently within such time as may be informed to the applicant, by way of a demand draft drawn in favour of ‘Securities and Exchange Board of India’ payable at Mumbai or by way of direct credit in the bank account of the Board through NEFT/RTGS/IMPS or any other mode allowed by the Reserve Bank of India (RBI).

9. In case of receipt of a demand draft, the same shall be sent to the General Services Department-Treasury and Accounts Division, immediately upon receipt of the same. In case of payments made electronically through NEFT/RTGS/IMPS modes, the applicant shall intimate the same to the concerned department along with necessary details.

10. Certified copies shall be ordinarily collected by the applicant in person against proper acknowledgment. However, upon specific request and subject to payment of charges; certified copies may be dispatched to the applicant by Registered Post or Speed Post with acknowledgment due or through Courier Service.

11. This circular is issued in exercise of powers conferred under sub-section (1) of section 11 of the Securities and Exchange Board of India Act, 1992 and in supersession of Legal Department office circular no. 3 of 2003.

12. This circular shall come into force with immediate effect.

13. This circular is issued with the approval of the competent authority.

**VIJAYAKRISHNAN G**

General Manager

---

12. **Streamlining the Process of Public Issue of Equity Shares and convertibles- Extension of time line for implementation of Phase I of Unified Payments Interface with Application Supported by Block Amount**

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated 03.04.2019.]

1. This refers to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, vide which SEBI had introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), with effect from January 1, 2019. Implementation of the same was to be carried out in a phased manner to ensure gradual transition to UPI with ASBA.

2. Based on the representations received from the various market intermediaries like Self Certified Syndicate Banks (SCSBs), National Payments Corporation of India (NPCI) and the Association of Investment Bankers of India (AIBI), to extend the timeline for implementation of Phase I of the aforesaid Circular and in order to ensure that the transition to UPI in ASBA is smooth for all the stakeholders, it has been decided to extend the timeline for implementation of Phase I of the aforesaid Circular by 3 months i.e. till June 30, 2019. The implementation of Phase II and III shall continue unchanged as per the aforesaid Circular from the date of completion of Phase I as above.

3. All entities involved in the process are advised to take necessary steps to ensure compliance with this circular.

4. The aforesaid Circular dated November 1, 2018, shall stand modified to the extent stated under this Circular.

5. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.

6. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

**NARENDRA RAWAT**

General Manager
1. The Board has made the Securities and Exchange Board of India (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018 (“Administrator Regulations”), which was notified in the Official Gazette on October 3, 2018. The aforesaid regulations provide, inter alia, for appointment of an Administrator and procedure for refund to the investors.

2. In terms of regulation 4 of the Administrator Regulations, the Board shall, after attachment of the properties of the defaulter, appoint an Administrator in the manner specified. In terms of sub-regulation (1) of regulation 5 of the said Regulations, the Administrator shall be a person registered with the Insolvency and Bankruptcy Board of India (“IBBI”) as an Insolvency Professional (“IP”) and empanelled with the Board from time to time.

3. The Board is also empowered, under regulations 5, 6 and 17 to, inter alia, fix the eligibility criteria, the terms of appointment including remuneration of an Administrator and issue clarifications and guidelines in respect of the application of the Administrator Regulations.

4. The Administrator would be selected from a Panel of IPs prepared by IBBI under the Administrator Regulations. The details of such appointments would be shared with IBBI from time to time.

5. An Administrator, who is selected from a Panel of IPs, shall not withdraw his consent to act as an Administrator or refuse to act as an Administrator, if appointed by the Board under the Administrator Regulations or surrender his registration to the IBBI Board or membership to his Insolvency Professional Agencies (IPA) during the pendency of the assignment. In case of such withdrawal or refusal, the matter will be referred to IBBI for suitable action in this regard.

6. Remuneration of Administrator shall be as under:
   (a) the remuneration payable to the Administrator shall be in accordance with sub-regulation (3) and (4) of regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (Liquidation Process Regulations) (as amended from time to time) with suitable modifications as given in Table 1 and 2 in Part-I of the Schedule;
   (b) fees for distribution as given in Table 2 in Part-I of the Schedule shall not apply in cases of recovery of fees, penalties and disgorgement;
   (c) in addition to the fees under sub-regulation (3) of regulation 4 of the Liquidation Process Regulations, the fees payable to the entities such as chartered accountant(Table 3 and 4), registered valuer(Table 5), registrar and share transfer agent or such other agency (Table 6), etc. in Part-II of the Schedule, appointed by the Administrator under regulation sub-regulation (2) of regulation 7 the Administrator Regulations and incidental expenses as given in Part-III of the Schedule to this Circular would be payable to the Administrator and the same would be part of the overall remuneration payable to the Administrator;
   (d) the overall remuneration paid to the Administrator shall be treated as the costs of administration under regulation 11 of the Administrator Regulations;
   (e) in appropriate cases, the Board may, after recording reasons in writing, pay higher remuneration than the remuneration fixed under the Schedule to this Circular.

7. The Administrator shall appoint chartered accountant from the list of empanelled chartered accountants with SEBI. As regards registered valuer and registrar and share transfer agent or such other agency, they shall be appointed through open tender. The tender for registered valuer shall be published in at least two newspapers, one in an English daily newspaper having nationwide circulation and another in a newspaper having wide circulation and published in the language of the region where the defaulter was last known to have resided or carried on business or personally worked for gain or its registered office is located.

8. The tender for registrar and share transfer agent or such other agency shall be published in an English daily newspaper having nationwide circulation. However, if the investors to whom refund needs to be made is very few and total refund amount is small making newspaper publication not feasible in terms of cost-effectiveness, such publication shall be made only on the website of the Board. An officer of SEBI nominated by the Recovery Officer shall be part of the Tender Opening Committee in such matters.

9. This Circular is being issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992 read with regulations 4, 5, 6 and 17 of the Administrator Regulations and shall come into force with immediate effect.

10. This Circular is available on the website of the Board (www.sebi.gov.in) under the category “Circulars” and “Empanelment of Insolvency Professionals (IPs) remuneration and other incidental and connected matters”.

JAI SEBASTIAN
Deputy General Manager

SCHEDULE
Part-I

Table -1. FEES OF ADMINISTRATOR FOR REALISATION

<table>
<thead>
<tr>
<th>Amount of Realisation (Rs.)</th>
<th>Percentage of fee on the amount realized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in the first six months</td>
</tr>
<tr>
<td>Amount of Realisation (exclusive of fees of entities appointed by Administrator and incidental expenses)</td>
<td></td>
</tr>
<tr>
<td>On the first 1 crore</td>
<td>5.00</td>
</tr>
<tr>
<td>On the first 9 crore</td>
<td>3.75</td>
</tr>
<tr>
<td>On the first 40 crore</td>
<td>2.5</td>
</tr>
<tr>
<td>On the first 50 crore</td>
<td>1.25</td>
</tr>
<tr>
<td>On further sums realized</td>
<td>0.25</td>
</tr>
</tbody>
</table>

Table -2.*

FEES OF ADMINISTRATOR FOR DISTRIBUTION

<table>
<thead>
<tr>
<th>Amount of Distribution (Rs.)</th>
<th>Percentage of fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the first 1 crore</td>
<td>0.94</td>
</tr>
<tr>
<td>On the first 9 crore</td>
<td>0.71</td>
</tr>
<tr>
<td>On the first 40 crore</td>
<td>0.47</td>
</tr>
</tbody>
</table>
On the first 50 crore | 0.25  
On further sums realized | 0.05  

* the Administrator shall be entitled to receive half of the fee payable on realisation under Table-1 only after such realised amount is distributed.

**Part-II**
**FEES OF CHARTERED ACCOUNTANT**
**Table -3.**
**REGULAR AUDIT**

<table>
<thead>
<tr>
<th>Sr. no.</th>
<th>Amount realised</th>
<th>Fees (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to Rs. 25 lakh</td>
<td>50,000</td>
</tr>
<tr>
<td>2</td>
<td>Rs.25 lakh-50 lakh</td>
<td>55,000</td>
</tr>
<tr>
<td>3</td>
<td>Rs. 50 lakh-1 crore</td>
<td>60,000</td>
</tr>
<tr>
<td>4</td>
<td>Rs.1 crore &amp; above</td>
<td>1,00,000</td>
</tr>
</tbody>
</table>

**Table - 4.**
**FORENSIC AUDIT**

<table>
<thead>
<tr>
<th>Category of the Company</th>
<th>No. of years of forensic audit (Rs. Lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company mobilising money above 10,000 crore</td>
<td>8 12 15 18 20 20</td>
</tr>
<tr>
<td>Company mobilising money between Rs. 2000 -10,000 crore</td>
<td>7 10 12 14 15 15</td>
</tr>
<tr>
<td>Company mobilising money up to Rs. 2000 crore</td>
<td>5 6 7 8 9 10</td>
</tr>
</tbody>
</table>

**Table - 5.**
**MAXIMUM FEES OF REGISTERED VALUER**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Valuation amount</th>
<th>Percentage of fee on the amount valued</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>On the first Rs. 5,00,000 of the asset as valued</td>
<td>0.50%</td>
</tr>
<tr>
<td>2</td>
<td>On the next Rs. 10 lakh of the asset as valued</td>
<td>0.20%</td>
</tr>
<tr>
<td>3</td>
<td>On the next Rs. 40 lakh of the asset as valued</td>
<td>0.10%</td>
</tr>
<tr>
<td>4</td>
<td>On the balance of the asset as valued</td>
<td>0.05%</td>
</tr>
</tbody>
</table>

Excluding GST

Other actual expenses like travelling conveyance and out of pocket expenses, if any, are to be borne by SEBI subject to maximum of 20% of total fee charged by the registered valuer.

**Table -6.**
**FEES OF REGISTRAR AND SHARE TRANSFER AGENT OR SUCH OTHER AGENCY**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Range (Number of Successfully Submitted Applications)</th>
<th>Effective Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&gt; 0 ≤ 10,00,000</td>
<td>Offered Rate</td>
</tr>
</tbody>
</table>

**Offered Rate** shall be a rate offered by a successful bidder in an open tender.

**Effective Rate** shall be the applicable rate for the processing of successfully submitted applications as prescribed slab-wise on an incremental basis. It is stated that online applications as received from Investors in consonance and accepted by the web-portal upon satisfaction of the submission criteria shall be categorised as “Successfully Submitted Applications”.

**Part-III**
**INCIDENTAL EXPENSES**

Incidental expenses shall be payable on actual basis subject to a maximum of 25% of the fees payable to the Administrator under Table 1 of Part-I of this Schedule.

---

**47th National Convention of Company Secretaries**

**Place:** Northern Region  
**Dates:** October, 2019

**Suggestions solicited on Theme and Sub-Themes**

The 47th National Convention of Company Secretaries is scheduled to be held in the Northern Region. Suggestions are invited from members / readers on the theme and sub-themes to be deliberated at the National Convention.

The member / reader whose theme along with its sub-themes is selected shall get exemption from paying the delegate registration fee for the Convention. The decision of the Institute shall be final in all respects.

Interested persons may send their suggestions at 
conference@icsi.edu by May 30, 2019.
The Institute of Company Secretaries of India (ICSI) is a statutory body set up by the Parliament under the Company Secretaries Act, 1980 to regulate and develop the profession of Company Secretaries in India.

ICSI invites applications for the post of:

SECRETARY

The compensation for the above post will be a maximum of Rs. 60.00 lakh per annum (CTC) and the tenure for the position is for 5 (five) years on contractual basis with an option with ICSI for renewal up to a period of further 5 (five) years or superannuation whichever is earlier.

For further details viz. qualification, experience, procedure for submission of application, etc., please visit our website www.icsi.edu/career. Interested candidates must apply only through Online application Form between 15th May, 2019 and 31st May, 2019.

Placement agencies interested in providing candidates for the above post should also apply on behalf of the interested candidates only through Online application Form between 1st June, 2019 and 8th June, 2019. For details please refer to the terms & conditions mentioned in www.icsi.edu/career.
MEMBERS RESTORED DURING THE MONTH OF MARCH 2019
CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF MARCH 2019
ATTENTION: MEMBERS
FEE FOR THE YEAR 2019-2020
OBITUARIES
PAYMENT OF ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE
PAYMENT OF ANNUAL LICENTiate SUBSCRIPTION FOR THE YEAR 2019-2020
FEE CONCESSION TO THE PHYSICALLY CHALLENGED MEMBERS @25% W.E.F. 1ST APRIL, 2019
## MEMBERS RESTORED DURING THE MONTH OF MARCH 2019

<table>
<thead>
<tr>
<th>S. NO.</th>
<th>A/F</th>
<th>MEM. NO.</th>
<th>NAME</th>
<th>REGN.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
<td>16007</td>
<td>MS. MEETU KARAJGI</td>
<td>NIRC</td>
</tr>
<tr>
<td>2</td>
<td>A</td>
<td>16040</td>
<td>SH. JAY NIRANJAN GANDHI</td>
<td>WIRC</td>
</tr>
<tr>
<td>3</td>
<td>A</td>
<td>16122</td>
<td>SH. AJAY JOSEPH THOPURATHU</td>
<td>SIRC</td>
</tr>
<tr>
<td>4</td>
<td>A</td>
<td>19645</td>
<td>SH. SOUVIK MUKHERJEE</td>
<td>EIRC</td>
</tr>
<tr>
<td>5</td>
<td>A</td>
<td>19776</td>
<td>MS. MONICA PRAKASH GUPTA</td>
<td>WIRC</td>
</tr>
<tr>
<td>6</td>
<td>A</td>
<td>27075</td>
<td>SH. AKSHAY SATYAVIJAY RANJANIKAR</td>
<td>WIRC</td>
</tr>
<tr>
<td>7</td>
<td>A</td>
<td>32548</td>
<td>MS. KUSHA BINJU</td>
<td>NIRC</td>
</tr>
<tr>
<td>8</td>
<td>A</td>
<td>35283</td>
<td>MS. DISHI AGRAWAL</td>
<td>NIRC</td>
</tr>
<tr>
<td>9</td>
<td>A</td>
<td>38218</td>
<td>MS. NEHA AGARWAL</td>
<td>EIRC</td>
</tr>
<tr>
<td>10</td>
<td>A</td>
<td>40927</td>
<td>MS. ADITI JAIN</td>
<td>NIRC</td>
</tr>
<tr>
<td>11</td>
<td>A</td>
<td>40941</td>
<td>MR. UPPU BALASUNDARA RAO</td>
<td>WIRC</td>
</tr>
<tr>
<td>12</td>
<td>A</td>
<td>40942</td>
<td>MS. SHIVANI CHATURVEDI</td>
<td>NIRC</td>
</tr>
<tr>
<td>13</td>
<td>A</td>
<td>46168</td>
<td>MS. NIMITA RAJEN DAMANI</td>
<td>WIRC</td>
</tr>
<tr>
<td>14</td>
<td>A</td>
<td>48550</td>
<td>MR. SUBBY JACOB VARGHESE</td>
<td>SIRC</td>
</tr>
<tr>
<td>15</td>
<td>A</td>
<td>48605</td>
<td>MS. NEHA AGARWAL</td>
<td>EIRC</td>
</tr>
<tr>
<td>16</td>
<td>A</td>
<td>51200</td>
<td>MS. REKHA MUNDHRA</td>
<td>NIRC</td>
</tr>
<tr>
<td>17</td>
<td>F</td>
<td>1594</td>
<td>SH. H I BHATT</td>
<td>WIRC</td>
</tr>
<tr>
<td>18</td>
<td>F</td>
<td>7578</td>
<td>MS. RUBINA ARORA</td>
<td>NIRC</td>
</tr>
<tr>
<td>19</td>
<td>A</td>
<td>10866</td>
<td>SH. PRAMOD KUMAR AKHRAMKA</td>
<td>WIRC</td>
</tr>
<tr>
<td>20</td>
<td>A</td>
<td>10989</td>
<td>SH. U M KRISHNANKUTTY</td>
<td>SIRC</td>
</tr>
<tr>
<td>21</td>
<td>A</td>
<td>15205</td>
<td>SH. S SANKANAR</td>
<td>SIRC</td>
</tr>
<tr>
<td>22</td>
<td>A</td>
<td>23390</td>
<td>MRS. JALPA GAURANG BHATT</td>
<td>WIRC</td>
</tr>
<tr>
<td>23</td>
<td>A</td>
<td>23409</td>
<td>MS. NIDHI AJIT MEHTA</td>
<td>WIRC</td>
</tr>
<tr>
<td>24</td>
<td>A</td>
<td>23413</td>
<td>MR. PRABHAKARA RAO KAKUMANI</td>
<td>NIRC</td>
</tr>
<tr>
<td>25</td>
<td>A</td>
<td>26752</td>
<td>MS. ASTHA CHATURVEDI</td>
<td>SIRC</td>
</tr>
<tr>
<td>26</td>
<td>A</td>
<td>26814</td>
<td>MS. DHARINI MEHTA</td>
<td>EIRC</td>
</tr>
<tr>
<td>27</td>
<td>A</td>
<td>26852</td>
<td>MS. MANJUSHA GADGUL</td>
<td>WIRC</td>
</tr>
<tr>
<td>28</td>
<td>A</td>
<td>29763</td>
<td>MS. POOJA GAJANAN BAGUL</td>
<td>WIRC</td>
</tr>
<tr>
<td>29</td>
<td>A</td>
<td>29779</td>
<td>MS. MEERA KRISHNAKUMAR</td>
<td>SIRC</td>
</tr>
<tr>
<td>30</td>
<td>A</td>
<td>29880</td>
<td>MS. SUSHMITA GHOSH</td>
<td>NIRC</td>
</tr>
<tr>
<td>31</td>
<td>A</td>
<td>51285</td>
<td>MR. PARAG ASHOK BHANDARI</td>
<td>WIRC</td>
</tr>
<tr>
<td>32</td>
<td>A</td>
<td>51293</td>
<td>MS. MADHURA NARENDRA DEO</td>
<td>WIRC</td>
</tr>
<tr>
<td>33</td>
<td>F</td>
<td>5066</td>
<td>MS. BINACA VERMA</td>
<td>WIRC</td>
</tr>
<tr>
<td>34</td>
<td>F</td>
<td>5132</td>
<td>SH. D RAGHUPATHY</td>
<td>SIRC</td>
</tr>
<tr>
<td>35</td>
<td>A</td>
<td>11063</td>
<td>SH. SUBHASH KUMAR</td>
<td>NIRC</td>
</tr>
<tr>
<td>36</td>
<td>A</td>
<td>11133</td>
<td>SH. RAJIVE BANSAL</td>
<td>NIRC</td>
</tr>
<tr>
<td>37</td>
<td>A</td>
<td>15814</td>
<td>SH. TUSHAR SURENDRRA KUMAR DESAI</td>
<td>WIRC</td>
</tr>
<tr>
<td>38</td>
<td>A</td>
<td>15833</td>
<td>SH. YOGESH KUMAR</td>
<td>NIRC</td>
</tr>
<tr>
<td>39</td>
<td>A</td>
<td>15844</td>
<td>SH. JATIN KUMAR JITENDRA SHAH</td>
<td>WIRC</td>
</tr>
<tr>
<td>40</td>
<td>A</td>
<td>15870</td>
<td>MS. MADHURI VEGESNA</td>
<td>SIRC</td>
</tr>
<tr>
<td>41</td>
<td>A</td>
<td>15880</td>
<td>SH. PREM PRAKASH ROONGTA</td>
<td>WIRC</td>
</tr>
<tr>
<td>42</td>
<td>A</td>
<td>19610</td>
<td>SH. PRAVEEN KUMAR ARORA</td>
<td>NIRC</td>
</tr>
<tr>
<td>43</td>
<td>A</td>
<td>23435</td>
<td>MR. CHANDRA PRAKASH BANSAL</td>
<td>WIRC</td>
</tr>
<tr>
<td>44</td>
<td>A</td>
<td>23460</td>
<td>MS. NEHA DESAI</td>
<td>EIRC</td>
</tr>
<tr>
<td>45</td>
<td>A</td>
<td>23495</td>
<td>MR. MANISH KUMAR NARANIWAL</td>
<td>NIRC</td>
</tr>
<tr>
<td>46</td>
<td>A</td>
<td>29496</td>
<td>MS. SHWETA CHANDURU</td>
<td>SIRC</td>
</tr>
<tr>
<td>47</td>
<td>A</td>
<td>32589</td>
<td>MR. RATHOD VANRAJNISI GANPATSINH</td>
<td>WIRC</td>
</tr>
<tr>
<td>48</td>
<td>A</td>
<td>38534</td>
<td>MS. HEMALI DEEPAK SACHADE</td>
<td>WIRC</td>
</tr>
<tr>
<td>49</td>
<td>A</td>
<td>41046</td>
<td>MR. PREM PRAKASH KHANDELWAL</td>
<td>WIRC</td>
</tr>
<tr>
<td>50</td>
<td>A</td>
<td>48346</td>
<td>MS. NEELANSHA KHANDELWAL</td>
<td>NIRC</td>
</tr>
<tr>
<td>51</td>
<td>F</td>
<td>1284</td>
<td>SH. A S JAGANATHAN</td>
<td>SIRC</td>
</tr>
<tr>
<td>52</td>
<td>F</td>
<td>1340</td>
<td>SH. C NATRAJ</td>
<td>SIRC</td>
</tr>
<tr>
<td>53</td>
<td>A</td>
<td>4322</td>
<td>SH. S BHASHYAM</td>
<td>WIRC</td>
</tr>
<tr>
<td>54</td>
<td>A</td>
<td>4354</td>
<td>SH. SATISH CHANDRA MUNTRA</td>
<td>WIRC</td>
</tr>
<tr>
<td>55</td>
<td>A</td>
<td>9789</td>
<td>SH. PRADEEP KUMAR R JAIN</td>
<td>WIRC</td>
</tr>
<tr>
<td>56</td>
<td>A</td>
<td>14205</td>
<td>SH. RAVI BAMBHA</td>
<td>EIRC</td>
</tr>
<tr>
<td>57</td>
<td>A</td>
<td>14264</td>
<td>MS. NIVEDITA HIREMATH</td>
<td>WIRC</td>
</tr>
<tr>
<td>58</td>
<td>A</td>
<td>22098</td>
<td>MS. JYOTI SIPANI</td>
<td>EIRC</td>
</tr>
<tr>
<td>59</td>
<td>A</td>
<td>34316</td>
<td>MR. ANUP VIJAY KULKARNI</td>
<td>SIRC</td>
</tr>
<tr>
<td>60</td>
<td>A</td>
<td>34360</td>
<td>MR. RAJESH PRABHAKER KOTKAR</td>
<td>WIRC</td>
</tr>
<tr>
<td>61</td>
<td>A</td>
<td>34379</td>
<td>MR. ADAB SINGH KAPOOR</td>
<td>NIRC</td>
</tr>
<tr>
<td>62</td>
<td>A</td>
<td>37035</td>
<td>MS. ROSENI NAKUL SHAH</td>
<td>WIRC</td>
</tr>
<tr>
<td>63</td>
<td>A</td>
<td>39411</td>
<td>MR. SUNIL RAJENDRA RATHOR</td>
<td>EIRC</td>
</tr>
<tr>
<td>64</td>
<td>A</td>
<td>42162</td>
<td>MS. PREETI SHAH</td>
<td>WIRC</td>
</tr>
<tr>
<td>65</td>
<td>A</td>
<td>52951</td>
<td>MR. GOPAL SINGH BISHT</td>
<td>NIRC</td>
</tr>
<tr>
<td>66</td>
<td>A</td>
<td>3139</td>
<td>SH. NAVIN C. PATEL</td>
<td>WIRC</td>
</tr>
<tr>
<td>67</td>
<td>A</td>
<td>13159</td>
<td>SH. RAJESH KUMAR BANSHAL</td>
<td>WIRC</td>
</tr>
<tr>
<td>68</td>
<td>A</td>
<td>18043</td>
<td>SH. RAMESH KOTESWARA RAO INNAMURI</td>
<td>SIRC</td>
</tr>
<tr>
<td>69</td>
<td>A</td>
<td>21658</td>
<td>MS. PREETI CHOUDHARY</td>
<td>NIRC</td>
</tr>
<tr>
<td>70</td>
<td>A</td>
<td>34016</td>
<td>MS. IPSA MALHOTRA</td>
<td>NIRC</td>
</tr>
<tr>
<td>71</td>
<td>A</td>
<td>39367</td>
<td>MS. MEGHA JAIN</td>
<td>NIRC</td>
</tr>
<tr>
<td>72</td>
<td>A</td>
<td>46612</td>
<td>MR. SANDEEP VERMA</td>
<td>WIRC</td>
</tr>
<tr>
<td>73</td>
<td>A</td>
<td>12075</td>
<td>SH. RAMANATHAN PRAKASH</td>
<td>SIRC</td>
</tr>
<tr>
<td>74</td>
<td>A</td>
<td>23654</td>
<td>MS. DEEPIKA SRIVASTAVA</td>
<td>SIRC</td>
</tr>
<tr>
<td>75</td>
<td>A</td>
<td>26959</td>
<td>MS. NITHYA KAMARAJ</td>
<td>SIRC</td>
</tr>
<tr>
<td>76</td>
<td>A</td>
<td>35314</td>
<td>MR. SANKETH T G</td>
<td>SIRC</td>
</tr>
<tr>
<td>77</td>
<td>A</td>
<td>35357</td>
<td>MR. PARTH PATEL</td>
<td>NIRC</td>
</tr>
<tr>
<td>78</td>
<td>A</td>
<td>35404</td>
<td>MS. NILOFER HASNAIN</td>
<td>NIRC</td>
</tr>
<tr>
<td>79</td>
<td>A</td>
<td>37781</td>
<td>MR. ROHIT KUMAR</td>
<td>EIRC</td>
</tr>
<tr>
<td>80</td>
<td>A</td>
<td>40219</td>
<td>MR. R SURESHKUMAR</td>
<td>SIRC</td>
</tr>
<tr>
<td>81</td>
<td>A</td>
<td>40237</td>
<td>MS. RAJSHREE KAPOOR</td>
<td>NIRC</td>
</tr>
<tr>
<td>82</td>
<td>A</td>
<td>43232</td>
<td>MS. SHRUTI CHAWLA</td>
<td>NIRC</td>
</tr>
</tbody>
</table>
NEWS FROM THE INSTITUTE

83 A 50817 MR. NABIN AGARWAL EIRC
84 A 53701 MS. ALPANA SUDHIR KUMAR MISHRA NIRC
85 F 1454 SH. C N MAHESHWARI NIRC
86 A 8853 SH. S RAVEENDAR SIRC
87 A 17379 SH. DEEPAK MAHESHWARI NIRC
88 A 20689 MS. GANGA BHAGTANI NIRC
89 A 20712 MRS. BHARTI INANI WIRC
90 A 20794 SH. RAKESH KUMAR SINGALA NIRC
91 A 27536 MS. RUCHITA SHARMA NIRC
92 A 30676 MS. SHILPI GUPTA NIRC
93 A 33489 MR. SHARIQ SHAKIR M WIRC
94 A 33527 MS. CHAITALY ADAK EIRC
95 A 44092 MS. AYUSHI JAIN NIRC
96 F 2042 SH. BITHAL DAS SHAH NIRC
97 F 8108 SH. GNANENDRA KUMAR G SIRC
98 A 7596 SH. P K SANKARANARAYANAN SIRC
99 A 11995 SH. V RAVINDRAPRASAD SIRC
100 A 16335 SH. RAJESH JAIN NIRC
101 A 16366 SH. PANKAJ KUMAR WAHI WIRC
102 A 19821 SH DHIRENDRA KUMAR ASRI WIRC
103 A 19882 MS REENA SRIVASTAVA WIRC
104 A 19941 MS JYOTI GERI NIRC
105 A 19949 MS JYOTI AGARWAL NIRC
106 A 23839 SH. ABHISEK KABRA WIRC
107 A 32555 MS. PRIYA PADMANABHAN SIRC
108 A 38930 MR. MAYANK KUMAR EIRC
109 A 41502 MS. PADMINI SUNDAR SHETTY WIRC
110 A 49554 MS. MARY SHARALY ELIZA MOSES SIRC
111 F 3167 SH. KETAN H SHAH WIRC
112 F 6041 SH. DEVENDRA GAJANAN PRADHAN WIRC
113 A 2928 MS. HETA P MEHTA WIRC
114 A 10416 SH. DINESH KUMAR VERMA NIRC
115 A 10420 SH. ASHWANI KUMAR AROA NIRC
116 A 14878 SH. ASHWANI KUMAR TANEJA NIRC
117 A 19223 SH. ABHISHEK ANAND EIRC
118 A 19278 MS. BINDU SHARMA WIRC
119 A 26114 MS. ADITI HAJELA NIRC
120 A 42741 MR. DIKSHANT SINGH PANWAR NIRC
121 A 42758 MS. SNEHA MUNDHRA EIRC
122 A 42807 MR. ASHISH KAILASHNATH SHARDA WIRC
123 A 47812 MS. ANKITA PANDEY NIRC
124 F 8261 MRS. SHILPA VERMA NIRC
125 F 8264 SH. ANOOP SINGH NIRC
126 A 9401 SH. SHREE KANT LAKHOTIA EIRC
127 A 9468 MS. DEEPA PADMANABHAN NIRC
128 A 13480 MS. KARUNA PRABHALA SIRC
129 A 13489 SH. JAGDEEP SINGH BHATIA NIRC
130 A 13523 SH. B. KISHORE WIRC
131 A 21208 SH. ISHWAR SHANDILYA WIRC
132 A 25081 MS. YAMINI MAHESHWARI NIRC
133 A 28124 MRS. ASTHA GANDHI WIRC
134 A 30616 MR. SANDEEP KUMAR GOURISHETTI SIRC
135 A 36226 MS. SHWETA SONTHALIA EIRC
136 A 36309 MS. MONA SRICHANDANI WIRC
137 A 39054 MR. SHRINIVAS VALLABHDAS RATHI WIRC
138 A 41614 MS. PRIYA VISHINDAS LULLA WIRC
139 A 2321 SH. A J KERAWALA WIRC
140 A 2322 SH. P B MEHTA WIRC
141 A 7079 SH. PRAKASH N NAYAK WIRC
142 A 16822 MS. SHIPRA TANEJA NIRC
143 A 16831 SH. MANUTOSH NIRC
144 A 16859 MS. SHALINI MEHTA WIRC
145 A 21067 SH. M S P SHRIKANT SIRC
146 A 24897 MS. SONU PILANIWALA WIRC
147 A 25027 SH. SACHIN JINDAL NIRC
148 A 30296 MS. DEEPALI SHARMA WIRC
149 A 30313 MS. ANUSHRI LAHOTI WIRC
150 A 40832 MR. SUMIT KUMAR SHAW EIRC
151 A 46323 MS. KIRAN GUPTA EIRC
152 A 51826 MS. BHAWNA SHARMA NIRC
153 A 3344 SH. UDAY VASUDEO THAKURDESAI WIRC
154 A 12444 SH. MANMAKAR JAYANT BALCHANDRA WIRC
155 A 24472 MS. NAMARATHA NILESH GOYAL WIRC
156 A 34080 MR. SAMEER KOLI SIRC
157 A 34134 MRS. JIGNA NIKHIL GALA WIRC
158 A 36528 MS. RENUKA DEEPAK KOWALE SIRC
159 A 36535 MS. NIKITA MAHESHWARY EIRC
160 A 49617 MR. VISHAL ANAND P SIRC
161 A 7511 SH. MAHAVIR KUMAR NAGORI NIRC
162 A 12695 SH. DILIP PATODIA EIRC
163 A 25175 SH. JIGISH JITENDRA BAIS WIRC
164 A 28204 MR. ISHWAR PARTAP SINGH NIRC
165 A 41772 MS. SHIVANI SHARMA NIRC
166 A 47081 MS. PURNIMA UDINIYA NIRC
167 A 47086 MR. NALIN SANCHETI NIRC
168 A 47098 MS. AYUSHI MITTAL NIRC
169 A 4875 SH. V K GOENKA WIRC
170 A 9348 SH. G A RAO WIRC
171 A 13883 SH. DEBENDER KUMAR SINGH NIRC
172 A 14006 SH. BHAGWANDAS N THAKKAR WIRC
173 A 18468 MS. DEEPTI THEPADIA WIRC
174 A 25550 MRS. BIJAL AMIT SHAH WIRC
<table>
<thead>
<tr>
<th>No.</th>
<th>Roll No.</th>
<th>Name</th>
<th>Institute</th>
</tr>
</thead>
<tbody>
<tr>
<td>175</td>
<td>28460</td>
<td>Ms. Jaspreeet Kaur Virdi</td>
<td>NIRC</td>
</tr>
<tr>
<td>176</td>
<td>34614</td>
<td>Ms. Chetna Navratanmal Gandhi</td>
<td>WIRC</td>
</tr>
<tr>
<td>177</td>
<td>43070</td>
<td>Mr. A Selvam</td>
<td>EIRC</td>
</tr>
<tr>
<td>178</td>
<td>45880</td>
<td>Ms. Sheetal Agrawal</td>
<td>EIRC</td>
</tr>
<tr>
<td>179</td>
<td>2486</td>
<td>Sh. S. A Subramanian</td>
<td>SIRC</td>
</tr>
<tr>
<td>180</td>
<td>5889</td>
<td>Sh. Pankaj Kalani</td>
<td>WIRC</td>
</tr>
<tr>
<td>181</td>
<td>8639</td>
<td>Sh. Nischal Kapadia</td>
<td>WIRC</td>
</tr>
<tr>
<td>182</td>
<td>12571</td>
<td>Sh. K Suresh</td>
<td>SIRC</td>
</tr>
<tr>
<td>183</td>
<td>24723</td>
<td>Sh. Srikanta Kumar Pattenayak</td>
<td>EIRC</td>
</tr>
<tr>
<td>184</td>
<td>28571</td>
<td>Sh. Rekha Shaw</td>
<td>EIRC</td>
</tr>
<tr>
<td>185</td>
<td>29866</td>
<td>Ms. Riddhi Suresh Badiyani</td>
<td>WIRC</td>
</tr>
<tr>
<td>186</td>
<td>28701</td>
<td>Ms. Manali Prabhakar Kulkarni</td>
<td>WIRC</td>
</tr>
<tr>
<td>187</td>
<td>32201</td>
<td>Mr. Jithin P G</td>
<td>SIRC</td>
</tr>
<tr>
<td>188</td>
<td>35047</td>
<td>Mr. Rajender Kumar</td>
<td>NIRC</td>
</tr>
<tr>
<td>189</td>
<td>40545</td>
<td>Ms. Ankita Ghambir</td>
<td>EIRC</td>
</tr>
<tr>
<td>190</td>
<td>43937</td>
<td>Ms. Shweta Kantilal Panchal</td>
<td>WIRC</td>
</tr>
<tr>
<td>191</td>
<td>49340</td>
<td>Mr. Bhavesh KantiBhai Vaghasiya</td>
<td>WIRC</td>
</tr>
<tr>
<td>192</td>
<td>54837</td>
<td>Ms. Somya Jain</td>
<td>NIRC</td>
</tr>
<tr>
<td>193</td>
<td>8491</td>
<td>Sh. Ninad R Date</td>
<td>WIRC</td>
</tr>
<tr>
<td>194</td>
<td>13054</td>
<td>Sh. R. Rajal</td>
<td>SIRC</td>
</tr>
<tr>
<td>195</td>
<td>17017</td>
<td>Sh. Rajnish Garje</td>
<td>SIRC</td>
</tr>
<tr>
<td>196</td>
<td>17188</td>
<td>Ms. KanwalJeeet Kaor</td>
<td>NIRC</td>
</tr>
<tr>
<td>197</td>
<td>26438</td>
<td>Ms. Medha Devdhar</td>
<td>WIRC</td>
</tr>
<tr>
<td>198</td>
<td>42625</td>
<td>Ms. Ekta Verma</td>
<td>WIRC</td>
</tr>
<tr>
<td>199</td>
<td>52693</td>
<td>Ms. Radhika Balasaria</td>
<td>EIRC</td>
</tr>
<tr>
<td>200</td>
<td>743</td>
<td>Sh. Suresh Kumar Jeth</td>
<td>NIRC</td>
</tr>
<tr>
<td>201</td>
<td>12225</td>
<td>Sh. Paras H Gada</td>
<td>WIRC</td>
</tr>
<tr>
<td>202</td>
<td>16676</td>
<td>Sh. Nikhil Jain</td>
<td>WIRC</td>
</tr>
<tr>
<td>203</td>
<td>16967</td>
<td>Ms. Vineeta Pachisia</td>
<td>NIRC</td>
</tr>
<tr>
<td>204</td>
<td>20662</td>
<td>Ms. Minakshi Agarwal</td>
<td>EIRC</td>
</tr>
<tr>
<td>205</td>
<td>33649</td>
<td>Mr. Abhishek Pandey</td>
<td>NIRC</td>
</tr>
<tr>
<td>206</td>
<td>36809</td>
<td>Ms. Rajlaxmi Rajeev Kale</td>
<td>WIRC</td>
</tr>
<tr>
<td>207</td>
<td>36869</td>
<td>Mr. Ashutosh Agarwal</td>
<td>NIRC</td>
</tr>
<tr>
<td>208</td>
<td>42416</td>
<td>Ms. Bharti Agarwal</td>
<td>EIRC</td>
</tr>
<tr>
<td>209</td>
<td>42419</td>
<td>Ms. Richa Agarwala</td>
<td>EIRC</td>
</tr>
<tr>
<td>210</td>
<td>42481</td>
<td>Ms. Dimpal Lalitbhai Seta</td>
<td>WIRC</td>
</tr>
<tr>
<td>211</td>
<td>44927</td>
<td>Mr. Pankaj Moolrajan</td>
<td>NIRC</td>
</tr>
<tr>
<td>212</td>
<td>44947</td>
<td>Ms. Deepa Joseph Kokkandathil</td>
<td>SIRC</td>
</tr>
<tr>
<td>213</td>
<td>46977</td>
<td>Ms. Misha Soni</td>
<td>NIRC</td>
</tr>
<tr>
<td>214</td>
<td>49221</td>
<td>Ms. Suman Modi</td>
<td>EIRC</td>
</tr>
<tr>
<td>215</td>
<td>7833</td>
<td>Sh. T R Ramabhadran</td>
<td>SIRC</td>
</tr>
<tr>
<td>216</td>
<td>6058</td>
<td>Sh. Anil Bhalchandra Kale</td>
<td>WIRC</td>
</tr>
<tr>
<td>217</td>
<td>10682</td>
<td>Sh. Sunil Agrawal</td>
<td>WIRC</td>
</tr>
<tr>
<td>218</td>
<td>10837</td>
<td>Sh. Vipin Kumar Tiwari</td>
<td>NIRC</td>
</tr>
<tr>
<td>219</td>
<td>14661</td>
<td>Sh. Rakesh J. Punamiya</td>
<td>WIRC</td>
</tr>
<tr>
<td>220</td>
<td>14689</td>
<td>Sh. Umesh Murlidhar Thawani</td>
<td>WIRC</td>
</tr>
<tr>
<td>221</td>
<td>14780</td>
<td>Sh. Arun Jain</td>
<td>NIRC</td>
</tr>
<tr>
<td>222</td>
<td>29632</td>
<td>Ms. Saraswathi Subrahmanian V</td>
<td>SIRC</td>
</tr>
<tr>
<td>223</td>
<td>34619</td>
<td>Mr. Deepak Walia</td>
<td>NIRC</td>
</tr>
<tr>
<td>224</td>
<td>6054</td>
<td>Ms. Muthu Lakshmi M</td>
<td>SIRC</td>
</tr>
<tr>
<td>225</td>
<td>33006</td>
<td>Ms. Varsha Rajaram Waghole</td>
<td>WIRC</td>
</tr>
<tr>
<td>226</td>
<td>35579</td>
<td>Mr. Nishanth Mohan</td>
<td>SIRC</td>
</tr>
<tr>
<td>227</td>
<td>35593</td>
<td>Ms. Reha Arvind Jain</td>
<td>WIRC</td>
</tr>
<tr>
<td>228</td>
<td>35642</td>
<td>Ms. Nimita Sunil Vaidya</td>
<td>WIRC</td>
</tr>
<tr>
<td>229</td>
<td>38333</td>
<td>Mr. Ankit Bohara</td>
<td>NIRC</td>
</tr>
<tr>
<td>230</td>
<td>38347</td>
<td>Ms. Charu Kandi</td>
<td>NIRC</td>
</tr>
<tr>
<td>231</td>
<td>38433</td>
<td>Mr. Titto Mathew</td>
<td>SIRC</td>
</tr>
<tr>
<td>232</td>
<td>41276</td>
<td>Ms. Pooja Yogesh Shah</td>
<td>SIRC</td>
</tr>
<tr>
<td>233</td>
<td>44546</td>
<td>Ms. Neha Jain</td>
<td>NIRC</td>
</tr>
<tr>
<td>234</td>
<td>6360</td>
<td>Ms. Poonsam Sabih Mirchandani</td>
<td>WIRC</td>
</tr>
<tr>
<td>235</td>
<td>6356</td>
<td>Ms. Latika Pradhan</td>
<td>WIRC</td>
</tr>
<tr>
<td>236</td>
<td>10547</td>
<td>Sh. Khem Prakash Joshi</td>
<td>NIRC</td>
</tr>
<tr>
<td>237</td>
<td>10567</td>
<td>Sh. Gautam Tiwari</td>
<td>EIRC</td>
</tr>
<tr>
<td>238</td>
<td>15557</td>
<td>Sh. Surendra Kumar Goenka</td>
<td>EIRC</td>
</tr>
<tr>
<td>239</td>
<td>20239</td>
<td>Mrs. Suhasini Ashok B</td>
<td>SIRC</td>
</tr>
<tr>
<td>240</td>
<td>20253</td>
<td>Ms. Lalitha K</td>
<td>SIRC</td>
</tr>
<tr>
<td>241</td>
<td>23899</td>
<td>Ms. Jyotsna Gupta</td>
<td>NIRC</td>
</tr>
<tr>
<td>242</td>
<td>23956</td>
<td>Ms. Swagata Mukherjee</td>
<td>SIRC</td>
</tr>
<tr>
<td>243</td>
<td>23970</td>
<td>Ms. Kadamri Paniya</td>
<td>NIRC</td>
</tr>
<tr>
<td>244</td>
<td>24003</td>
<td>Sh. Raghunathan K</td>
<td>NIRC</td>
</tr>
<tr>
<td>245</td>
<td>30764</td>
<td>Ms. Harshita Maheshwari</td>
<td>NIRC</td>
</tr>
<tr>
<td>246</td>
<td>30779</td>
<td>Ms. Bharti Ranga</td>
<td>EIRC</td>
</tr>
<tr>
<td>247</td>
<td>33711</td>
<td>Mr. Syed Asif Raza</td>
<td>SIRC</td>
</tr>
<tr>
<td>248</td>
<td>33779</td>
<td>Mrs. Nidhi Jain</td>
<td>EIRC</td>
</tr>
<tr>
<td>249</td>
<td>33784</td>
<td>Mr. Amit Kumar Bihani</td>
<td>SIRC</td>
</tr>
<tr>
<td>250</td>
<td>36382</td>
<td>Ms. Ankita Jain</td>
<td>NIRC</td>
</tr>
<tr>
<td>251</td>
<td>41852</td>
<td>Mr. Krishan Kumar Agrawal</td>
<td>NIRC</td>
</tr>
<tr>
<td>252</td>
<td>41923</td>
<td>Ms. Pooja Gupta</td>
<td>WIRC</td>
</tr>
<tr>
<td>253</td>
<td>44776</td>
<td>Mr. Gade Bala Sumanth Reddy</td>
<td>SIRC</td>
</tr>
<tr>
<td>254</td>
<td>53142</td>
<td>Ms. Sakshi Jain</td>
<td>NIRC</td>
</tr>
<tr>
<td>255</td>
<td>10116</td>
<td>Sh. Vimal Kumar Taparia</td>
<td>EIRC</td>
</tr>
<tr>
<td>256</td>
<td>9016</td>
<td>Sh. Raj Kumar C.</td>
<td>SIRC</td>
</tr>
<tr>
<td>257</td>
<td>18227</td>
<td>Sh. Vikash Bilotta</td>
<td>SIRC</td>
</tr>
<tr>
<td>258</td>
<td>18282</td>
<td>Sh. Ravindra Om Prahak Gupta</td>
<td>WIRC</td>
</tr>
<tr>
<td>259</td>
<td>6594</td>
<td>Ms. Aruna Arulsingh</td>
<td>SIRC</td>
</tr>
<tr>
<td>260</td>
<td>25979</td>
<td>Sh. Guju Krishna Murty Reddy</td>
<td>EIRC</td>
</tr>
<tr>
<td>261</td>
<td>29178</td>
<td>Ms. Satabdi Sen Gupta</td>
<td>EIRC</td>
</tr>
<tr>
<td>262</td>
<td>38033</td>
<td>Mr. Ravi Ranjan</td>
<td>EIRC</td>
</tr>
<tr>
<td>263</td>
<td>39882</td>
<td>Ms. Priya Mahajan</td>
<td>NIRC</td>
</tr>
<tr>
<td>264</td>
<td>39904</td>
<td>Ms. Gayathri S</td>
<td>SIRC</td>
</tr>
<tr>
<td>265</td>
<td>11291</td>
<td>Sh. Jayapraakash M Pai</td>
<td>SIRC</td>
</tr>
<tr>
<td>266</td>
<td>19032</td>
<td>Ms. Deepika Gupta</td>
<td>SIRC</td>
</tr>
<tr>
<td>SL. NO.</td>
<td>NAME</td>
<td>ACS/FCS NO.</td>
<td>COP NO.</td>
</tr>
<tr>
<td>--------</td>
<td>------------------------------------------</td>
<td>-------------</td>
<td>---------</td>
</tr>
<tr>
<td>1</td>
<td>SH. VAJENDRA MASLEKAR</td>
<td>F - 1911</td>
<td>1623</td>
</tr>
<tr>
<td>2</td>
<td>SH. NEERAJ MITTAL</td>
<td>A - 8399</td>
<td>2711</td>
</tr>
<tr>
<td>3</td>
<td>SH. KRISHNA KUMAR AGARWAL</td>
<td>A - 3267</td>
<td>2804</td>
</tr>
<tr>
<td>4</td>
<td>SH. KISHAN CHANDRA DHAWAN</td>
<td>A - 12891</td>
<td>3110</td>
</tr>
<tr>
<td>5</td>
<td>SH. DULICHAND AGARWAL</td>
<td>F - 1105</td>
<td>3345</td>
</tr>
<tr>
<td>6</td>
<td>SH. ISHWAR BALKRISHNAM MUNCHANDI</td>
<td>A - 3497</td>
<td>4037</td>
</tr>
<tr>
<td>7</td>
<td>SH. SANKANARAYAN KRISHNAMURTHY</td>
<td>A - 967</td>
<td>4097</td>
</tr>
<tr>
<td>8</td>
<td>SH. KANHAIYALAL SALGIA</td>
<td>A - 733</td>
<td>4801</td>
</tr>
<tr>
<td>9</td>
<td>MS. ALKA R. MODI</td>
<td>A - 13956</td>
<td>5419</td>
</tr>
<tr>
<td>10</td>
<td>SH. RAJIV BAJAJ</td>
<td>F - 5739</td>
<td>5747</td>
</tr>
<tr>
<td>11</td>
<td>SH. NAVDEEP KUMAR GROVER</td>
<td>A - 12537</td>
<td>5938</td>
</tr>
<tr>
<td>12</td>
<td>SH. RAJEEV SHARMA</td>
<td>A - 15496</td>
<td>6369</td>
</tr>
<tr>
<td>13</td>
<td>SH. SANDEEP AGGARWAL</td>
<td>A - 18302</td>
<td>6432</td>
</tr>
<tr>
<td>14</td>
<td>MS MEETU SHREE AGARWAL</td>
<td>F - 6904</td>
<td>7406</td>
</tr>
<tr>
<td>15</td>
<td>SH. R RAVISHANKAR</td>
<td>A - 8942</td>
<td>7431</td>
</tr>
<tr>
<td>16</td>
<td>SH NITESH KUMAR SINHA</td>
<td>F - 7536</td>
<td>7648</td>
</tr>
<tr>
<td>17</td>
<td>MRS. SARU SINGHAL</td>
<td>A - 20878</td>
<td>7665</td>
</tr>
<tr>
<td>18</td>
<td>MS. SHWETA AGARWAL</td>
<td>A - 21050</td>
<td>7938</td>
</tr>
<tr>
<td>19</td>
<td>MRS. RADHIKA ISHTI VYAS</td>
<td>F - 7804</td>
<td>7972</td>
</tr>
<tr>
<td>20</td>
<td>MRS. SRIVIDYA S. BASKAR</td>
<td>A - 22742</td>
<td>8173</td>
</tr>
<tr>
<td>21</td>
<td>SH. GAURAV LOYALKA</td>
<td>F - 7978</td>
<td>8463</td>
</tr>
<tr>
<td>22</td>
<td>MRS. SARIKA VISHAL JAMBHALE</td>
<td>A - 20310</td>
<td>8710</td>
</tr>
<tr>
<td>23</td>
<td>MS. SUNITA KANAKATHARA SIDHARTHAN</td>
<td>A - 15358</td>
<td>8743</td>
</tr>
<tr>
<td>24</td>
<td>MS. MAHADEVAN BHAVANI</td>
<td>A - 11110</td>
<td>8824</td>
</tr>
<tr>
<td>25</td>
<td>SH. SHIV KUMAR TYAGI</td>
<td>F - 8017</td>
<td>8865</td>
</tr>
<tr>
<td>26</td>
<td>MRS. MEENAKSHI LADIA</td>
<td>A - 22820</td>
<td>8885</td>
</tr>
<tr>
<td>27</td>
<td>MS. SHASHI SHARMA</td>
<td>F - 8498</td>
<td>9338</td>
</tr>
<tr>
<td>28</td>
<td>MS. HARSHITA MODANI</td>
<td>A - 19268</td>
<td>10015</td>
</tr>
<tr>
<td>29</td>
<td>MS PRABHLEEN KAUR</td>
<td>F - 9133</td>
<td>10501</td>
</tr>
<tr>
<td>30</td>
<td>MS. NIDHI POKHARNA</td>
<td>A - 28357</td>
<td>10682</td>
</tr>
<tr>
<td>31</td>
<td>SH. RAJIV KRISHNA WARRIER</td>
<td>A - 20190</td>
<td>10704</td>
</tr>
<tr>
<td>32</td>
<td>MS. SWATI MAHESHWARI</td>
<td>A - 26060</td>
<td>11064</td>
</tr>
<tr>
<td>33</td>
<td>MS. ANJALI RASTOGI</td>
<td>F - 9474</td>
<td>11373</td>
</tr>
<tr>
<td>34</td>
<td>SH. SUBRAMANIAN K.N.</td>
<td>A - 15218</td>
<td>11388</td>
</tr>
<tr>
<td>35</td>
<td>MS. RAVNEET KAUR SETHI</td>
<td>A - 29425</td>
<td>11480</td>
</tr>
<tr>
<td>36</td>
<td>MS. DEBARATI BANERJEE</td>
<td>A - 27197</td>
<td>11590</td>
</tr>
<tr>
<td>37</td>
<td>SH. SAAZ HAQUE</td>
<td>A - 9335</td>
<td>11739</td>
</tr>
<tr>
<td>38</td>
<td>MS. DOLLY GAUR</td>
<td>A - 33642</td>
<td>12546</td>
</tr>
<tr>
<td>39</td>
<td>MRS. NIK SOURABH PATAWARI</td>
<td>A - 34234</td>
<td>13066</td>
</tr>
<tr>
<td>40</td>
<td>MR. AJIT KAMAL SHARMA</td>
<td>A - 33076</td>
<td>13248</td>
</tr>
<tr>
<td>41</td>
<td>MS. RAJNI</td>
<td>A - 34362</td>
<td>13485</td>
</tr>
<tr>
<td>42</td>
<td>MR. PRAVEEN BIR Singh CHOUDHARY</td>
<td>A - 36396</td>
<td>13836</td>
</tr>
<tr>
<td>43</td>
<td>MS. NEETI AGRAWAL</td>
<td>A - 35209</td>
<td>14189</td>
</tr>
<tr>
<td>44</td>
<td>MS. VANDITA JAY DOSHI</td>
<td>A - 39059</td>
<td>14497</td>
</tr>
<tr>
<td>45</td>
<td>MR. VIPUL ARORA</td>
<td>A - 40046</td>
<td>14825</td>
</tr>
<tr>
<td>46</td>
<td>MS. PREEETI Y PANDE</td>
<td>A - 36778</td>
<td>14962</td>
</tr>
<tr>
<td>47</td>
<td>MR. BHARAT MISHRA</td>
<td>A - 35437</td>
<td>15061</td>
</tr>
<tr>
<td>48</td>
<td>MS. MINAKSHI BHARTIYA</td>
<td>A - 38040</td>
<td>15063</td>
</tr>
<tr>
<td>49</td>
<td>MS. SAPANA GANGAN</td>
<td>A - 22914</td>
<td>15474</td>
</tr>
<tr>
<td>50</td>
<td>SH. AMIT ROY CHOWDHURY</td>
<td>A - 6434</td>
<td>15540</td>
</tr>
<tr>
<td>51</td>
<td>MS. SHIPRA AGRAWAL</td>
<td>A - 37076</td>
<td>15587</td>
</tr>
<tr>
<td>52</td>
<td>MS. RUCHIRA RAVINDRA PHANSALKAR</td>
<td>A - 37342</td>
<td>15830</td>
</tr>
<tr>
<td>53</td>
<td>MRS. VIDHI RUSHABH SHAH</td>
<td>A - 33420</td>
<td>16003</td>
</tr>
</tbody>
</table>
ATTENTION!

MEMBERS HOLDING CERTIFICATE OF PRACTICE

The Institute has brought out a CD containing List of Members holding Certificate of Practice of the Institute as on 31st March 2019.

The CDs are available at Noida office of the Institute and will be provided free of cost to the members holding Certificate of Practice on receipt of request.

Request may please be sent to the Directorate of Membership at e-mail id: saurabh.bansal@icsi.edu

PAYMENT OF ANNUAL LICENTIATE SUBSCRIPTION FOR THE YEAR 2019-2020

The annual Licentiate subscription for the year 2019-2020 has become due for payment w.e.f 1st April, 2019. The last date for the payment of same is 30th June, 2019. TheLicentiate subscription payable is Rs.1180/- per year inclusive of applicable GST @ 18%.

You are requested to remit at the Institute’s Headquarters or Regional/ Chapter offices a sum of Rs.1180/- by way of Demand Draft payable at New Delhi in favour of “The Institute of Company Secretaries of India” indicating your name and Licentiate number on the reverse of the Demand Draft. The details of remittance may please be intimated at email id licentiate@icsi.edu

ATTENTION: LICENTIATES

Last date of payment of Annual Subscription is 30th June every year as per the Company Secretaries Regulations, 1982. There will be no extension after 30th June. Accordingly, Licentiates are advised to pay the Annual Subscription on or before 30th June, 2019.

ATTENTION!

KNOW YOUR MEMBER (KYM)

A User Manual for filling the Know Your Member (KYM) proforma online is available at the below link: https://www.icsi.in/student/Portals/0/Manual/KYM_Usermanual.pdf

ATTENTION!

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link http://www.icsi.edu/Member.aspx

OBITUARIES

Chartered Secretary deeply regrets to record the sad demise of the following Members:

CS R D Rai (02.01.1938 – 03.09.2015), a Fellow Member of the Institute from New Delhi.

CS B G Vyas (10.05.1923 – 02.11.2018), an Associate Member of the Institute from Ahmedabad.

CS Achintya Kumar Datta (03.01.1939 – 05.03.2008), an Associate Member of the Institute from London.

CS Gopal Shivabhai Patel (16.11.1923 – 17.02.2017), a Fellow Member of the Institute from Mumbai.

CS Vithalbhai H Patel (16.05.1928 – 11.02.2014), an Associate 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.
PAYMENT OF ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2019-2020

The annual membership fee and certificate of practice fee for the year 2019-2020 has become due for payment w.e.f. 1st April, 2019. The last date for the payment of annual membership fee is 30th June, 2019 and certificate of practice fee is 30th September, 2019. The membership and certificate of practice fee payable is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Associate (admitted till 31.03.2018)</th>
<th>Associate (admitted on or after 01.04.2018)</th>
<th>Fellow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Membership fee*</td>
<td>Rs. 2950</td>
<td>Rs. 1770</td>
<td>Rs. 3540</td>
</tr>
<tr>
<td>Certificate of Practice fee*</td>
<td>Rs. 2360</td>
<td>Rs. 1770</td>
<td>Rs. 2360</td>
</tr>
<tr>
<td>Entrance fee**</td>
<td>Rs. 2360</td>
<td>Rs. 2360</td>
<td>Rs. 2360</td>
</tr>
<tr>
<td>Restoration fee***</td>
<td>Rs. 295</td>
<td>Rs. 295</td>
<td>Rs. 295</td>
</tr>
</tbody>
</table>

* Fee inclusive of applicable GST@18%.
** Fee inclusive of applicable GST@18% and applicable if annual membership fee is not received by 30th June, 2019.
*** Fee inclusive of applicable GST@18% and applicable if annual membership fee is not received by 30th June, 2019 OR if certificate of practice fee is not received by 30th September, 2019

• The certificate of practice fee must be accompanied by a declaration in form D duly completed in all respects and signed. The requisite form ‘D’ is available on the website of Institute www.icsi.edu

A member who is of the age of sixty years or above and is not in any gainful employment or practice can claim 50% concession in the payment of Associate/Fellow Annual Membership fee and a member who is of the age of seventy years or above and is not in any gainful employment or practice can claim 75% concession in the payment of Associate/Fellow Annual Membership fee subject to the furnishing of declaration to that effect.

A member who is physically challenged and not in any gainful employment or practice can seek concession in annual membership fee @ 25% w.e.f. 1st April, 2019. This concession is also applicable additionally to members who are of the age of sixty/seventy years or above and not in any gainful employment or practice. The member needs to submit a medical certificate and a declaration to this effect for seeking this concession.

Please note that the members holding Certificate of Practice are not eligible to claim concession in annual membership fee.

MODE OF REMITTANCE OF FEE
The fee can be remitted by way of:
• Online (through payment gateway of the Institute’s website www.icsi.edu). The direct payment link URL is http://bit.do/icsifees and through members login portal.
• Cheque at par/Demand draft/Pay order payable at New Delhi (indicating on the reverse name and membership number) drawn in favour of “The Institute of Company Secretaries of India” at the Institute’s Headquarters / Noida office.
• At ICSI HQ at Delhi or Noida in person by cash/cheque at par/DD at the reception counter from 9:00 am to 4:00 pm.
• For queries, if any, the members may please write to Mr. Jitendra Kumar, Executive Assistant at email id jitendra.kumar@icsi.edu

FEE CONCESSION TO THE PHYSICALLY CHALLENGED MEMBERS @25% W.E.F. 1ST APRIL, 2019
It is for the general information of all members of ICSI that those members who are physically challenged and not in any gainful employment or practice can seek concession in annual membership fee @ 25% w.e.f. 1st April, 2019. This concession is also applicable additionally to members who are of the age of sixty/seventy years or above and not in any gainful employment or practice. The member needs to submit a medical certificate and a declaration to this effect for seeking this concession.

ATTENTION: MEMBERS
Last date of payment of Annual Membership Fees is 30th June every year as per the Company Secretaries Regulations, 1982. There will be no extension after 30th June. Accordingly, Members are advised to pay the Annual Membership Fees on or before 30th June, 2019. Fee can be paid at link: http://bit.do/icsifees
Last month, we saw how balance is needed for life and what does the balance of work – life, ownership- detachment and independence – interdependence mean for a perfect life. Now, let’s see a few more areas where life has to be balanced, and what do we need to achieve such a balanced life.

Busy and Easy

We often claim or rather complaint that we are too busy to do things or give time to ourselves. This often makes us drained and the task we are busy at turn into a struggle. Needless to say, when we do something with a drained state of mind- its effectiveness declines. So, shall we stop doing work when we feel drained and miss out the targets, or is there a way to re-gain the lost energy and put it back into the task to make it more enjoyable and productive.

Before we explore ways to remain easy, let’s ponder over what is keeping us busy? We are always working at 2 levels. The one that we most commonly know is the physical and the other is mental. What we do physically is only a small fraction of the work we are doing internally or mentally. Whether it is reading a newspaper, or preparing tea, or eating lunch or even completing our assignments, we are almost always switching between physical present task and mental hypothetical tasks. We can understand the difference between the two as below:

While reading a newspaper, sometimes our mind starts talking to itself- “now-a-days there is too much of crime in the country...” or “why does not the government or police do something...” or even worse- “what is the menu for breakfast...” Here, reading the newspaper is 1 physical task but simultaneously we are doing 3 mental tasks clubbed with this 1 physical task. So our energy is actually used in 4 tasks in this case, while we acknowledge only the one that we see physically. In this case, the first thought is an extra thought about what you are doing currently, the 2nd one is a negative thought related to what you are doing. Even worse is the 3rd thought which is a waste thought completely unrelated to what you are engaged into at present. Each of these thoughts drain our energy at different rates:

- **Waste thought related to the current physical task:** The term waste itself indicates that the energy of mind is being wasted through such type of thoughts as this thought is not brought into action and thus the energy goes un-utilized and gradually leaks un-noticed. Although the loss of energy is not huge, the leakage remains un-noticed as we keep justifying these thoughts as normal, so the cumulative effect of leakage become much more than what we ever imagined. There is no point in merely thinking what is happening, why and how and why not or how it should be and feeling helpless while elaborating the situation. If the same though is turned into “to prevent increasing crime in the country, we must be honest, vigilant and respect everyone...” where although we are looking into the situation, but from the angle of solution or action plan.

- **Negative thought related to the current task:** When the waste thought becomes strong and its energy changes into complaint, hatred, repentance, guilt, rejection etc, the energy that was leaking slowly, now starts flushing out leaving us drained very soon. Such thoughts, even in small amounts can reduce our positivity and energy very soon, leaving us exhausted and our mood turned off.

- **Waste thought unrelated to current task:** Here our mind completely loses track of what we are doing physically and slips into another parallel world. This is the most dangerous of the 3 types of extra work we do through the mind as in the earlier 2 case, mind was still aligned to the work we were doing physically so we can switch back to it with less effort. However, in the 3rd case, we lose control over mind and it may then wander for as long as we realize that it has lost track.

Definitely, we are doing more work than we realize and losing even much more energy than we are using. So, even though we have time and energy, we develop a feeling of being robbed of time and energy as we continue to lose it mentally. This situation worsens when we are idle or confused in setting priorities or in an un-decisive mode, as it is then that our mind does much more work of thinking than it actually requires.

So, there is no trick to remain easy while being busy, but actually generating more productive thoughts so that we do equally the same amount of work physically, which gives us a sense...
Rajyoga Meditation allows mind to remain stable in whatever thought and till whatever time we want.

Bent but not broken

A balanced personality will naturally and effortlessly accept others.

To be firm is not a one-time task, but a long-term determination that helps one rise back after falling.

. When we realize who we truly are and remove the various masks of false identity or ego, we reach up to our roots.

Flexibility and Firmness

Most of us find it a great struggle to say ‘No’ to someone or for something, but don’t want to disrespect the person who wants it to be a ‘Yes’ instead. When we are flexible, we often become submissive or meek, while on the other hand, when we become firm, we often sound or turn rigid. If understood is the light of right perspective, flexible and submissive are not synonyms, as most commonly thought. So is the case with firm and rigid.

In a stormy weather, we often find winds uprooting or breaking ruthlessly the tall and strong trees. However, the same wind is never able to uproot or break a single blade of grass. The secret to such a power of the tiny blade of grass is the balance of flexibility and firmness. Firmness is a quality of the being while flexibility is the quality of the personality. This means firmness represents the quality of being grounded and is for oneself, while flexibility refers to acceptance of others or their ideas, reflected in the behavior.

Here, to maintain a balance between the two we need the following virtues:

- **Adaptability & Acceptance:** A balanced personality will naturally and effortlessly accept others. For instance, one who has a strong value system can remain firm on his ideals even when others do not support them. He doesn’t evaluate the validity or usefulness of his value system based on other people’s buying. He understands what is appropriate for him and maintains his code of conduct against all odds. This is a result of acceptance of his own self, without doubt and confusion. As an extension to this, he also accepts that the value system of others has its own place in their lives, respects it and thus, doesn’t try to impose his ideologies on others. It is OK not to follow the different value system of others and to be firm on ours, but it is also necessary to be flexible to give space to others for theirs.

- **Persistence, Confidence, Faith, Conviction:** Science has now proved that faith can actually move mountains, and this faith is a result of accumulated confidence developed on the basis of positive outcome of tried and tested efforts or ideas. Thus, to remain firm on what we feel is right, we have to believe in what we feel and this belief or faith has to come through confidence which develops through persistence efforts. This ultimately leads to a strong conviction. Where there is conviction, there is no scope of doubt or confusion.

- **Determination:** Individuals possessing a high level of faith and conviction will definitely demonstrate high levels of determination too. This virtue creates a difference in saying or doing something firmly and being firm. To be firm is not a one-time task, but a long-term determination that helps one rise back after falling.

- **Humility:** As discussed above, acceptance is needed to balance firmness and flexibility. But in order to demonstrate acceptance, we need humility. Often, as we become firm on our ideas and practices, we fail to recognize that someone else’s ideas and practices could actually be better. To recognize that there may be a flaw in ours and accept it, we need to adopt the jewel of humility. Also, to notice the goodness of others, specially those who are not so good to us and be flexible with them, needs high doses of humility.

There are many more qualities that are linked to this balanced state of life, but the crux of all is self- realization. When we realize who we truly are and remove the various masks of false identity or ego, we reach up to our roots. Strengthening them through spiritual contemplation and Rajyoga Meditation, we can be firm from within so as to stand tall on our principles. Moreover, in the process of removing our masks of outer and false identity, we develop insight to look beyond the false identity of others, to recognize the energy behind the face, to appreciate the heart buried under expectations, to fall in love with the difference of experience and opinion the other souls carry due to variety of roles that they have played in this drama of life. Sum total, we are able to emerge as a wiser, firm yet flexible and a balanced individual.
ANNOUNCEMENT

EMPANELMENT OF RESOURCE PERSONS FOR ACADEMIC PURPOSES

Content Writer, Content Reviewer and Content Editor

About the Institute of Company Secretaries of India
The Institute of Company Secretaries of India (ICSI) is a premier professional body set up under an Act of Parliament, i.e., Company Secretaries Act, 1980, for the regulation and development of the profession of Company Secretaries in India. It functions under the jurisdiction of Ministry of Corporate Affairs, Government of India. The Institute, being a pro-active body, focuses on best and top-quality education to students of Company Secretaries Course and best quality set standards for CS members. The Institute has over 58,000 members and about 3 lakhs students on its role.

1. Objective
As a measure to provide the quality inputs to students by way of good quality study material, video lectures etc, ICSI is exploring empanelment of Academicians, Scholars, Practitioners and Skilled Professionals in study review, teaching, research, and related services to take benefit of their expertise, skills and knowledge for enhancing the quality of CS education and CS professionals.

2. Scope of Work Area
- Content development and preparation of Study Material lessons
- Review of Content of Study Material
- Subject/Topic Specific Video Lectures
- Framing of Multiple Choice Questions
- Editing of Contents
- Preparation of Test Papers
- Development of Case Studies
- Any other as may be required

Content Writing and Content Review will include the following:
- Clarity of concepts and principles;
- Simplicity and continuity in presentation, without repetition unless contextually necessary;
- Interactive, interesting and user-friendly study material with case studies, case laws, pictorial and flow chart presentation etc;
- Current and relevant updates;
- Enrichment of Contents grammatically and technically; Sequencing of contents in proper manner; Remove gaps in writing, if any.

3. Eligibility Criteria for Resource Persons

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Content Writer and Content Reviewer (a)</th>
<th>Content Editor (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Qualification and Experience</td>
<td>1. Member of ICSI/ ICAI/ ICAI (Cost) /LLB/ Ph.D/ M. Phil/ MBA/ Post Graduation Degree/ Diploma in 1. Commerce; 2. Economics; 3. Finance; 4. Management; 5. Law; 2. Post Qualification Experience of at least 5 (five) years</td>
<td>In addition to the qualification and experience mentioned in Column (a), Masters Degree in English/ Ph.D in English is preferable. An equivalent of this requirement in working experience is also acceptable.</td>
</tr>
</tbody>
</table>
4. Disqualifications
A Resource Person shall be de-empanelled and removed from the Panel, if it
a. has suppressed any material information while seeking empanelment;
 b. has acted against the interest of the Institute; and
 c. has conducted in a manner which is unbecoming of a Resource Person for Academic Purposes.

5. How to apply
Interested candidates may apply online through ICSI website.

6. Selection Process
i. The Institute shall invite applications by uploading the announcement on its website and Chartered
Secretary from individuals meeting the eligibility criteria and interested to be empanelled as Resource
Persons for Academic Purposes.
ii. After scrutiny of applications, Resource Persons will be selected by the Committee of the Council on
recommendation of Directorate of Academics.
iii. List of empanelled Academicians will be uploaded on ICSI website.

7. Honorarium
Honorarium as prescribed by the Institute is as under:

<table>
<thead>
<tr>
<th>Activities</th>
<th>Foundation</th>
<th>Executive</th>
<th>Professional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Writing of a lesson in study material (Per Study Lesson comprising 35-50 printed study material pages)</td>
<td>Rs. 6,000</td>
<td>Rs. 8,000</td>
<td>Rs. 10,000</td>
</tr>
<tr>
<td>Revision of Study Material (Per Study Lesson)</td>
<td>Rs. 3,500</td>
<td>Rs. 5,000</td>
<td>Rs. 5,000</td>
</tr>
<tr>
<td>Review of Suggested Answers/Guideline Answers Hints (per subject)</td>
<td>Rs. 4,000</td>
<td>Rs. 6,000</td>
<td>Rs. 6,000</td>
</tr>
<tr>
<td>Preparation of MCQ for question bank for Foundation Programme or equivalent</td>
<td>Rs. 40 per question subject to minimum of 50 Questions and evaluation by Directorate of Academics.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Preparation of MCQ for Executive Program</td>
<td>-</td>
<td>Rs. 50 per question subject to minimum of 50 Questions and evaluation Directorate of Academics.</td>
<td>-</td>
</tr>
<tr>
<td>Review of MCQ for Executive/Foundation Program</td>
<td>Rs. 35 per question subject to evaluation by Directorate of Academics.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Preparation of MCQ for Pre-Examination Test</td>
<td>Rs. 50 per question subject to minimum of 50 Questions and evaluation by Directorate of Academics.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Editing of Contents</td>
<td>-</td>
<td>-</td>
<td>Rs. 10 per 100 words</td>
</tr>
<tr>
<td>Preparation of Case Studies</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

However, the Honorarium is subject to Quality of work accomplished by the Experts empanelled.

8. Confidentiality
Empanelled Resource Persons will use their best efforts to not to disclose any of the information related to
work allotted by the Institute.

9. i. The Institute may relax any of these Guidelines in deserving cases.
 ii. Panel of Academicians will be reviewed every year.
 iii. The Institute may discontinue the panel of Resource Persons for Academic Purposes at any time
 without any notice assigning any reason.
 iv. Empanelment is not binding on the Institute.
 v. Institute reserves the right to allocate the work among Resource Persons as per the requirements.
 vi. Decision of the Institute is final in all respects.

Link for Empanelment of Resource Persons for Academic Purposes will be uploaded on ICSI website shortly
Croatia: consultation on new corporate governance code

The Croatian Financial Services Supervisory Agency and Zagreb Stock Exchange have initiated a consultation on a revised edition of their joint Corporate Governance Code. The purpose of the Code is to promote effective governance and accountability in companies whose shares are listed on the regulated markets of the Zagreb Stock Exchange. This Code applies to financial years beginning on or after 1st January 2020.

Corporate Governance Code adopted by Croatian Financial Services Supervisory Agency and Zagreb Stock Exchange was last updated in 2010. Since then, there have been major advances in governance practices, as reflected in more recently updated codes in other European countries and EU legislation. The new Code reflects those developments. It aims to bring the standards expected of listed companies in line with those in other European countries with similar capital markets, while reflecting the specific circumstances in Republic of Croatia.


South Korea: improving the functioning of annual general meetings

Financial Services Commission and the Ministry of Justice published the proposed comprehensive measures to improve corporate practices of annual general meetings (AGMs) in an attempt to encourage the participation and engagement of shareholders. One of the problems identified is perplexity on whether shareholders can receive a small gift or other incentive for attending an AGM because of the prohibition on the grant of pecuniary benefits to shareholders in connection with the exercise of their rights as shareholders under Article 467-2 (Prohibition against Granting Pecuniary Benefit) of the Commercial Act. The Ministry of Justice proposes to remove this uncertainty by publishing an interpretation to make clear that shareholders can receive a benefit, of a value that does not breach social norms, for their participation at the AGM.


PREMIER ON COMPANY LAW

The publication titled ICSI Premier on Company Law (With Commentary on Companies Act, 2013) is one such attempt of the Institute to provide not only the law in all its exactness but supplement it with Commentaries and case laws on the critical issues faced by the stakeholders including the Professionals in practical application of the law.

The book while highlighting the conceptual aspects of the law contains lucid commentary on all Possible facets provided by a team of experts in the area of Company Law. The Premier Encompassing each and every aspect of the law and inculcating the most recent of developments shall prove to be a credible resource for reference as well as resolution in times of conflicting issues Faced by professionals and corporate alike.

Premier On Company Law – Volume I
Publication: ICSI
Price: Rs.3250

Premier On Company Law – Volume II
Publication: ICSI
Price: Rs.3250

You can order for Hard copy of the above publications at e-cart - [https://smash.icsi.in/Scripts/ECart/Default/ECartSearchOnlineBooks.aspx](https://smash.icsi.in/Scripts/ECart/Default/ECartSearchOnlineBooks.aspx)

Also, available on Amazon website - [https://www.amazon.in/Premier-Company-law-ICSI-Publications/dp/B07JC1M6N8](https://www.amazon.in/Premier-Company-law-ICSI-Publications/dp/B07JC1M6N8)
Dear Professional Colleague,

Subject: Advisory for Company Secretaries in practice - Communication to previous incumbent mandatory before accepting assignment

Clause (8) of Part I of the FIRST SCHEDULE to the Company Secretaries Act, 1980 provides that a Company Secretary in Practice shall be deemed to be guilty of professional misconduct, if he - “accepts the position of a Company Secretary in Practice previously held by another Company Secretary in Practice without first communicating with him in writing”. The primary requirement under this clause is of prior communication with the previous incumbent which is intended for reasons of professional courtesy.

In accordance with the above, the Council of the Institute has resolved that it shall be mandatory for every Company Secretary in Practice, before accepting any of the following assignments, to communicate to the previous incumbent, in terms of Clause (8) of Part I of the First Schedule to the Company Secretaries Act, 1980:

(i) Signing of Annual Return in Form MGT-7 under Section 92(1) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014.
(ii) Certification of Annual Return in Form MGT-8 under Section 92(2) of the Companies Act, 2013 and Rule 11(2) of the Companies (Management and Administration) Rules, 2014.
(iii) Issuance of Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013.
(iv) Issuance of Secretarial Audit Report to material unlisted subsidiaries of listed entities (whose equity shares are listed) under Regulation 24A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
(v) Issuance of Annual Secretarial Compliance Report to Listed entities (whose equity shares are listed) under Regulations 24A of SEBI (LODR) Regulations, 2015.
(vi) Certification under SEBI (LODR) Regulations, 2015 that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority under Schedule V, Part C, Clause (10)(i).
(vii) Certification under Regulation 40(9) of SEBI (LODR) Regulations, 2015 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.
(viii) Conduct of Internal Audit of Operations of the Depository Participants registered with NSDL and CDSL under the Bye Laws issued by NSDL and CDSL.
(ix) Certification under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for Reconciliation of Share Capital Audit.
(x) Acting as Compliance Auditor under third party certification/ Audit Scheme (Amendment), 2018 in the State of Haryana.
(xi) Issuance of Audit Report to be submitted by the unlisted public companies on a half-yearly basis to the ROC, under whose jurisdiction the registered office of the company is situated, under the provisions of the Rule 9A(8) of the Companies (Prospectus & Allotment of Securities) Rules, 2014.
(xii) Diligence reporting for Banks in case of multiple banking/consortium lending arrangements in terms of the circular issued by RBI.

Accordingly, practising Company Secretaries are advised that they shall communicate with the previous Company Secretary in practice before accepting any of the assignments as mentioned in Clauses (i) to (xiii) above, in such a manner that he/she should have in his/her hands the evidence of the delivery of the communication to the addressee (the previous incumbent).

Regards,

(CS Ashok Kumar Dixit)
Officiating Secretary
The Institute of Company Secretaries of India
One day Mandatory Orientation Programme for students of CS Foundation and Executive Programme

The students registered in Foundation or Executive Programme of Company Secretaryship Course are required to undergo a mandatory ‘One Day Orientation Programme’ in order to enroll for the CS Examinations.

This One day orientation programme shall be applicable to all the students registered for Foundation and Executive Programme w.e.f. 1st June, 2019. Those students are advised to complete this programme within 15 days from the date of the registration.

The students can undergo this Orientation Programme at Institute’s Regional Offices, Chapters, Study centres, ICSI-CCGRT, Navi Mumbai and CoE, Hyderabad.

The students from the places other than the above, shall have the option to undergo this programme through online mode also.

7th May, 2019

(CS Ashok Kumar Dixit)
Officiating Secretary
CAREER OPPORTUNITIES

The Institute of Company Secretaries of India (ICSI) is a statutory body set up by the Parliament under the Company Secretaries Act, 1980 to regulate and develop the profession of Company Secretaries in India. The ICSI invites applications for the following posts at its Headquarters at New Delhi/ Noida and at ICSI-Centre for Corporate Governance Research and Training (CCGRT), Navi Mumbai and ICSI-Centre of Excellence for Research and Training (CERT), Hyderabad:

<table>
<thead>
<tr>
<th>Name of the Post</th>
<th>Pay Level as per 7th CPC Pay Matrix (Rs.)</th>
<th>Gross Salary per Annum (Rs. in Lakh)</th>
<th>Max. Age (as on 01.05.2019)</th>
<th>No. of Posts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Secretary (Academics/ Professional Development)</td>
<td>Level 14 (144200-218200)</td>
<td>24.5</td>
<td>50 years</td>
<td>1</td>
</tr>
<tr>
<td>Director (Academics)</td>
<td>Level 13 (123100-215900)</td>
<td>21.05</td>
<td>45 years</td>
<td>2</td>
</tr>
<tr>
<td>Director (Law)</td>
<td>Level 13 (123100-215900)</td>
<td>21.05</td>
<td>45 years</td>
<td>1</td>
</tr>
<tr>
<td>Director (Perspective Planning)</td>
<td>Level 13 (123100-215900)</td>
<td>21.05</td>
<td>45 years</td>
<td>1</td>
</tr>
<tr>
<td>Director (Exams)</td>
<td>Level 13 (123100-215900)</td>
<td>21.05</td>
<td>45 years</td>
<td>1</td>
</tr>
</tbody>
</table>

For further details viz. qualification, experience, procedure for submission of application etc., please visit website www.icsi.edu/career on and from 15th May, 2019. Interested candidates may apply only through electronic mode (Online). Last date for submission of application (Online) is 31st May, 2019. Reservation policy will be applicable as adopted by the “ICSI” in its Service Rules. The “ICSI” reserves the right to increase/decrease or even not to fill up any posts as per its requirement.

CAREER OPPORTUNITIES

In accordance to the understanding between the Ministry of Corporate Affairs and ICSI for deployment of Resources on contract by ICSI at the “Central Registration Centre” for processing of Company “Name Availability” (RUN) and “Incorporation” (SPICE) forms, the ICSI invites applications for the following posts (on contractual basis) at Central Registration Centre, Corporate Bhawan, IICA, Manesar, near Gurgaon (Haryana):

<table>
<thead>
<tr>
<th>Name of the Post</th>
<th>Consolidated Payout per Month (Rs.)</th>
<th>Age (as on 01.05.2019)</th>
<th>Total No. of Posts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator (CRC) (On Contractual Basis)</td>
<td>Upto 1,25,000/-</td>
<td>Between 40-55 years</td>
<td>1</td>
</tr>
<tr>
<td>Floor Manager (CRC) (On Contractual Basis)</td>
<td>Upto 75,000/-</td>
<td>Between 35-55 years</td>
<td>1</td>
</tr>
<tr>
<td>CRC Executives (On Contractual Basis)</td>
<td>Upto Rs. 40000/-</td>
<td>Maximum Age -32 years</td>
<td>50</td>
</tr>
</tbody>
</table>

For further details viz. qualification, experience, procedure for submission of application, etc., please visit our website www.icsi.edu/career. Interested candidates must apply only through electronic application form (Online). Last date for submission of application (Online) is 24.05.2019.
A Company Secretary is required for Applause Entertainment Private Limited, Mumbai, which is engaged in Content and IP creation Studio with focus on films, digital sales/series, television, films, music, animation and live events.

Candidate should be a qualified Company Secretary with minimum 2 years’ working experience.

The candidate shall look after overall Secretarial functions and Corporate Affairs, ensuring compliances to Companies Act and various other Statutory Acts. Drafting Resolutions, preparing minutes of meeting of Board of Directors, Shareholders, Committees constituted by the Board. Preparation of MOA & AOA including the amendment, addition, deletion of various clauses.

Interested candidates can apply by sending at 702, Shalimar Morya Park, Oshiwara Link Road, Andheri (W), Mumbai, Maharashtra – 400 053.

Anchorcert Analytical India Private Limited having its registered office at Unit No.101 B, SDF- IV, SEEPZ, SEZ, Andheri-East Mumbai – 400096, Maharashtra, India requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Interested candidates fulfilling the above criteria can email their CVs @ PULKIT.SINGHANIA@ANCHHORCERT.IN

Simba Toys India Private Limited having its registered office at 808, Windfall Sahar Plaza Complex, J.B. Nagar, Andheri Kurla Road, Andheri (East) Mumbai-400059, Maharashtra requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs @ r.loke@simbatoys-me.com

Tristone Flowtech India Private Limited having its registered office at Plot No A-8/1 & 2 & 3 Village Nighoje, Chakan Industrial Area, Phase IV, MIDC, Chakan, Pune - 410501, Maharashtra, India requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs @ archana.shevkari@tristone.com
<table>
<thead>
<tr>
<th>CS required for our Company having minimum 1 Years Experience.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shri Radhey Intermediaries</strong></td>
</tr>
<tr>
<td>Contact No. 9837775112, <a href="mailto:sripl2012@gmail.com">sripl2012@gmail.com</a></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Tech Mech International Pvt. Ltd.</strong></td>
</tr>
<tr>
<td>Contact No. 8447155323, <a href="mailto:boc@techmech.co.in">boc@techmech.co.in</a></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>CS required for our Company having minimum 1 Years Experience.</td>
</tr>
<tr>
<td><strong>Kanha Enterprises</strong></td>
</tr>
<tr>
<td>Contact No. 9837064956, <a href="mailto:kanha.enter01@gmail.com">kanha.enter01@gmail.com</a></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Shri Jyoti Services Pvt. Ltd.</strong></td>
</tr>
<tr>
<td>Contact No. 8979779783, <a href="mailto:tds_sjspl@techmech.co.in">tds_sjspl@techmech.co.in</a></td>
</tr>
</tbody>
</table>
REQUIRED

Company Secretary
(3 Nos)

CS as Employees for group companies based at Malappuram District, Kerala.

Minimum 3 years experience is required.

Please Contact at
9847494557/mcsreenivasan@gmail.com

REQUIRED

Hoffmann Quality Tools India Private Limited having its registered office at Unit No. 512, 5th Floor, Tower 2, WTC, Kharadi, Pune – 411014, Maharashtra, India requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs @ a.kulkarni@hoffmann-group.com

REQUIRED

Perkins Eastman Design Consultants India Private Limited having its registered office at Fifth Floor (West Wing), Forbes Building Charanjit Rai Marg, Fort, Mumbai – 400001, Maharashtra, India requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs @ G.Crasto@perkinseastman.com

APPOINTMENT OF COMPANY SECRETARY

HELICOPTER ENGINES MRO PRIVATE LIMITED

LOCATION: BANGALORE

Helicopter Engines MRO Private Limited invites application for the Post of Company Secretary at Bangalore on regular basis. The details are given below:

Qualification
• Member of ICSI. Additional Qualification(s) like CA / CMA / LLB would be an added advantage.
• Candidate should be capable of liaising with various agencies and Joint venture Parties.
• Should have skills of writing, drafting and vetting of legal documents, agreements and contracts.
• Candidate should have strong conceptual base in corporate Laws with a record of academic excellence and should possess excellent communication.

Position
Company Secretary & Compliance officer

Experience
Minimum of 3-5 years’ experience as Company Secretary in any Company post qualification.

Remuneration
As per Industry Standards

Place of posting
Bangalore

Interested candidates may forward the resume to contact@he-mro.in

Shortlisted candidates would be communicated to through e-mail or telephone for further discussions.
ICSI - MEGA PLACEMENT DRIVE, 2019

Dear Sir/Madam,

Greetings from the Institute of Company Secretaries of India!!!

The Institute keeps dedicating its energies towards supporting the new members by providing suitable platform to find appropriate employment opportunities. Accordingly, the Institute is organizing Mega Placement Drive in every region of ICSI during May, 2019 in a planned and coordinated manner for recruitment of Company Secretary in various corporates and Practising Company Secretaries firms.

The Company Secretaries who got their ACS membership on or after 1 January, 2018 till 30 April, 2019 (“Eligible Members”) are eligible to participate in this Drive.

Region wise schedule of Mega Placement drive 2019:

<table>
<thead>
<tr>
<th>Date &amp; Day of Interview</th>
<th>Address of Regional Offices</th>
<th>Placement Coordinator and Contact Person</th>
</tr>
</thead>
</table>
| **WIRO (WESTERN INDIA REGIONAL OFFICE)** | ICSI Western India Regional Office, 13, 56, 57 Jolly Maker Chambers No. II, Nariman Point, Mumbai - 400021 | Dr. Rajesh Kumar Agrawal, Regional Director- WIRC
Ms. Archana K Sawant, Executive Admin
Ph: 022 - 61307913; (M) 9970320202
E-mail: archana.sawant@icsi.edu |
| 04 May, 2019 (Saturday) | | |
| **NIRO (NORTHERN INDIA REGIONAL OFFICE)** | ICSI – NIRC Building, Plot No. 4, Prasad Nagar Institutional Area, New Delhi - 110005 | Mr. K. C. Kaushik, Regional Director – NIRC
Mr. Himanshu Sharma, Exe. Admin
Ph: 011-49343000/49343007; (M) 9810867263
E-mail: niro@icsi.edu; himanshu.sharma@icsi.edu |
| 17 May, 2019 (Friday) | | |
| **EIRO (EASTERN INDIA REGIONAL OFFICE)** | ICSI Eastern India Regional Office, 3A, Ahiripukur 1st Lane, Kolkata – 700019 | Mr. DVNS Sarma, Regional Director – EIRC
Mr. Tamal Kar, Assistant Director
Ph: 033 – 22901065/22832973; (M) 9051258797
E-mail: eiro@icsi.edu; tamal.kar@icsi.edu |
| 18 May, 2019 (Saturday) | | |
| **SIRO (SOUTHERN INDIA REGIONAL OFFICE)** | ICSI Southern India Regional Office, No. 9, Wheat Crafts Road, Nungambakkam Chennai – 6000034 | Ms. Sarah Arokiaswamy, Regional Director – SIRC
Mr. C. Murugan, Senior Executive Assistant
Ph: 044 – 28279898 / 25268685; (M) 9443796311
E-mail: siro@icsi.edu; chelliah.murugan@icsi.edu |
| 24 May, 2019 (Friday) | | |
MODALITIES:

1. In case of higher number of applications, only shortlisted candidates shall be called & allowed to participate in Placement Drive.

2. Shortlisted candidates to report sharp 8.30 AM at the stipulated venue on the day of the Drive for Registrations. After registrations, Interview Skill Development Module (ISDM) will be provided by the professional Corporate Trainer/Senior HR Personnel/Senior CS to elaborate on how to face the interview.

3. Candidates are strictly advised to wear smart formals on the day of interview and to carry 10 to 15 clear copies of their CV/ Resume and a set of copies of their Academic / Professional Certificates.

4. Prior registration is must for participation in the Mega Placement Drive, 2019.

5. Eligible members are compulsorily required to pay a registration fee of Rs 500/- (REFUNDABLE) for participating in Placement Drive, which shall be refunded in full to all candidates, except those who have not appeared in the Mega Placement Drive for any reasons.

6. Eligible members to apply though the following link: http://bit.ly/ICSImegaPlacementDrive2019

Placement opportunities are open on all India basis, hence Eligible Members from any part of the country can participate in Mega Placement Drive organised by any Region of the ICSI.

For further details and queries the candidates can contact the respective Regional offices.

CS Ranjeet Pandey
President, The ICSI

CS Praveen Soni
Council Member & Chairman, Placement Committee

CS Ashok Kumar Dixit
Officiating Secretary, The ICSI

Mr. Ritesh Kumar
Deputy Director, The ICSI

For details contact: Ph: 0120-4082124, E-mail: placement.ho@icsi.edu

Connect with ICSI

www.icsi.edu | Facebook | LinkedIn | Instagram | Twitter | Grievance Redressal Portal: http://support.icsi.edu

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

ICSI Motto
"सत्यं वच | धर्मं चरं | speak the truth abide by the law"

MISSION
"To develop high calibre professionals facilitating good corporate governance"
MOVE TO DIGITAL BOARD AND COMMITTEE MEETINGS WITH EASE.

Dess Digital Meetings is very easy to use. Our directors and secretarial team are delighted with the experience of going digital and the ease of use.

CS. Lancy Varghese Company Secretary
JSW Steel Ltd.

Please contact:
Dess Digital Meetings
The Trusted Meetings Solution Used By The Leading Boards

+91 97029 28362   info@dess.net
Improve Board Performance
Put self-assessment at your fingertips

Does your board culture and composition need an adjustment? Are policies and procedures following the necessary governance best practices?

As part of our Governance Cloud ecosystem, Diligent Board Evaluations makes it easy for leaders to contribute their insights and perspectives to board self-assessments.

Board evaluations and reporting have never been so easy.
Integrated into Diligent Boards, no more spreadsheets and paper documents; real-time updates done in a few clicks. Stunning visuals and reports prepared viewable in a secured environment. Every aspect has been built with Diligent’s experience with corporate, non-profit, healthcare and financial/banking boards worldwide.

000-800-100-4374 | info@diligent.com | diligent.com/au