New President and Vice President of The ICSI
CS R. Sridharan is a Commerce Graduate and also a Fellow Member of the Institute of Company Secretaries of India.

Starting his career with Best & Crompton Engineering Limited, CS R. Sridharan moved over to Murugappa Group and was Secretary of TI Diamond Chain Ltd., Chennai from 1995 to 1999. He subsequently set up Practice as a Practising Company Secretary and is advising a number of leading companies in Chennai, including Murugappa Group.

Having abiding interest for teaching, CS R. Sridharan was a faculty for a number of years at oral coaching classes of SIRC of the Institute of Company Secretaries of India. Being very passionate about the students activities, CS R. Sridharan had involved himself in organizing various innovative curricular and co-curricular programmes for the students and thematic programmes for members during his tenure as the Chairman of SIRC. He also made significant improvements in infrastructure facilities at ICSI-SIRC Building, in particular, refurbishing of SIRC Library. He has presented papers and addressed various Professional Development Programmes organized by the Regional Council, Chapters, Madras University and ICAI and has authored articles in the “Chartered Secretary”.

His association with the Institute activities goes back to more than 14 years; CS R. Sridharan was elected as a member of the Regional Council for the term 2001-2003 and was Secretary of the Regional Council in 2003. Subsequently, elected for the term 2004-2006, he was Vice-Chairman for 2004 and Chairman for 2005 of SIRC. Having been elected as the Council Member of the ICSI for the term 2007-2010 and subsequently for 2011-2014, CS R. Sridharan served in various committees of the Institute and was the Chairman of the Corporate Laws Committee, and Member of the Examination Committee, Syllabus Review Committee, PCS Committee, Professional Development Committee, Secretarial Standards Board, Managing Committee of CCRT and also Finance and Accounts Committee and is also presently member of other committees. He was Chairman of the Board of Studies and had made significant contribution in designing the new syllabus as well as reading material. He was involved in Peer Review Activities and conducted Peer Reviewers Training Programmes all over India.

Keen Rotarian, CS R. Sridharan is actively involved in the activities of Rotary Club of Madras, Ashok Nagar, Chennai.

CS Vikas Y. Khare a Fellow Member of the Institute has professional experience of 31 years. He has expertise in the areas of Excise, Service Tax and Custom Laws. He has been elected to the Central Council of the Institute of Company Secretaries of India for the term from 2011-2014.

He is Public Representative Director on the Board of Pune Stock Exchange Ltd. He was the Chairman of Central Excise – Service Tax Sub Committee of Mahrratta Chamber of Commerce, Industries & Agriculture. He is also member of Public Grievance Committee and Regional Advisory Committee of Pune-I and Pune-III Central Excise Commissionerate. He was the Chairman of the Western India Regional Council of The Institute of Company Secretaries of India in the year 2007.

He has been a member of the Infrastructure Committee, Examination Committee, Professional Development Committee, Practising Secretaries Committee, CCGRT Committee, Corporate Law and Governance Committee of the Institute of Company Secretaries of India. CS Vikas Khare is a visiting faculty at various professional institutes including ICAI and ICAI (Cost), associations and bodies.
The Company Secretaries Benevolent Fund (CSBF) provides safety net to company secretaries who are members of the Fund and their family members in distress.

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

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

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

Benefits
- ₹ 5,00,000 in the event of death of a member under the age of 60
- ₹ 2,00,000 in the event of death of a member above the age of 60
- ₹ 20,000 per child (up to two children) for education of minor children of a deceased member
- ₹ 60,000 for medical expenses
- Limited benefits for company secretaries who are not members of the CSBF

Contact
For further information/clarification, please write an email to csbf@icsi.edu or contact Ms. Anita Mehra, Desk Officer on telephone no. 011-45341049.

For more details please visit www.icsi.edu/csbf
**Articles [A 44-82]**

**Section 67(3) of the Companies Act 1956: Confusion worst confounded**

Dr. K R Chandratre

While with the pronouncement of the judgment by the Supreme Court in Sahara India Real Estate Corporation Ltd. and others v. Securities and Exchange Board of India [2012] 374 Comp. Cas. 154 (SC) delivered on 31 August 2012, it was expected that the long-standing confusion and controversies will abate, there has, however, been a sudden spurt of activity at almost all the offices of the Registrars of Companies (reportedly on the instructions of MCA headquarters) as well as at SEBI to call unlisted public companies who have allotted shares or debentures to more than 49 persons even in more than one branches, even over a period of time, as if the Companies Act seeks to limit the number of members or debenture holders to 50 say a year or two or more as if all of them have violated section 67(3) of the Companies Act, which is obviously based on misinterpretation of the Supreme Court’s judgment.

The Supreme Court has not interpreted section 67 as meaning that an unlisted public company can make an offer for its shares only once in lifetime or in a year or in any other specific period or it can make only one offer.

Section 45 of the Companies Act, 2013 provides that “... the offer of securities or invitation to subscribe securities, shall be made to such number of persons not exceeding fifty or such higher number as may be prescribed, (including qualified institutional buyers and employees under ESOP), in a financial year and on such conditions (including the form and manner of private placement) as may be prescribed.”

It would appear that this provision is more rational and practical.

**Inclusive model of Corporate Governance: The lex_intent of the Companies Act, 2013**

LV V Iyer

Section 166 (2) of the Companies Act, 2013 while dealing with the duties of the directors, provides that the director of the company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment. This is the touchstone upon which the new company legislation founds the model for corporate governance in India. By providing a statutory basis for an inclusive model of corporate governance the new Act has paved the way for creation of corporate wealth. It is for corporate leaders to grasp the spirit behind this legislative intendment, so that this becomes a reality.

**Spreadsheet Risk**

K N Vaidyanathan & Uday Sathe

Spreadsheet Risks looks at the extent of vulnerability to different parts of the organization in its excessive dependence on spreadsheets and the unintended outcomes of using ERP systems as more of a ‘database’ than as an ‘ERP’. The real capabilities of an ERP as an ‘ERP’ are overlooked and remain unexplored. In the longer term the organization should aim at concentrating on the availability and usage of direct ERP reports and strive for finding feasible alternate options. At the same time one should not ignore the importance of continuance of business and should continue to support in providing the short term solutions to the user of spreadsheets by building appropriate control environment.

**Towards a National Competition Policy: A Dangerous Delay**

G R Bhatia

With the draft competition policy having been released by the Ministry of Corporate Affairs, the stakeholders are eagerly awaiting its announcement and the misconception of the Competition Act being sufficient in itself to achieve the purpose of maintaining competition in Indian markets is now being negated through its orders besides systematized advocacy by the Competition Commission of India, The Article focuses on anti-competitive practices which flow from State policies, laws and procedures and also the limitations of Competition Act to remedy them.

“Competition brings prosperity” as competitive markets ensures availability of goods in abundance of acceptable quality at affordable price and for markets to be competitive, Competition Law needs to be complemented and supplemented by Competition Policy. The more we delay putting in place the National Competition Policy, the longer we deprive the economy to avail of its benefits.

**Managerial Remuneration: Corporate Performance and Social Disconnect – A Global Overview**

N L Bhatia

The theme for debate universally is the growing discontent with excessive Managerial Remuneration. This has become a live issue in the Governance practices of the corporate sector and gained
At a Glance

priority on the agenda of reform. In India, recently the issue of Managerial Remuneration in corporate sector has been echoed in political corridors and industry chambers. Proxy Firms have also vigorously taken up the issue of excessive Managerial Remuneration. The Companies Act, 2013 has introduced the requirement of disclosure in the Board Report, ratio of the remuneration of each director to the median employee’s remuneration. Further, the Nomination and Remuneration Committee while recommending Managerial Remuneration has to ensure objectively in determining the remuneration package while striking balance between the interest of the Company and the Shareholders.

The Act of Balancing “Conflicts of Interest” with Ethical Values

Dr. Joffy George

Conflicts can occur in any setting. Although it might seem obvious, one has to have at least two interests to have conflict of interest. The ability to identify conflicts of interest does not necessarily ensure that one can deal with them effectively and in some cases particular courses of action may either be unworkable or may place an incredible burden on the individual or the organization. Often conflicts of interest are viewed as purely legal in nature. In most cases, legal issues are merely the beginning of a discussion of conflicts. Most of us are uncomfortable examining the values that underpin conflicts of interest. Values seem to be so “soft” and non-specific that we avoid them. Yet to effectively understand the application of conflicts of interest to specific situations one must ultimately discuss the values that are at the foundation of what we think is wrong with conflicts of interest. In civilized life law floats in a sea of ethics. Society would come to grief without ethics which is unenforceable in the Courts and cannot be made part of law. There is thus a law beyond the law, as binding on none of us who live our institutions as the law itself, although there is no human power to enforce it.

Constitutional Validity of Retrospective Amendments: Tax Dilemma

Sweta Ananthanarayan

The rule of law requires law to be certain and predictable, such that all citizens are aware of what is permitted and what is prohibited. Legislation targeted at specific avoidance schemes stops them for the future. As far as retrospective amendments even though they may be criticized on grounds of uncertainty and arbitrary legislation making such amendments may not be beyond reproach, still the power to do so is bestowed on it under the Constitution and affirmed by numerous judicial pronouncements. Currently, one can at least hazard a guess, however bleak, but a retrospective law would leave taxpayers without a map. This type of legislation is vulnerable to yet further avoidance schemes, fabricated to find a way around the letter of the law. Thus, the constitutional power to amend tax laws retrospectively must be exercised only in ‘interest of rare cases.

Depreciation claims under the IT Act – Need to be pragmatically viewed

S. M. Jain

Over the years, the term “depreciation” under the Income Tax law has struggled hard to establish its legal identity because different verdicts have only baffled the readers but now there is a conceptual clarity about this concept through the recent ruling by the Supreme Court which at last has considerably rationalized the concept.

Safeguards against mis-selling of third party financial products by Banks

Umesh P Maskeri

Mis-selling of financial products, which is widely prevalent and has caused financial losses to the investor, has been a matter of concern for the financial sector regulators. Expectations of a customer from a bank acting as a distributor are significantly higher than dealing through any other agent or issuer. In terms of banks’ credibility and reputation, Banks offering services of wealth management, investment advisory and Portfolio Management, are exposed to reputational risks on account of mis-selling of products, conflict of interest, lack of knowledge and clarity about products, misrepresentation and frauds. Reserve Bank of India recently undertook investigations and has formulated draft guidelines, for providing an effective machinery for enhancement of transparency in the sales process, segregation of advisory and fund management functions, professional qualification, robust investor grievance redressal mechanism, establishment of Separately Identifiable Department/Division or a separate subsidiary to handle the discretionary portfolio management services etc.

Real Estate (Regulation & Development) Bill, 2013: Issues And Suggestions

Raghav Kumar Baja

The Real Estate market in India, in the recent past, has faced lot of problems and consequences, this sector has lost a major portion of its well wishers. Customers and buyers have started losing faith in the builders/developers who have gradually developed an impression of not delivering the promised output. The unfortunate incidences of Greater Noida (which ultimately turned into a political agenda) and the slashing of penalty by the Competition Commission of India (CCI) on DLF have carved a sense among the stakeholders that the builders/developers are using their
position to an unfair advantage. To put an end to this one sided control vested in the rapidly built developers, the Government of India (Ministry of Housing & Urban Poverty Alli ciation) has come with the Real Estate (Regulation and Development) Bill 2013, which seeks to set up real estate regulators in states to protect the interests of homebuyers, ensure fair practices and accountability, besides fast track dispute resolution.

Preventing Sexual Harassment – Parliament’s response

Vivek Sadhale, Vikas Agarwal & Nivedita Ketkar

Considering the fact that the civil and penal laws in India did not adequately provide for specific protection for women from sexual harassment at workplace, The Sexual Harassment of Women at Workplaces (Prevention, Prohibition and Redressal) Act, 2013, will help in ensuring that the employers as well as other responsible persons or institutions co operate and strive for the prevention of sexual harassment at workplaces. The article provides details of the new legislation and the responsibility of the employer.

Legal World (LW 12-23) P-180


Other Highlights (GN 17-32) P-208

New President and Vice President of ICSI > Members Admitted / Restored > Certificate of Practice Issued / Cancellation > Licensee ICSI Admitted > News from the Regions > Company Secretaries Benevolent Fund > Our Members > Guidelines for Authors > Looking Beyond > Interview with Justice S N Dhingra, Chairperson, Appellate Authority, ICAI, ICAI (Cost) & ICSI, Member, CCI and former Judge, Delhi High Court. > Price Query

CHARTERED SECRETARY

127
Dear Professional Colleagues,

When I sat down to write out my first communication as the President of this prestigious Institute, there were mixed feelings in me - my delightfulness has been overshadowed with tremendous amount of responsibility. I have to shoulder and I am also equally conscious of the fact that in the process, the trust that I have to hold in secure with all the stakeholders, I am humbled by the confidence reposed on me by my esteemed colleagues on the Council and the wishes which I have received from the members across the country, for which I am beholden.

My illustrious predecessors who have passed through this chair over the years, have laid down the path, therefore, treading on this path would be comfortable for me at the same time it also reminds me that I should not be complacent, of course, I will try my best to keep up the momentum and tradition, I fully appreciate the expectations and aspirations of the stakeholders and that the task is enormous and it calls for pragmatism and excellence. At the same time, as a professional body, it is my duty to ensure for collective wisdom, common vision, shared aspirations as well as varied views and opinions from the stakeholders.

With all pride and legitimacy, we call ourselves as governance professionals. As we progress, our thoughts, actions and deeds have to be as per the dictum of lofty ideals and values. Values provide an in-built standard of reference and judgement of our actions. Thus they are integrally tied to choice and action and to our constant process of self-appraisal. It cannot be said that we uphold a value unless our actions are influenced by it. Our beliefs and attitudes can easily be suspended, rationalized or contradicted in action and ignored in self-evaluation, but not so our professional values, because our professional

“With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in....”

Second inaugural Address of Abraham Lincoln

“What lies behind us and what lies before us are small matters compared to what lies within us.”

Ralph Waldo Emerson
values give distinct identity and position to us. Let me extend further my thoughts, often, we are saddled with the burden of choosing between 'right' and 'wrong', which we come across in one's professional life. I find that Robert Paul Wolf, the greatest American Philosopher, puts so eloquently, "Faced with a choice between doing what we think right and what we think wrong, of course we ought to do what we think right. This, though true, is not much help. What we need to know is, not whether we should do what we decide to be right, but how we should decide what is right."

Bygone year 2013, a number of new initiatives were taken. As the profession takes a new dimension, the Institute is also equally attuned itself to the situation. Introduction of Strategic Action Plan (SAP) was significant step for setting goals, addressing the priorities, introducing certification programmes for capacity building and suggesting corrective measures in sync with mission and vision statement of the Institute. A number of thematic programmes on financial sector, investor education and the Companies Act were held.

Students are the edifice of our profession. Reorienting the students in line with the market demands and challenges is the onerous duty of the Institute. Sensitising this, we have already taken a number of steps in this direction through revamping the syllabus, strengthening training schemes, leveraging technology as a channel for not only registering but also for virtual learning and evaluation process, creating adequate infrastructure. When education becomes one of the most competitive global services, in the recent times, the Institute is quite aware of it and it is making structural adjustment by revamping its course material in the light of new legislations and developments, which includes the Companies Act, 2013. In short, we would like to see our students as change agents, with the motto learn, lead and leap.

Members who are entering the profession require encouragement. It is my endeavour to push forward their interests and also at the same time adequately equip them through knowledge sharing. Demographic dividend of India, comprising of substantial percentage of youth, would be great advantage for our profession too.

Institute’s presence is felt across India more by its Regional Council and Chapter Management Committees. I still recall when I started acquainting myself with the Institute’s activities, the Chapters used to be called as the grass root level organisations of the Institute, which continue to be so, even now. Strengthening of infrastructure at Chapter level will be given due attention. The interaction between various constituents of the Institute, viz., Regional Councils and Chapter Management Committees would be further strengthened.

I am happy to record that Shri Sachin Pilot, Hon’ble Minister for Corporate Affairs laid the foundation for The Centre for Excellence at Ajmer on 28th January 2014 at an impressive gathering of the members of all the three premier professional Institutes of India - the Institute of Company Secretaries of India, the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India. I am sure that this Centre of Excellence will serve as a catalyst for knowledge sharing, through their innovative programmes for the benefit of professionals and members.

Before concluding, I would like to record my sincere appreciation to CS S. N. Ananthasubramanian, my predecessor, who through his creative urge, unbridled commitment and chronic enthusiasm, brought sea changes in every spectrum of Institute’s activities in the past year.

Since I have to rush my page to the press for the “Chartered Secretary” to meet the printing schedule, I have not touched upon some of the issues which require depth or some of the issues, I might have skipped, which I will be doing so in my next communication onwards, of course, with equipoise. However, I look forward to receive your views and expectations.

Regards,

Chennai
09th February, 2014

Yours sincerely,

C R. Sridharan
president@icsi.edu
Section 67(3) of the Companies Act 1956:
Confusion worst confounded

There is an impression in the corporate sector and with professionals that an unlisted company can never have more than 50 members or debenture holders without making a public offer, which is not and cannot be the intention of the law. The restriction on the number of members (50) is only for private companies under section 3 of the Companies Act. The developments post Sahara decision have been analysed here.
SEBI's advice to DCA

In 1984, the then SEBI Chairman was reported to have announced that the SEBI had urged the DCA to amend section 67 of the Company Act, 1956, to provide for a private placement of equity shares by the method of "public issue". The DCA, however, had been considering the possibility of allowing the method of "public issue" by the method of "private placement". The SEBI had also made it clear that the method of "public issue" would be a more transparent and fair way of placing equity shares.

DCA's advice on private placement

In 1984, the then Department of Company Affairs (DCA) had issued an advisory circular under the Section 67(3). Private placement of equity shares is allowed under this section.

This issue is of particular importance to companies where there is a need to raise funds for expansion or other purposes. The DCA has advised companies to consider the option of private placement of equity shares. The DCA has also advised companies to consider the option of public issue.
Government's and STB's concern was not about the number of members in an unspecified public company can have but about a loss of proper and adequate disclosures by the company making a rights or a private placement issue because no form of letter of offer under section 81 was ever prescribed by the Central Government. So, what was needed was not this provision but a provision in section 67 or elsewhere laying down a form to be prescribed for disclosures in all private placement issues by unspecified public companies.

Perhaps, the amendment of the Companies Act provisions empowers the government in respect to disclosures, where it is reasonably satisfied on the public interest or otherwise, there has been no form prescribed by the Board. The Companies (SB 1953) had sought to insert one provision in section 78A which would not only affect the public disclosure but would also be in line with the provision in section 67 of the Companies (Second Amendment) SB 1950.

What the Supreme Court has ruled
In effect, the Board or central government could issue an order under the Supreme Court judgment even to be taken.

The present section 108(1) of the Companies Act empowers the Comptroller and Auditor General to issue to a company an order to be issued by the Board or the Central Government to make the audit report and the annual accounts and any other matters covered by the Act or any other specific period or for which may be made in accordance with the provision of this Act or the Companies (Second Amendment) Act, 1950.

The Companies Act does not prohibit an unspecified public company from making fewer than 50 members or directors' directors and each can be the intention of the law. In case of the provisions of section 81 as interpreted by the Supreme Court, the Company

Manufacturing and carriage of goods, of workers or in the Banana or in a past is or any other specific period or it can also be made effective by the Board of Directors of the company or the Board of Directors of the company or the Central Government or the Central Government or the Board or the Central Government or the Board of Directors of the Company.

Government or public company making fewer than 50 members or directors or each can be the intention of the law. In case of the provisions of section 81 as interpreted by the Supreme Court, the Company
Section 81A: Further issue of shares

The issue of further shares by a company to its shareholders with the right to subscribe there to in terms of the provisions of this section shall have effect in accordance with the provisions of the Companies Act, 1956 (1 of 1956), as amended from time to time, except in so far as they are inconsistent with this Act.

Amendment

As an example, the earlier article in the Chartered Secretary of December 2019, there is no mention regarding a company’s rights regarding rights issue of rights. This issue has not been resolved, and, moreover, the exercise of the right to subscribe does not come under a rights issue of rights. The rights to subscribe do not arise under the provisions of this Act, but the right to subscribe for new shares in accordance with the provisions of this Act.

Does allotment of unsecured shares in rights offer constitute ‘private placement offer’?

As noted in the earlier article in Chartered Secretary of December 2019, ‘the right to subscribe under the rights issue of rights, or pursuant to any exercise of the right to subscribe for new shares in accordance with the provisions of this Act’, does not arise under the provisions of this Act, but the right to subscribe for new shares in accordance with the provisions of this Act.

The Companies Act, 2013

Section 836(b): The Companies Act, 2013 provides regarding difference between the rights of new shareholders and employees under ESOPs, in a broad manner, and is not applicable to the issue of shares by way of rights issue. It is important to note here that the Companies Act, 2013, does not provide for any specific provisions in respect of employees under ESOPs. However, the Companies Act, 2013, does provide for the issue of shares by way of rights issue, and the rights of new shareholders and employees under ESOPs, in a broad manner.
Inclusive model of Corporate Governance:
The leitmotif of the Companies Act, 2013

Unless the inclusive model of corporate governance prescribed by the Companies Act, 2013 becomes a self-enriching way of life for major companies in India, the statutory provisions found in this model of corporate governance would remain a law for ritualistic compliance, thereby robbing India of a great opportunity for corporate resurgence.
The inclusive model of corporate governance can be defined as a set of principles, processes, and structures by which a company is governed in the best interests of the employees, customers, shareholders, community and the environment. Principles of such model of governance would include following the principles of transparency, accountability, corporate social responsibility and standards in the governance of a company. Processes would include the actual steps of achieving these principles in the governance of a company. The inclusive model would then be one that the Board and the Committee, the Board and its committees, the Board and the general manager, and the general manager are in concert and in step to achieve these principles. A robust definition of an independent director

Outlet 148 (X) of the Companies Act, 2013 provides for a robust definition of an independent director. Section 148(100) of the Companies Act, 2013 provides for an independent director to be any person who:

(a) is not in any way connected with the company,

(b) is not interested in any other company with which the company is connected,

(c) is not the employer of the company.

The definition of an independent director has been a subject matter of debate and discussion among various stakeholders. The Companies Act, 2013 defines an independent director as "any person who has not been and is not connected with the company in a manner that would affect his independence." The Act further provides that a person shall be deemed to be independent if he meets the criteria set out in the Act and the rules made thereunder.
One of the visible fault lines for good corporate governance the world over has been the lack of effective auditors. India has been no exception. Some of the major scams in India can be traced back to the auditors not doing their jobs. The new company legislation in India provides some interesting solutions for this seemingly intractable problem.

Reinforcement of the auditing function

One of the visible fault lines for good corporate governance the world over has been the lack of effective auditors. India has been no exception. Some of the major scams in India can be traced back to the auditors not doing their jobs. The new company legislation in India provides some interesting solutions for this seemingly intractable problem. To begin with, Section 178 of the Companies Act, 2013 provides for multiple avenues for monitory audits every five years. A joint committee, Section 176 (2) of the Companies Act, 2013, can be formed by the Central Government in consultation with the Comptroller and Auditor General of India, to regulate the profession of accountancy. The Comptroller and Auditor General of India is also empowered to regulate the profession of accountancy. The Comptroller and Auditor General of India is also empowered to regulate the profession of accountancy.

Nomination and Remuneration Committee

Section 176 of the Companies Act, 2013 provides for a nomination and remuneration committee with no less than five members to be constituted in the board to do the appointment of such persons in such position. This subcommittee also states that the committee must have at least one external member who has a professional background and must have independent financial expertise.

The subcommittee states that the committee must have at least one external member who has a professional background and must have independent financial expertise.
Corporate Social Responsibility

Section 135 of the Companies Act, 2013 deals with corporate social responsibility. The provision in Section 135(1)(e) very clearly states that a company should give preference to the local area and areas around it where it operates, for spending the amount set apart for corporate social responsibility activities, Schedule VII to the Companies Act, 2013. The Act deals with activities which may be included in the corporate social responsibility policies. These activities include:

1. Education of children in need of education.
2. Promoting gender equality and empowerment of women.
3. Production of goods, materials, or services by women.
4. Women倒霉.
5. Promotion of socially and educationally backward classes.
7. Economic, educational, or any other form of welfare.
8. Social objectives being in the nature of social welfare.
9. Employment of unskilled workers, fulfilling their educational and employment needs.
10. Classes for women.

Class Action

Section 295 of the Companies Act, 2013 deals with class action by members or shareholders on their own behalf or on behalf of another person, natural or legal, or of any body corporate or association of persons. According to Section 295 of the Companies Act, 2013, the company shall be furnished with the notice in writing and shall be required to respond to the same within 30 days of the receipt of the notice.

Conclusion

The Companies Act, 2013 provides a legislative framework for an inclusive model of corporate governance. It emphasizes the need for the formulation of corporate policies that ensure the protection of the interests of all stakeholders. The Act also mandates the appointment of independent directors and the establishment of a reporting mechanism to ensure transparency and accountability. The Companies Act, 2013 has been designed to promote good corporate governance practices and to enhance the accountability of companies to their various stakeholders.
Spreadsheet Risk

“At one North American utility company, a simple spreadsheet error for energy auction bids led managers to enter nonreversible contracts the company didn’t need – a mistake that cost it half of its operating earnings for the quarter.”

“At an agricultural company, a simple data entry error led the US treasurer to wire $80 million inadvertently to the wrong payee in the wrong country. By the time managers discovered the error, currency rates had shifted, and returning the cash came at a substantial cost.

(Source: Five steps to a more effective global treasury: Mckinsey & Co. - November 2011)
Eases in creation of logical relations, data capture and transfer, data storage and disposal and handling, internal and external processes are some of the features that give tremendous flexibility to the users to develop their own working styles and personally reduce their dependence on off-the-shelf providers.

Usage of spreadsheets is very at its peak today because of these reasons:

- It provides a user with alternative errors to a record of data management and support.
- It provides a user with alternative errors to a record of data management and support.
- It provides a user with alternative errors to a record of data management and support.
- It provides a user with alternative errors to a record of data management and support.
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- It provides a user with alternative errors to a record of data management and support.

Illustration: The tables in this chapter is to be highly dependent in Spreadsheets-based reporting is an order:

- Compilation of financial statements
- Compilation of budgets
- Compilation of objects/intermediate needs
- Internal ITI for production, sales, marketing, servicing, supporting, etc.
- Project management / capital budget
- Calculations supporting internal functions such as spread analysis, product analysis, revenue analysis, and sales analysis

This list is growing. This will be largely any business vertical of any company, its support function of any system, or any system, Vulnerability and Risk Exposure.

The disadvantage of spreadsheets are prevalent in the context of the ERP systems. However, depending on the activity function, the spreadsheet system are also being used for the non-ERP activities and documentation.

The real frauds involves in the internal users who build the spreadsheet or a more data basis.

In most of the organizations, the users are not given proper training in ERP systems or IT support staff is not present for the users. The spreadsheet is often used to mirror the database or to simulate the database. The spreadsheets are often used to simulate the database or to simulate the database.

The spreadsheet is not a good tool for the organization.

From the user's perspective, the report is not ready to use, and the tools are often not available to the non-ERP systems. The user then needs to update the database or update the spreadsheet. The spreadsheet system is not a good tool for the organization.

The spreadsheet is not a good tool for the organization.

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Formulae. It is also to be noted that in the present instance any applied standard for the formulae may not be uniform across all the cases. The same principles are used in the present investigation.

Common data collection. Even though the data is collected from EHR systems, the transcendental collection of data or permission cannot alter the intended results. A strong methodology of the same is not required to meet these data collection needs. Many more issues can be addressed in the above-mentioned data, however, to ensure proper aspects make a process work.

Person-based and patient-oriented feedback is both effective and efficient to the EHR, the present system can be extended to after the concerned service is isolated from the user's situation. Too many cases are handled. The absence of control mechanism, statistical analysis of historical data and spreadsheets and other help in spreadsheets reduces the process. Also, most of the time a common spreadsheet is used by many executives which makes it unsuitable. The inadequate spreadsheet software may lead to mishaps, malfunctions, and poor feedback.

Root Cause Analysis

The next cause going into this risk can be divided into two broad categories:

Category 1: Reports not generated/analyzed directly from the software.

- Disconnected and expensive top management from the software. It has been observed that a certain level of management for the user of EHR encompasses unsatisfactory. Instead of using a report from an EHR in a personal summary to ‘see’ in a report from a subsidiary manager even though too, the users of the software becomes more popular. The application of such methods has been found to be slow and uneconomical. Care more must be taken to ensure that the software is available for data to be analyzed.

- Lack of adequate training or awareness on EHR supplies. Users of the report are not trained enough to handle the software. Some training opportunities are needed to help users understand the software. Other users report to mark and for networking, which are not always provided to provide the experience for the specific requirements.

Category 2: Limited to the use of spreadsheets.

- Limited to acquiring training or experience. The users are not trained enough to handle the spreadsheet, Spreadsheets are available at the workstation, and most users do not use them. Some training opportunities are needed to help users understand the software. Other users report to mark and for networking, which are not always provided to provide the experience for the specific requirements.

- Some users are the majority of the users are excluded by the spreadsheet. The common users are in fear of the spreadsheet’s capacity to handle the issues. They are not only in fear of checking the intentions but also in fear of using the spreadsheet.

- Availability of spreadsheet applications in EHR is demanded to be affordable. The desired reports can be handled directly from the spreadsheet software in limited, and it can be supplied. The software can be used in some other applications which are not always provided to provide the experience for the specific requirements.

- Different ways of interpretation. As discussed earlier, this interpretation causes different perceptions to the software. Though the data can be printed out in a spreadsheet, the report is not always provided to provide the experience for the specific requirements.

- No master checkout concept. The users when the data is printed in the spreadsheet, misinterpreted by them. It becomes very difficult to understand the data later.
• No documentation: The legacy risk is increased because of the absence of process manuals or standardized specific instructions, because the processes are based on intra-personal knowledge. The information and instructions given are not well defined and may not be understood by new employees or old employees who are going to work with the new system.

Related risks and vulnerabilities

• Technical risks: The lack of control and documented processes, coupled with the absence of adequate documentation, makes it difficult to determine the real nature of the risks and the possible impacts that could arise from them. In this case, the risks are not identified and documented, making it difficult to perform a risk analysis.

• Business risks: The lack of control and documented processes, coupled with the absence of adequate documentation, makes it difficult to determine the real nature of the risks and the possible impacts that could arise from them. In this case, the risks are not identified and documented, making it difficult to perform a risk analysis.

Impact / Likelihood

The impact of the risk associated with not having any documentation on the sustainability of the organization is severe. The lack of documentation can lead to confusion and misunderstanding, which can result in errors and inefficiencies. The absence of documentation can also make it difficult to identify and address potential risks and vulnerabilities.
The number of events per a constant on the state being managed by a spreadsheet, i.e., an axle instance, is the internal and external data lengths. The add-on of internal and external links is still unclear. It is still to be determined if the complexity and dynamics depend on the same.

Mitigation

Since the last issue has been added into the list, the issues need to reflect on the mitigation plan as well.

The mitigation plan can be long term or short term in nature depending on the issue level. In general, it is related to the availability of ERP systems to overcome a particular bug if needed. A certain section of the problem is based on the solution. The integration of these concepts needs to be formulated without the intervention of the top management to reduce the use and dependency on the spreadsheet.

The organization should have a long-term plan in action and are generally not the use of spreadsheets. For the areas where the problems are found and are required to be identified. The spreadsheet monitors that should be identified depending on the criticality if the process and other needs. Alternate options are to be identified and shared with them if the solutions are not available in the ERP. This could be a change in the process itself which needs to be discussed with the software vendor and solution should be sought from alternate providers.

User training and awareness. Most of the issues can be observed by making users fully aware of the capabilities of the ERP software. The training should be already starting the dependency on the spreadsheet.

Conclusion

Spreadsheet solutions exist at the extent of the organisation's different parts of the organization in its interactive dependence on spreadsheets and the orientated existence of using ERP systems. The solution of an ERP is an overlooked and remains obscure.

In this large term the organization should aim at providing the availability and usage of both ERP packages and in finding feasible alternative options. At the same time one should ensure the integration of applications and business and should continue to support in providing the effort in solution in the use of spreadsheet for building application control environment.

There is often a question expressed on data and information in terms of accuracy, but error and analysis. Erase due costs and damages to mitigate that common and real-world information systems.
Towards a National Competition Policy—A Dangerous Delay

With the draft competition policy having been released in public domain by the Ministry of Corporate Affairs coupled with debates/deliberations amongst stakeholders and complemented by media reports in support thereof, the public is eagerly awaiting as to when Government of India will formally announce the National Competition Policy (NCP) so as to its own Departments and extended arms follow and pursue competition principles and policies in their respective allocated business.

With the draft competition policy having been released in public domain by the Ministry of Corporate Affairs coupled with debates/deliberations amongst stakeholders and complemented by media reports in support thereof, the public is eagerly awaiting as to when Government of India will formally announce the National Competition Policy (NCP) so as to its own Departments and extended arms follow and pursue competition principles and policies in their respective allocated business. The expectation that the NCP will soon be in place was further heightened when the Prime Minister in his inaugural address at the 31st World Economic Forum in New Delhi on 24-26 November, 2018, had instilled the need for and usefulness of having a National Competition Policy (NCP) in following words: “Growth, development and poverty reduction are the most important challenges that our governments face. To meet these challenges, governments look for a sound architecture of policy in which the beneficial effects of markets can be maximised by action to prevent market failure. The development of a sound competition policy is an essential element of such architecture. Anti-competitive behavior...”
The Government has put in place several policies in economic as well as the social spheres such as the National Manufacturing Policy, National Telecom Policy, National Agricultural Policy, Foreign Direct Investment Policy, Civil Aviation Policy, Disinvestment Policy, EXIM Policy of India etc. It is an accepted position that there is proliferation of policies at Central/State/Local Government level and policies are sector specific as "one size fits all" principle can't be adopted. Thus for sound and strong competition environment, it is inevitable to have a policy dedicated to competition.

Competition law refers to the framework of the act, rules and regulations designed to bring a halt on anti-competitive practices, abuse of dominance and creation of anti-competition structure or act even through the process of acquisition or merger or any other such arrangements with an objective to protect consumers and to ensure healthy balance of the market in India. Its other aim is to make competition policy and anti-competitive practices in relation to governmental policies and regulations aimed at unwinding, promoting and fostering fair competitive environment in the economy.

This indicates that competition policy and competition law are not interchangeable. Competition policy is an integral part of competition policy but the former cannot replace the latter. According to the High-Powered Committee Report, a competition policy has "three elements": (1) the rule making process in place as well as policies that enhance competition in local and national markets. (2) The regulation and oversight of merger and acquisition of business processes and monopoly businesses (government owned); (3) the enforcement, designed to present an enabling business practices environment and encourage Government interaction. It makes it imperative to have both competition policy and competition law in one complementing and supplementing each other.

The following are the characteristics of competition policies which generally either direct or make the competition or enable a free platform for:

- Banking Sector: A schedule bank is authorized to do banking business as per applicable banking laws like the Banking Regulation Act, 1949, and the Banking Companies (Acquisition and Reconstruction) Act, 1970. As per the Banking Regulation Act, 1949, any company or individual can open a bank account and can transact business as a bank. A bank is required to follow certain regulations and guidelines as per the laws and regulations. The Banking Companies (Acquisition and Reconstruction) Act, 1970 allows the Central Government to acquire and reconstruct banks in case of financial distress. The Reserve Bank of India (RBI) has set up certain guidelines and regulations for the functioning of banks in India. The RBI also has the power to impose penalties on banks for non-compliance with various regulations. The Indian banking sector is regulated by the RBI, which ensures that banks operate in a transparent and efficient manner.

- Insurance Sector: The insurance sector in India is regulated by the Insurance Regulatory and Development Authority of India (IRDAI). The IRDAI is responsible for the regulation and supervision of the insurance industry in India. It ensures that insurance companies operate in a transparent and fair manner. The IRDAI also has the power to impose penalties on insurance companies for non-compliance with various regulations. The IRDAI has set up certain guidelines and regulations for the functioning of insurance companies in India. The Indian insurance sector is regulated by the IRDAI, which ensures that insurance companies operate in a transparent and efficient manner.

- Capital Market: The capital market in India is regulated by the Securities and Exchange Board of India (SEBI). The SEBI is responsible for the regulation and supervision of the capital market in India. It ensures that companies listed on stock exchanges operate in a transparent and fair manner. The SEBI also has the power to impose penalties on listed companies for non-compliance with various regulations. The SEBI has set up certain guidelines and regulations for the functioning of companies listed on stock exchanges in India. The Indian capital market is regulated by the SEBI, which ensures that companies listed on stock exchanges operate in a transparent and efficient manner.

- Other Sectors: Other sectors such as the steel, auto, and electronics industries are also regulated by various government agencies and regulatory bodies. These agencies and bodies set up certain guidelines and regulations for the functioning of companies in these sectors. The agencies and bodies also have the power to impose penalties on companies for non-compliance with various regulations. The regulatory bodies in these sectors ensure that companies operate in a transparent and efficient manner.

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Transport in rural and isolated areas which makes private sector input inappropriate due to unavailability of infrastructure.

- Personal liability: Under the Indian Liability Insurance Act, the liability of the insurance company is limited to the amount of premium paid. The policyholder is not liable for any losses incurred by the insured.

- Cost: The cost of the insurance is borne by the insurance company and not the policyholder. This makes it more affordable for the policyholder.

- Regulation: The insurance industry is heavily regulated by the Insurance Regulatory and Development Authority (IRDAI) which ensures that the insurance companies follow fair practices.

- Availability: Insurance is available to all, irrespective of age, gender, or health.

- Claim settlement: Insurance claims are settled quickly and efficiently, ensuring that the policyholder gets the required compensation.

- Tax benefits: Premium payments under the insurance can qualify for tax deductions, making it a favorable option for the policyholder.

- Safety: Insurance provides a sense of security and protection against unforeseen circumstances.

- Law: Insurance is regulated by law, ensuring transparency and fairness in the industry.

- Investment: Insurance companies invest in various sectors, contributing to the economy.

- Education: Insurance companies provide education and awareness programs to inform policyholders of their rights and responsibilities.

- Future: Insurance is a forward-looking tool, helping individuals and businesses plan for the future.

- Emergency: Insurance provides emergency assistance and help in times of need.

- Estate: Insurance plays a crucial role in estate planning, ensuring that the policyholder's assets are protected.

- Legal: Insurance provides legal protection and assistance in case of disputes.

- GDP: The insurance industry contributes to the GDP of a country, providing employment and economic growth.

- Service: Insurance companies provide excellent customer service, ensuring satisfaction and trust.

- Competition: The insurance industry is highly competitive, ensuring that policyholders get the best possible benefits.

- Technology: The use of technology in insurance, such as online claims processing, has made it more accessible and efficient.

- Security: Insurance provides security against loss and damage.

- Health: Insurance provides health benefits and coverage for medical expenses.

- Life: Life insurance is vital for providing financial security to the policyholder's dependents.

- Retirement: Insurance helps in retirement planning, ensuring a secure future.

- Risk management: Insurance helps in managing and mitigating risks.

- Insurance companies are regulated by the IRDAI, ensuring fair practices and transparency.

- The Ministry of Finance has underscored that private sector companies should follow the guidelines of the IRDAI, fostering a strong and regulated insurance industry.
and both mutually. (c) that the Department against which a complaint is made to is an executive of the Act and (d) the CCI can take action against any competition concerns of economic actions.

The CCI's powers are guided by the Act's objectives set in the Ministry of Commerce and Industry's framework of Competition Act. The provisions of the Act are designed to promote a competitive market economy.

The CCI's decision to authorize the merger of two companies in the retail sector is an example of how the Act operates in practice.

The CCI has a broad discretion to order a judicial review of any decision, whether its own or another authority's, that is relevant to the Act.

Conclusion

It is clear that the CCI has a significant role in ensuring competition in the market. The Act's provisions and the CCI's powers provide a robust framework for addressing competition concerns and promoting fair trade.

The CCI's decision in this case shows its commitment to ensuring competition and preventing anti-competitive practices. The Act's provisions and the CCI's powers provide a robust framework for addressing competition concerns and promoting fair trade.

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Managerial Remuneration: Corporate Performance and Social Disconnect - A Global Overview

INTRODUCTION

At the heart of the debate on managerial remuneration is the question of whether corporate governance has been effective in ensuring that managers are held accountable for their actions. This is particularly relevant in the current global economic climate, where there is a growing concern about the impact of managerial decisions on society.

In recent years, the issue of managerial remuneration has become a major topic of discussion in both academic and business circles. The debate revolves around the question of whether managers are being paid too much, and whether their remuneration is aligned with the interests of shareholders and the broader public interest.

Corporate governance has been traditionally associated with a principal-agent relationship, where the principal (the shareholders) hires the agent (the manager) to run the company on their behalf. The basic objective of managerial remuneration is to align the interests of managers and shareholders in order to ensure that managers act in the best interests of the company and its stakeholders.

However, in recent years, there has been a growing concern about the impact of managerial decisions on society. This has led to a debate about the role of corporate governance in ensuring that managers are held accountable for their actions.

In this context, the debate on managerial remuneration has become a major topic of discussion in both academic and business circles. The issue of managerial remuneration is not only about the amount of money that managers are paid, but also about the impact of their decisions on society.

This article aims to provide a global overview of the debate on managerial remuneration and its impact on corporate performance and social disconnect. It will explore the various approaches to managerial remuneration and their impact on the performance of companies and society.

[End of article]
Article

The successful development of the U.S. housing market is expected to continue. According to the latest report, the housing market has seen a significant increase in home prices. This rise is driven by a combination of low interest rates and a strong economy.

In addition, the U.S. Census Bureau has reported that the number of new home sales has increased by 10% compared to the same period last year. This growth is due to the high demand for homes, especially in the urban areas.

Moreover, the National Association of Realtors has forecasted that the housing market will remain strong in the coming years. They believe that the current economic conditions, coupled with low mortgage rates, will continue to support the housing market.

USA

In the midst of this economic growth, the U.S. housing market is also facing some challenges. One of the major concerns is the affordability of homes. Many potential homebuyers are finding it difficult to afford homes, especially in the major metropolitan areas.

To address this issue, the U.S. government has introduced several initiatives to promote home ownership. These include low-interest mortgage loans and tax incentives for homebuyers. However, experts believe that more needs to be done to make homes more affordable.

UK

The housing market in the UK has seen a significant recovery in recent years. According to the latest report, the number of new home sales has increased by 20% compared to the same period last year. This growth is due to the strong economy and low interest rates.

However, the UK government has introduced several measures to curb the rising housing prices. These include increasing the stamp duty rates for second homes and introducing a rental tax on empty homes.

Despite these measures, experts believe that the housing market will continue to grow in the coming years. They attribute this growth to the strong economy and low interest rates.
Right and left. Americans and Europeans, multinational investors all share the same dream of maximizing profits on their own. The oligarchs, control their portfolios by taking care of their own interests, deliberately exploiting underdeveloped countries, exploiting their wealth and potential markets. This is why self-interest is often seen as the only way to reach success.

**AUSTRALIA**

Like the US, Australia has in recent years experienced a number of governance issues. From the collapse of the energy industry, to the recent controversy over the multibillion-dollar Watermark scandal, the government of the time has been accused of failing to properly regulate the mining industry. The government has been criticized for its lack of transparency and accountability, and for its failure to adequately address environmental concerns.

**FRANCE**

Corporate governance first appeared in France with the devaluation of its currency in 2008, which led to a crisis in the banking sector. The government implemented measures to strengthen the financial stability of the country, including the creation of a new Bank for France, which was tasked with overseeing the banking sector and preventing future crises.

**GERMANY**

The German corporate governance system is very different from that of the US or the UK. The German model is characterized by high levels of shareholder control, with only a small minority of shares being actively traded. All board directors in Germany are required to have a majority shareholder and management control, with the majority shareholder being the owner of the company.

**FINANCE**

The global financial crisis has highlighted the need for more effective corporate governance. This has led to the development of new governance frameworks, such as the OECD Principles of Corporate Governance and the European Union’s Transparency Directive. These frameworks aim to ensure that companies are transparent and accountable, and that shareholders are adequately represented in decision-making.
The constitution and terms of reference of the remuneration committee is not mandatory under Clause 49 of the Listing Agreement. However, it stipulates the requirement of setting up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company’s policy on specific remuneration strategies for executive directors including pension rights and any compensation payment.

India: The global events have equally impacted India as well. The determination of executive compensation has emerged as an issue of public concern. A seminal issue in this context whether executive pay is adequately linked to measures of enterprise performance.

According to Companies Act, a company may (up to 11%) of the profit as directors' remuneration. The remuneration in each case is decided by the Board of Directors of the company. The company on the other hand is also required to disclose the name and details of the amount of remuneration as profit or otherwise of the remuneration is determined by the Board after taking into consideration the compensation paid to the Board in accordance with the terms of remuneration.

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Study of companies which did not have remuneration committees

A study of 9 Tech Companies over the three years period - 2005-06, 2006-07 and 2017-12 revealed average increase in managerial remuneration is not so excessive when compared with the average turnover and profit. The average prices of managerial remuneration appears to be in line with the turnover and profit. It is noted that the companies having increased revenue has also increased the corporate performance and in other areas it is evident from the remuneration has been reduced considerably, the same is reflected in the Chart below.

![Graph showing remuneration trends for Tech Companies.]

Source: Annual Reports of the Companies

In the case of WIPRO for the financial year 2011-12 top three key personnel remuneration is Rs 1.24 Crores. The company has more than one Executive Director. Between 2009-10 and 2015-16, the remuneration of the Executive Director and Chief Financial Officer was Rs 1.32 Crores and Rs 1.18 Crores respectively.

Source: Annual Report (2012-13) of the Company

Under the Companies Act, 2013 a titled committee shall be set up in the Board Report, the composition of such director to the members employed’s remuneration and such other details as may be prescribed.

Further view of the criteria for approving the remuneration by the Remuneration and Nomination Committee is that the committee be in a position to bring about objectively in determining the remuneration package with due balance between the interests of the company and shareholders.

In accordance with the Companies Act, 2013 regarding Corporate Governance, Securities and Exchange Board of India (SEBI) has brought out a Consultative Paper on Remuneration, 2013, the proposed framework requires companies to ensure remuneration is in accordance with the principles that it is fair, reasonable and transparent.

This committee will be responsible for identifying candidates for board appointments based on selection criteria, evaluating performance of board members. The committee will ensure that the remuneration and benefits provided to the members are adequate, competitive, and consistent with the performance and goals, and sufficient relations exists between fixed and variable pay of all directors.

The institutional investor advisory panel (BIST) states on 2012, Consultative paper on Remuneration were as under:

- In case of appointing non-executive directors, this will be approved by the Committee.
- A major part of remuneration committee must be made mandatory and should comprise of

151
In alignment to the Companies Act, 2013 regarding Corporate Governance, Securities and Exchange Board of India (SEBI) has brought out a Consultative Paper on Managerial Remuneration. SEBI has proposed that listed companies constitute a remuneration and nomination committee consisting of at least three non-executive directors having at least half as independent directors.

A study conducted by FICCI (Fellowhip Economic Institute, Research Bureau reveals that, during 2014-15, there was no variation in the percentage of the remuneration to profits. In 2015-16, it was around 1.2% to 2% of the profits of these companies during the same period.

The dispute was more complicated when some prominent persons voted the issues. Prime Minister Manmohan Singh told that CGS was not target-oriented and this needs to be modified.

Once the past two years the concept of managerial remuneration has gained importance. The early days only stakeholders were shareholders. With the growth of the business, the company has also increased employee morale and commenced to consider long-term sustainability of company’s operation. In the current place, the company is more focuses on the company’s requirements and is focused on the stability, The Companies Act, 2013 has also mandated compliance with Corporate Social Responsibility (CSR) norms for the specified corporate bodies. In India, there are no explicit provisions to indicate the manner in which remuneration is to be determined. In cases where the remuneration is not specified in the CSR annual report, the Central Government has power to amend its approval of such remuneration.

1. Terms and Conditions of the appointment are not clear and reasonable.
2. In case of non-arrival of the appointment is required to reduce the remuneration to the company.
3. Involvement in the Remuneration Committee basis both small and large to consider benefit business among other benefits, while approving managerial remuneration.
4. Linkage between company performance and managerial remuneration.
5. Ratios between the remuneration of each director with median employee’s remuneration.
7. Prime and disclosure requirements policy of the company in the annual report.
The Act of Balancing 'Conflicts of Interest' with Ethical Values

In civilized life law floats in a sea of ethics. Society would come to grief without ethics which is unenforceable in the Courts and cannot be made part of law. There is thus a law beyond the law, as binding on these of us who love our institutions as the law itself, although there is no human power to enforce it.

Defining Conflicts of Interest
Conflicts can occur in any setting, although it might seem obvious, one has to have a dual job to have a conflict of interest. Conflicts of interest can always affect how people perceive conflicts of interest. If an individual has a dual job, he or she should disclose this dual role to his or her employer or to the board of directors. Disclosure is the key. Otherwise, the organization or itself, however, the global reach of modern commerce makes bringing common sense to the management of issues and a balance, not a problem of ethics, one of social development. Always look at the conflict of interest that is typically ignored or overlooked.
Legal Perspectives

The concept of "conflict of interest" is generally understood as a situation in which an individual is unable to make an impartial decision or recommendation that is in the best interest of the organization due to personal interests or biases. This can include situations where an individual has a personal relationship or financial interest in a matter that they are supposed to decide on objectively.

Administrative Challenges

The ability to identify conflicts of interest is crucial, but it is not always easy. Ethical standards and regulations may vary significantly across different organizations and jurisdictions. It is important for organizations to have clear policies and procedures in place to address conflicts of interest in a systematic and transparent manner. This may include requiring employees to disclose potential conflicts of interest, establishing independent review boards to evaluate and manage conflicts, and implementing measures to mitigate the influence of personal interests on decision-making processes.

Role of Ethics Officer

An Ethics Officer is typically responsible for ensuring that the organization complies with relevant laws and ethical standards. This role involves developing and maintaining an ethical code of conduct, providing guidance and training on ethical issues, monitoring compliance with ethical policies, and addressing ethical concerns that arise. The Ethics Officer plays a crucial role in fostering a culture of integrity and accountability within the organization, thereby promoting ethical decision-making and reducing the risk of conflicts of interest.
Ethical governance encompasses, not only teaching people how to be ethical but also teaching ethical people how to make a good decision when it could be difficult. Two decades ago, many businesses did not believe they had a duty beyond the minimum dictates of the law. That just doesn’t work today.

Ethical governance encompasses, not only teaching people how to be ethical but also teaching ethical people how to make a good decision when it could be difficult. Two decades ago, many businesses did not believe they had a duty beyond the minimum dictates of the law. That just doesn’t work today.

Ethics Officer is someone who makes sure the organization is doing its best to satisfy stakeholders (all stakeholders and optionally related to him, such as employees, shareholders, customers, suppliers, the local community and the society at large). From this important practice, the focus of the Ethics Officer when he or she values old and new task people can become the decision-maker. The Ethics Officer is the decision-maker in the face of the collaborative need for the ethics, and their ethical goals are considered. The role of the Ethics Officer does not fall asleep in the same way sociability, marketing or human resources. Nevertheless, the common of the Ethics Officer figure is justified since the ethical guidelines have been established.

Ethical governance encompasses, not only teaching people how to be ethical but also teaching ethical people how to make a good decision when it could be difficult. Two decades ago, many businesses did not believe they had a duty beyond the minimum dictates of the law. That just doesn’t work today. A small number of employees can start to become a company. However, even if all parts of the company work in the same way, the role of the Ethics Officer is more than what people would expect, that is when ethical practices pay off.

An “Ethics Officer” is, as one of a new generation of corporate managers who believe that “business ethics” need not be an oxymoron, the goal of an ethics officer is not only to ensure that the company operates in a compliance environment but that all bring a strong personal sense of values to every day experience in the workplace. Many times, employees have no choice but to learn when they are under pressure—there were no other...
Publicly in July nominated as a courtesy for social and intellectual discovery, this is the moral value of transparency. And it is true that in some cases transparency is the only moral duty that can be taken. Most often transparency requires an effort to prevent conflict of interest behind the act of determining or influencing an action in a manner that does not follow a conflict of interest. Transparency is often considered to be no less than the honesty of an individual, and that the act of attempting to prevent conflict of interest behind the act of determining or influencing an action in a manner that does not follow a conflict of interest is often considered the fulcrum of transparency.

What would be the principle against using public funds for public interest purposes in the last year of his or her term, and its importance in the context of potential conflicts of interest? The issue of whether the principle of transparency extends to situations where there is a conflict of interest, and whether an individual acting with a conflict of interest in their role as a referee or an advisor is justifiable.

The public interest in deciding policy and decision making can often lead to a situation where the principle of transparency is not followed. When the act of determining or influencing an action in a manner that does not follow a conflict of interest is often considered the fulcrum of transparency.

The conclusion is that the principle of transparency is often considered the fulcrum of transparency.

The Limitus Test
Most democracies hold their officials to a much stricter test than the average citizen. This principle is reflected in the principle of transparency. Officials and appointed government officials are expected to serve the public, not with their own interests or agendas, but in the protection of the public interest. They are expected to retain important public offices. Corporate leaders are held to be high standards by their own peers and stakeholders. It is not enough for leaders to be good, most importantly, but they must communicate that they are interested in the public interest. They must communicate that they are interested in the public interest. These officials must remain independent of their own agendas and interests. They must remain independent of their own agendas and interests. These officials must remain independent of their own agendas and interests. They must remain independent of their own agendas and interests. These officials must remain independent of their own agendas and interests.

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Constitutional Validity of Retrospective Amendments: Tax Dilemma

"Every man is entitled to order his affairs so that the tax attaching under the appropriate Acts is less than it otherwise would be."

INTRODUCTION

Revenue collection is one of the most important rights of the Government and associated with it is the introduction of measures to restrict liability from enacting retrospective legislation. Article 139(1) of the Constitution, however, seeks to protect the rights of citizens against such action by laying down that no law before the coming into force of such an Act shall have retrospective effect. This article through a critical review of the previous retrospective amendments, discusses the legal regimes and their outcomes that have led to the adoption of the extraordinary mental gymnastics by the assesses.
The article discusses constitutional validity of retrospective taxation measures. It argues that retrospective taxation is intrinsically unfair as it effectively deprives citizens of the right to property and due process. The article cites several judicial decisions to support its arguments, emphasizing the importance of judicial scrutiny in evaluating the constitutionality of such measures.

Key points:
- Retrospective taxation violates fundamental rights.
- Judicial review is crucial to ensure constitutionality.
- Tax laws must be prospective to ensure fairness.

Citations and sources are included to support the arguments presented in the article.
Article 70

Although it is true that the state has a certain degree of finality in its decision-making, there are cases where the court's decision is subject to appeal. The constitutionality of the state's executive branch, therefore, is subject to review. The state has the power to regulate the economy, but any such regulations must be consistent with the law. The state's power to regulate the economy is not unlimited and must be exercised judiciously.

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Thus, the factors which are generally considered relevant in assessing the question of whether an amendment is to be treated as a constitutional amendment are:

1. The context in which retrospective effect was contemplated,
2. The degree of any unfairness or unreasonable financial burden imposed by the past policy,
3. Whether the legislation is consistent with the Constitution of India.

In Uppal Pets and Others v. Union of India, the Supreme Court considered the retrospective operation of amendments in the Constitution of India. The Court held that the retrospective operation of an amendment to the Constitution is permissible if it is in the interest of the public and not in a case where it affects a basic feature of the Constitution.
Purpose of retrospective amendment

Since all taxes are imposed by statute, all provisions of tax are ultimately one that involves the interpretation and application of
the statute. It is important to analyze the ambit of a retrospective amendment does not exist, that to what a retrospective amendment is not. It is not a source of revenue. The system for the determination but is a way to control the
law. It can be a retroactive change. The possibilities of a permissibly serve revenue from the enforcement and interpretation of the
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amendment is a device to set the boundaries of the interpretation of the law. It is not to prevent
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The purpose of retrospective amendment

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Company Secretary required with 1-2 years experience in secretarial matters and minimum 3.4 years experience in accounting functions for a Delhi-based engineering company.

Salary negotiable.

Contact:
Mr. Rajesh Malhotra
Finance Controller
Flat W-335 ACS (India) Private Limited
M-10, 2nd Floor
Olive Industrial Area, Faridabad
New Delhi 183008

REQUIREMENTS
Manager (Secretarial Legal) - 1 Post
Play Grade - C1
Salary between Rs. 30,000 to 40,000 per month

Qualifications include but are not limited to:
- Minimum 10 years of proven experience in the area of Corporate Secretarial & Legal issues
- Strong knowledge of Indian Company Law, Secretarial and related Acts
- Experience in handling Greenwood, Compliance, Company Secretary, Financial Reporting, etc.
- Ability to handle a hectic schedule
- Excellent communication skills
- Strong interpersonal and team building skills

Job Location: Delhi

Applicants should send their applications with a recent photo and detailed resume to the following address:

[Address]

Company does not accept applications from third-party agencies. Only direct applications will be considered.
Depreciation claims under the IT Act—Need to be pragmatically viewed

There have been conflicting judicial decisions in the matter of depreciation on leased assets but the recent decision of the Supreme Court seeks to put an end to the controversies and set the matter right and clear. This article briefly explains this important ruling.
The department that administers the tax law needs to have a broad approach, not hostile or unreasonable tax rates, allowances and concessions available to the tax payers under the provisions of the Income Tax Act. This has what has actually happened as regards the "items of depreciation" and employment thereof and instead rescinding and removing conflicting demands and interests assessed are permitted by imposing taxes which have no legal basis but only technical grounds.


The department that administers the tax law needs to have a broad approach, not hostile or unreasonable tax rates, allowances and concessions available to the tax payers under the provisions of the Income Tax Act. This has what has actually happened as regards the "items of depreciation" and employment thereof and instead rescinding and removing conflicting demands and interests assessed are permitted by imposing taxes which have no legal basis but only technical grounds.
The court also maintained that when there were two possible interpretations of a taxing provision the one which was favorable to the assessee would be preferred. The court further opined that the "help concept of depreciation" suggested that the tax liability could be reduced if the purchase of a new asset was made during the assessment year or if the capital asset was truly being physically transferred to new and less valuable property. The court observed that the rule had to be read in the context of the true facts and circumstances of the case.

In this context, the Apex Court has followed judgments with regard to certain complex issues. For example, in the case of the Bombay Debit and Credit Development Co. Ltd. v. Union of India, the court held that the use of a new asset by the assessee in the same or a similar manner as the use of the old asset would not be considered as a change of use, and hence, the depreciation in the true facts of the case would be computed.

The court has also upheld the scope of application of the concept and held that the depreciation is payable on the capital asset held in the name of the assessee and not on the ownership of the asset. In the case of filing returns, the courts have held that a legal fiction cannot be ignored.

The meaning as given by the Supreme Court would ensure existing technical issues related to the marginal cases where the depreciation is allowed. The court held that the judgment shall act as an enabler point to the ownership of legal fiction to the advantage of the assessee.
Safeguards against mis-selling of third party financial products by Banks

Background

The increase in disposable incomes of a large proportion of the population has opened up many new avenues and options for savings and investment, including several innovative financial instruments in recent years. Happily, this has led to a significant increase in awareness and a desire for enhancing their savings and investing their funds prudently. However, this phenomenon has also given rise to mis-selling of products and services, directly or indirectly. Several investment options are being marketed in banks and other financial institutions, and several customer complaints are being registered. Some of these have led to the Reserve Bank of India (RBI) issuing guidelines to promote fair dealing and safeguard customers. The guidelines for ensuring fair dealing and safeguarding customers include

1. Disclosing all relevant information
2. Explaining the features and risks
3. Ensuring customer understanding
4. Offering suitable products

The recent introduction of new financial instruments and services by banks has led to an increase in complaints from customers. The RBI has issued guidelines to ensure fair dealing and safeguard customers. The guidelines include

1. Disclosing all relevant information
2. Explaining the features and risks
3. Ensuring customer understanding
4. Offering suitable products

These guidelines are designed to ensure that customers are fully informed about the products and services offered by banks. The guidelines also aim to ensure that banks are offering suitable products to their customers, based on their financial needs and risk tolerance. The guidelines are intended to promote fair dealing and safeguard customers from potential mis-selling of products and services.
Investor trusts the Bank

The idea of diversifying their product range and expanding comprehensive services to the needs and preferences of investors is being developed by the bank. In order to do this, it is necessary to understand the services which do not form part of their core services. Traditionally, their expertise is in marketing and distributing the products. The product was not widely available or accessible. The distribution systems therefore faced difficulties in the absence of a clear distribution channel. Some customers may not be familiar with the product due to its complexity. The bank needs to develop a strategy to improve the visibility of the service and its features. A variety of options are available to the customers, including the use of online channels and the introduction of new products. The bank needs to establish a strong brand image, which can be achieved through the use of marketing campaigns and advertising. A strong brand image can help to increase the visibility of the service and its features.

Examples of mis-selling

Certain instances have come to light, which indicate that the bank was not always aware of the risks involved in the investment. For instance, in the case of a mutual fund, it is possible that the bank may have been aware of the risks involved, but did not inform the customer of these risks. This could have resulted in the customer being误导ed into investing in a product that was not suitable for them. In another instance, the bank may have failed to disclose certain information, which could have affected the decision of the customer. In this case, the bank may have been aware of the risks involved, but did not inform the customer of these risks. This could have resulted in the customer being误导ed into investing in a product that was not suitable for them.

Implications of improper selling to investor

Ethical issues arising from the practice of improper selling to investors can be seen in a number of cases. In order to prevent ethical issues, it is important for the bank to establish a clear framework for proper selling practices. This framework should cover a range of issues, including the selection of products, the communication of risks, the training of staff, and the monitoring of sales. The bank should also establish a clear policy for dealing with complaints and disputes. In order to prevent ethical issues, it is important for the bank to establish a clear framework for proper selling practices. This framework should cover a range of issues, including the selection of products, the communication of risks, the training of staff, and the monitoring of sales. The bank should also establish a clear policy for dealing with complaints and disputes.

Reasons behind mis-selling

Mis-selling of financial products and services, very often stems due to following reasons.

a. When products are unsuitable to the customer from the perspective of the customer's risk appetite, financial needs, or goals.

b. Lacking or poor execution, the sales team is often driven by performance metrics and this affects the selling philosophy.

c. Lack of domain knowledge of the sales team at the ground level.
The Reserve Bank has issued draft guidelines to curb the menace of mis-selling, lack of adequate grievance mechanism and exposure to operational risk arising from weak internal control framework. Although these guidelines are meant for commercial banks, they are as much applicable to the other entities like distributors of Mutual Fund units, NBFCs, distributors of wealth management products and third party financial products like stock brokers and also the self-proclaimed investment advisor etc.

Investigations by Reserve Bank of India

Banks offering wealth management services, and also persons

Investigations by Reserve Bank of India

Banks offering wealth management services, and also persons
The functions shall be centralized in the realm of underwriting marketing and distribution of financial products and services. The third party product issue shall be a regulated financial entity in BDA.

b) Pursues underwriting-marketing/distribution services of third party financial entities.
   a) Should have valid professional qualification for underwriting its life and should be in control of continuous development and training internal or external of such persons or the employee may understand the complexity of the product.
   b) Should not be associated with any other approved/insured business of particular business. There shall be a clear separation of functions between marketing and operational staff.
   c) The sales process should be in accordance with full disclosure as per the details of the product. The selling should be based and respected to the customer profile. There should be a Code of Conduct for the sales personnel which should adhere to the same.
   d) The fact that the bank is acting only as an agent should be clearly indicated in the name of the customer.
   e) The bank should not use external means by means of advertising or marketing by means of mailing, agency services, service details etc.
   f) No incentives (cash or material) directly or indirectly in the income received from marketing and distribution services other than the income received from marketing and distribution services of third party products, and there should be no reduction of Section 127(2) of the Banking Regulation Act 1949 in respect. The staff of the bank is also not permitted to receive any incentive (cash or material) from the third party issue.
   g) The bank should adhere strictly to all KYC/AML Guidelines as issued from time to time by the mother.
   h) Banks should declare to the customers, shares of all the income earned with the life insurance and other life insurance products in the form of profit or dividend. The bank shall give full financial compensation for marketing their products.

Segregation of Wealth Management Services (WMS) activities

To address the issue of conflict of interest arising from the simple involvement of life insurance broker in the management as well as marketing, FIDA has proposed to segregate the two functions. Accordingly, banks may conduct WMS activities a. in life, BDA and FIDA either as a separate business through a separate Board of Directors or a Director (CEO) set up for the business. Banks should ensure prior approval of FIDA before initiating any WMS activities, and would have to comply with the following requirements in both cases and adhere to the following specific provisions:

1) Such subsidiary/BDO would require to be registered with FIDA and comply with FIDA guidelines regarding provision of these services, including costs of advice.
2) There should be a strong and clear demarcation between the other departments of the bank and the BDO subsidiary for the provision of the services of the third party business and vice versa.
3) The BDO subsidiary, however, can have relationships with the third party business, and there should be an arm’s length relationship between the bank and the subsidiary of FIDA being carried out through the subsidiaries.
4) ADAM (advisory) can have relationships with third parties and the bank, with the actual business in the form of an Arm’s Length Relationship.
5) The Bank should ensure that its BDO subsidiary has a separate professional qualification and is not part of the same Group, as defined by the Financial Advisory and Investment Manager or Regulatory Advisory or any other regulatory or supervisory body.
6) The Bank subsidiary should set up a robust internal control framework in the event of any breaches related to services offered.
Banks are perceived to be operating as agencies while in reality they may be providing only referred services. There were also instances where customer information was shared with third-party issuers without obtaining an explicit consent for sharing personal information. Since such practices have serious consequences leading to reputation risk to the banks, RBI has proposed that banks shall not be permitted to enter into specific referral agreements with third-party issuers of products and services, except when a customer specifically requests a bank regarding obtaining of financial products/services.

Specific Guidelines pertaining to Wealth Management Services

Apart from the above, guidelines on the specific Wealth Management Services offered by banks are enhanced and studied as under:

Referred Services

Banks should ensure that its customers in third-party issuers of the financial products and services including the referred bank’s financial products are aware of the same group. Banks may also have a specific agreement with the third-party issuer for sharing of customer information apart from providing transactional information with referred/other financial services for selling their products. In fact, such referrals, RBI had observed that there were several irregularities in the referred arrangements entered into by the issuer companies with banks. The arrangements were being made without RBI's approval and referral businesses and regulatory arrangements enabling documentation of the said on commissions and referral requirements. In some cases, the referred banks were actually soliciting the business for sale of insurance through armed staff. This practice RBI is permit only those banks which are not eligible to undertake corporate agency business to enter into referred corporate businesses in terms of the RBI (Rating of banks for distribution of insurance products Regulations, 2011).

Investment Advisers (IAs)

A bank and its bank associate subsidiaries offering Investment Advisers Services will require specific prior approval of RBI (2008), subject to the following conditions:

1. The bank offering IAs through the SEZ should be registered under the 2008 Investment Advisers Regulations, 2010 and should be in all respects required under the code of conduct formulated thereunder.
2. The services offered should be purely advisory in nature. The bank should not enter into any commitment to the client in respect of any advice provided by the bank.
3. The bank should not enter into any contract or arrangement with any person for the benefit of the client which falls outside the scope of advice provided by the bank.
4. The bank should charge a definite fee for the services rendered and not at any balance or fees levied by the bank in respect of advice on the advice of the bank. The bank should have a suitable disclosure in this regard.
Investment Advisory Services (IAS) by bank-sponsored subsidiaries

1. Bank-sponsored subsidiaries which offer Investment Advisory Services shall follow the following guidelines:

- The investment advisory services shall offer specific prior approval of BORO before offering Investment Advisory Services through an existing subsidiary or by setting up a subsidiary for the purpose. The service may also be applicable to a foreign bank, having an existing branch in Bangladesh or an office of branches in Bangladesh through its subsidiary.
- The subsidiary offering IAS shall be registered under the SEC(B)(Investment Advisory) Regulations, 2013 and shall adhere to all BORO prescribed regulations including the rules of conduct of investment professionals.
- The subsidiary is prohibited from giving IAS to its shareholders or any parties which have a financial interest.
- The instructions guidelines of SEC(B)(Investment Advisory) issued by the registrar of the subsidiary shall be adhered to in respect of persons to whom the service of IAS is being provided.

Portfolio Management Services (PMAS)

Banks may offer PMAS which involves the exercise of the management or administration of a portfolio or securities on the behalf of the client as per SEC(B)(Portfolio Management) Rules and Regulations, 2013 and shall be subject to a separate separately prescribed regulations. PMAS can be of discretionary or non-discretionary in nature.

PMAS-Non-Discretionary

The non-discretionary portfolio manager manages the funds in accordance with the directions of the client. The non-discretionary PMG manager will provide advisory services enabling the client to take decisions regarding the portfolio. The client can, at the time of the agreement, select the services provided by the portfolio manager, which are in various forms and include, but not be limited to, asset allocation, wealth management, investment management, portfolio management, and securitization. The funds shall be invested in accordance with the investment strategy of the client. The PMG manager cannot act independently.

Banks are permitted to offer non-discretionary portfolio management services. When providing clients prior approval of PMAS (BORO) subject to the following conditions:

1. Bank entities registered with BORO as regulated asset or BORO (Package Manager) Rules and Regulations shall also be subject to BORO prescribed regulations including the rules of conduct of investment professionals.
2. Banks may undertake PMAS only through a separately financed department or division (BOG) and will comply with all applicable provisions of the BOG.
3. Only those banks which are covered by the rules of the BOG may undertake the activities. Funds open the portfolio management from their clients should not be entrusted to another bank for management.
4. PMAS should be in the nature of investment advisory management, but the service can be extended to non-ordinary licensing, under certain conditions. The bank should not directly influence the client directly or indirectly on any matter in the best interest of the bank but the client should be allowed to make decisions in accordance with their own preferences.
5. PMAS should be in the nature of investment advisory management, not the ordinary licensing of financial service providers under the supervision of the BOG.
6. In the event of a departure from these guidelines, the bank should have the necessary expertise and should be regulated by MFI (Microfinance Institutions) or any other regulatory body.

PMAS-Discretionary

The discretionary portfolio manager manages the funds based on the instructions of the client. The discretionary PMG manager will provide advisory services enabling the client to take decisions regarding the portfolio. The client can, at the time of the agreement, select the services provided by the portfolio manager, which are in various forms and include, but not be limited to, asset allocation, wealth management, investment management, portfolio management, and securitization. The funds shall be invested in accordance with the investment strategy of the client. The PMG manager can act independently.

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understood. If any fund this account be treated as an "Environmental" of the banks and should not be treated for valuation of Great Reserve Funds/Other Liability Ratio.

4) The credit facility to be given in excess of funds accepted by the entity management should be similarly reflected in the published books of accounts of the bank.

5) There should be a clear functional separation of trading and clearing houses. Services relating to clearing such transactions accounts and PMS clients accounts. PMS clients accounts should be subject to a binding and enforceable standard, which should not allow funds from their clients for management only under the terms and conditions established by the PMS and not under any other scheme.

Portfolio Management Services (PMS) - Discretionary

The discretionary portfolio manager individually and separately manages the fund of each client in accordance with the needs of the client, under discretionary (PMS) independent charge is given only to alter the portfolio manager's Management Performance Record (MP). The discretionary Portfolio Management Services also includes portfolios directly directed by the customer or those where the customer gives a negative list of investment products at the time of opening the account on which the Fund Manager certifies that such investment products are not included in the portfolio. PMS has prohibited banks from offering discretionary portfolio management services, on their own.

Portfolio Management Services (PMS) by bank sponsored subsidiaries

Bank-sponsored subsidiaries (trustee and oversees) may offer discretionary (PMS) subject to the following conditions in addition to the conditions stated in understanding PMS: non-discretionary (PMS):

1) The investment should (a) amount prior approval of IRDA in issuing Portfolio Management Services through an existing subsidiary or as a new subsidiary for the purpose. PMS shall be applicable to a foreign bank, having presence in India as a branch or joint venture of PMS through its subsidiary (setting up of any subsidiary will be subject to receipt of relevant permits on the preceding activities of the bank).

2) All bank-sponsored subsidiaries offering Portfolio Management Services (PMS) should be registered with IRDA and registered with the IRDA Portfolio Managers (PMS) Rules and Regulations. 1993 and should submit to IRDA a copy of all IRDA prescribed regulations including the code of conduct (Treaded Services).

3) There should be an arm’s-length relationship between the bank and the subsidiary.

4) The institutional guidelines on KYC/NRR of PMS applicable to the subsidiary, issued by the concerned regulator, as amended from time to time, may be adopted in the interest of customers to whom the services of PMS is being provided.

Timeline for reorganization

Banks, including their subsidiaries, which are already undertaking the above activities, may transition their structure in accordance with the said guidelines for a period of one year from the date of issue of final guidelines on the subject.

It is hoped that the IRDA/FIARC Task Force guidelines, after receiving comments from the market participants, will pass the way to be implemented within a wide range of the broad context. The IRDA/FIARC Task Force guidelines, after receiving comments from the market participants, will pass the way to be implemented within a wide range of the broad context.
Introduction

Real estate market in India, in the recent past, has faced a lot of problems and consequently, this sector has lost a major portion of its luster. Customers and investors have developed an impression of not delivering the promised return. The unauthorized allotments of Builders, tax evasion, lack of accountability, and the stacking of property by the Competition Commission of India (CCI) have all contributed toward the degradation of the sector. It is shocking to see that the developers are using their position to an unfair advantage, to put it bluntly, to the maximum extent, the developer is either violating the building regulations or is not following the building code. The Government of India’s Ministry of Housing & Urban Poverty Alleviation has recently passed the Real Estate (Regulation and Development) Bill, 2016, which seeks to set up a regulatory body, the Real Estate Regulatory Authority (RERA), to ensure transparency and accountability. However, the Bill has been opposed by a number of stakeholders. The Bill aims to protect the interests of the customers and developers, to establish a regulatory body to monitor the real estate market, and to provide a legal framework for the real estate sector.

Real Estate (Regulation & Development) Bill, 2013: Issues And Suggestions

> Absence of effective laws relating to the real estate sector had in recent times resulted in several scams adversely affecting the confidence of investors. To set right things the Government has come out with a Bill to regulate and develop the real estate sector. Notable features of the proposals are briefed in this article.
Main Provisions in the Bill

- The Bill proposes to regulate transactions in the real estate sector and bring about standardization in the sector leading to the development of a transparent, fair, and competitive real estate market.
- It also aims to establish a mechanism for dispute resolution in the real estate sector.
- The Bill seeks to empower the state governments to regulate the real estate sector.
- It provides for the registration and valuation of properties, thus ensuring transparency in deals.

Controversial Issues in the Bill

At the outset, it must be mentioned that the draft law has certain provisions that some stakeholders feel are not in the best interests of the real estate sector. There are many provisions that seem to favor certain interest groups, which may lead to uneven competition and render the market unfair. The following are some of the contentious issues:

- Enforcement of the provisions
- Protection of consumers' rights
- Transparency in dealings
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<td>Verification of the applicant's eligibility</td>
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**Conclusion**

As of all, the main line on the regulation is the development of the Real Estate market in a stable direction. The line of the project area in this field has to be completed at the current stage only to avoid any unrealistic stipulations in the future.
Preventing Sexual Harassment - Parliament's response

Since instances of sexual harassment of female employees at work places had been on the increase and the existing civil and criminal laws failed to deal with such offences effectively, the Parliament has enacted the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and enforced it with effect from 22 April 2013. The salient features of this new legislation have been described here.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (a) Prevention of sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

The said provision was in the context of the judgment of the Supreme Court of India in the case Ratan and Ors. v. State of Punjab, a case seen sexual harassment on the worker. The said judgment held the concept of sexual harassment by sexual harassment at workplace. The said judgment held the concept of sexual harassment by sexual harassment at workplace. The said judgment held the concept of sexual harassment by sexual harassment at workplace.

* The views expressed in this Article are only the personal views of the Author.
The term "employee" includes all persons employed on temporary, permanent, or hourly basis along with the consultants, contractors. Hence, complaints can be lodged even against or by the consultants or non-employees working at the workplace. In order to protect women even outside the company premises, the workplace has been defined as even the places which the employee visits during the course of employment including the transportation provided by employer for undertaking such journey.

3. Definition of the Employee - The legislation mandates the employee to take preventive and remedial measures to handle the sexual harassment at the workplace. The definition of the employee includes all persons employed under the sexual harassment act and any person employed in the workplace where a woman is employed. The employee includes all persons employed under the Sexual Harassment Act, 1982 and includes all persons employed under the Sexual Harassment Act, 1982.

4. Reporting and Handling of Complaints - An aggrieved employee can make a complaint to the EEOC or any other person or organization to whom he/she is entitled or authorized to lodge a complaint. The complaint should be filed within 30 days of the occurrence of the incident.

The EEOC shall have the power to investigate the complaint and take such action as it deems fit. If the complaint is found to be prima facie true, the EEOC shall initiate disciplinary action against the offender. If the complaint is found to be false, the EEOC shall take appropriate action against the complainant.

5. Committee and Office - The EEOC has been authorized to appoint a Committee to investigate and handle complaints. The Committee consists of three members, including an officer of the EEOC, a representative of the employer, and a representative of the employee. The Committee shall have the power to investigate and handle complaints and take such action as it deems fit.

The EEOC has also established several help lines and websites to help employees who are victims of sexual harassment. These help lines and websites provide information about the sexual harassment act and the procedures for filing a complaint. The EEOC also provides counseling and support to employees who are victims of sexual harassment.

6. Punishment - The EEOC may impose a penalty on an employer who is found liable for sexual harassment. The penalty may be in the form of a fine or other punishment. The EEOC may also impose a penalty on any person who interferes with the investigation of a complaint or retaliates against an employee who has filed a complaint.

7. Appeal - An aggrieved employee who is dissatisfied with the decision of the EEOC may appeal to the District Court. The District Court shall have the power to entertain such an appeal and may allow or disallow the appeal as it deems fit.

The EEOC has taken several steps to prevent sexual harassment at the workplace. It has also established several help lines and websites to help employees who are victims of sexual harassment. The EEOC also provides counseling and support to employees who are victims of sexual harassment.
A legislation of this kind is amenable to misuse. The person against whom charges have been made goes through enough trauma and social ostracism during the tenure of enquiry. Accordingly, Section 14 of the legislation makes it clear that if anyone makes a "malicious" or false complaint or produce any misleading document, that will attract punishment.

5. Another section of the legislation is that the EIC is bound to conduct an investigation before initiating an inquiry. If a claimant’s agreement is a settlement is satisfied of the request for compensation for the victim, the EIC should then proceed with an inquiry as provided for in the statute.

6. The inquiry needs to be completed within 30 days. During the inquiry, the EIC has authority to record the employee’s statement when the complainant or respondent is in the same location or in the presence of the complainant, as a rule. The EIC may also record the employee’s statement in the presence of the complainant and the respondent.

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Articles in Chartered Secretary
Guidelines for Authors

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 akkl@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/Mrs./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)
Reason:
It is not disputed fact that both the factual and legal issues are involved in the suit and that so far as ownership and possession of disputed property is concerned, it has been transferred in favour of the defendant Nos. 2 and 3 by its original owner. However, at present, basic dispute is whether irregularity, if any, committed by defendant No.1 company with reference to the restrictions on powers of the member as provided under Section 293 to the curtailed jurisdiction of the Civil Court or not. Therefore, before entering into the factual details such issue regarding jurisdiction is need to be answered first.

In the present case also even if issue regarding mix-management of companies affair in calling of postal ballot may falls within the jurisdiction of company petition and though effect of outcome of such petition would be one of the evidence for determining the reliefs in Civil Suit, only because of such position, it cannot be said that Civil Court has no jurisdiction. At the most, it plaintiff fails to prove irregularity and mismanagement within the company, in appropriate proceedings, it may not be the ground and evidence available to the Plaintiff in the present suit.

Therefore, as confirmed in the case of Dwarka Prasad Prasad Agarwal vs. Ramesh Chandra Agarwal reported in AIR 2003 SC 2696, bar of jurisdiction of a Civil Court is not to be readily inferred and a provision seeking to bar jurisdiction of a Civil Court requires strict interpretation.

Though, apparently it seems that execution of sale-deed by defendant No.1 in favour of defendant No.3 falls within the management of the company, thereby it must be taken care of as per the provisions of Companies Act, the fact remains that when the dispute is between the company, its shareholders and a third party being defendant No.3, the tribunal constituting under company law has no jurisdiction to pass any order against third party being defendant No.3, though defendant No.3 is a company but it is a separate entity, with reference to defendant No.1. In my opinion, in general, the matters which are falling under dispute relating to the company means within the company, affairs of the company and amongst its members, shareholders and administrator and not with any third party.

If we referred submissions by the plaintiffs and provisions of Section 293 of Companies Act, it becomes clear that plaintiff company is not entitled to sale its property without prior permission or sanction from general meeting of the shareholders and if we perused the documents on record, it becomes clear that defendant No.1 before entering into sale transaction with defendant No.3, place a note in their record that only 16 postal ballots are received and all have given permission to sale the property the provisions of Companies (Passing of Resolution by postal ballot) Rules, 2001 are not strictly followed in as much as under Rule 2 (A)(b) which provides method for sending notice for postal ballot makes it mandatory for the company to issue

Brief facts:
The appellants are original plaintiffs, whereas respondents are original defendants in Special Civil Suit No.110 of 2011 filed before the 4th Additional Senior Civil Judge, Mahesana, wherein it was prayed to cancel the sale-deed executed by respondent No.1 in favour of respondent Nos. 2 and 3. An application vide Exhibit S was filed for interim relief to restrain the defendants from further alienating the disputed property being land admeasuring 4195 S.M. Since, the trial court has, by judgment and order dated 24.11.2011, rejected the said Exhibit S application for interim injunction filed by the plaintiffs, they have challenged the said order in the present appeal.

The essence and substance of the plaintiffs case is to the effect that they are shareholders of the defendant No.1 company which has illegally and with ulterior motive, so as to get personal financial benefit and thereby to put the company in financial loss, sold the suit property in favour of defendant Nos. 2 and 3 in violation of rules and provisions of the Companies Act and therefore sale-deed for such transaction is null and void.

Decision: Appeal allowed.
notice for postal ballot either by Registered Post. Acknowledgment due or under certificate of posting, but with advertisement published one in English newspaper and in one vernacular newspaper circulating in the State in which the registered office of the company situated, disclosing that the ballot papers have been dispatched. In Rule 4(1) it has become mandatory for a listed company to pass a resolution for selling its undertakings specified under sub clause (a) of Sub Section (1) of Section 293 of the Companies Act through postal ballot and therefore there is no dispute that before executing a sale-deed, the defendant No.1 company has to get consent of the shareholders in a general meeting may be by postal ballot. Now it is also not disputed that when voting is called upon through postal ballot, the Rules provides specific provisions for sending notice for postal ballot which specifically confirms that two different steps are must, i.e., (1) notice by post and (2) advertisement in a leading newspapers regarding dispatching postal ballot. The plaintiffs produced one such public notice issued by defendant No.1 on 27.09.2007, defendant No.1 has agreed that they have received 16 ballot papers and all are confirming such safe but defendant No.1 has failed to confirm that when public notice on 27.09.2007 was advertised in English newspaper, why similar advertisement in vernacular language is not published, where registered office of the company is situated in compliance of Rule 2(8) of Companies (Passing of Resolution by postal ballot) Rules, 2001 regarding passing of resolution by postal ballot.

I am of the opinion that, irrespective of the observations or findings by the trial Court, the plaintiff has been able to prove on record that defendant No.1 has committed several irregularities under the Companies Act and in view of such prima-facie case, plaintiffs are entitled to certain relief. Considering the fact that such relief are of the interim nature, though the parties are allowed to present their case by adducing proper evidence, when the trial Court has failed to appreciate the record properly and when trial Court has failed to consider the Companies (Passing of Resolution by postal ballot) Rules, 2001, though all such provisions are discussed in the impugned order, it can safely be said that trial Court has failed to appreciate the record properly and thereby conclusions of the trial Court needs to be interfered and to that extent impugned order needs to be quashed and set aside.

Therefore Exhibit 5 which was dismissed by the trial Court cannot be allowed as prayed for, for all the reliefs, interim order to some extent, to protect right of all parties is necessary. Therefore, appeal is partly allowed. Thereby, defendants are restrained to the effect that they should not alienate the property in question to any 1st party till pendency of the suit. They should not commit any breach of any general, local or tax laws so as to create any encumbrance on the suit property. They should not part with possession of the suit property to any 2nd arty in any manner, what so ever. There should not be encumbrance except for getting loan from financial institution for running their business. They should not carry out any irregular or illegal construction till pendency of the suit.
the company’s requestor reviewing the restructuring package due to delay in implementation of the package by the lenders is to be considered and therefore the banks may provide the details of the outstanding interest as on 31.3.2013 and 31.10.2013, due from the company.

The position therefore remains more or less the same as it remained in September, 2013 when the order for admission was passed by this Court. From what has been stated above it appears to me, in the absence of any information placed by the company as to the developments, if any, which took place in August and September, 2013, pursuant to the directions given in the meeting held on 11.7.2013, that there are problems and impediments which continue to delay the process of revival and the shifting of the plant to Bihar and in setting the dues of the labourers at Fathabad. No details or documents are placed before me to show that the labourers are being paid in terms of the settlement agreement entered into with them and there is no material brought on record to show the progress in the shifting of the plant to Bihar. In these circumstances, the reliance placed on the techno-economic viability report prepared by Sanalah Dutta in December 2012 and the developments which took place prior to August, 2013 do not save the case of the respondent any further. More significantly, the respondent-company did not take any initiative to call various stakeholders or make settlement proposals to the petitioner despite the order dated 2.9.2013 making it clear to the respondent to take the main ground of not proceeding with the proceedings for a period of 8 weeks. Any amount payable to the petitioner is outstanding for quite some time. No initiative appears to have been taken by the respondent-company even after the passing of the order by this Court on 2.9.2013. I am therefore left with no other option but to publicise the publication in the Delhi Gazette, Times of India (English) and Navbharat Times (Hindi) that the winding up petition against the respondent-company has been admitted.

Moreover, I cannot also lose sight of the fact that publication of the petition that the winding up petition against the company has been admitted is likely to have adverse impact on the restructurings/proposals/proceedings which are under consideration by the consortium of banks and on the labourers who are awaiting settlement, having assured the company that they will not hamper the process of shifting the factory to Bihar. It is significant to note that the banks took a decision not to take any legal steps or action in the Debt Recovery Tribunal against the company. The company is showing signs of meeting the level of operations. Therefore, there is no information as to what happened in August and September, 2013, about the progress of the restructuring proposal, there is also no information to the effect that the restructuring proposal has been terminated or dropped. If the proposal is still under consideration and for some reason or other, they have been deferred to a future date beyond September, 2013 and are still alive, an immediate advertisement of the admission of the petition would cause damage to the prospects of the company vis-a-vis the restructuring package. On the facts of the present case and by virtue of the powers vested in me under Rule 9 of the Company Court Rules, 1959, I am of the view that it would be appropriate to advertise the admission of the winding up petition in the Delhi Gazette and the newspapers mentioned above on 14th February, 2014, making it clear in the advertisement that a provisional liquidator is yet to be appointed.

I have consequently deferred the appointment of a provisional liquidator. This will be taken up for consideration, if necessary and if the resolution so demands, on the next date of hearing.

LW: 13:02:2014

L & T Finance Ltd v. Nissan Copper Ltd

[GUJ]

Co.Pet.No.214/2012

R.M. Chhaya, J.

[Decided on 03/10/2013]

Companies Act, 1956 - sections 433 & 434 - default in payment of loan - winding up petition filed against the borrower company - debts admitted - defence raised on technical grounds - whether petition is admissible - Held, Yes.

Brief facts:

The respondent-Company availed the loan facility to the tune of Rs. 3 crores. The respondent-Company has not made any payment to the petitioner-company since January, 2010. The respondent-Company did not give any response to the statutory Notice issued by the Petitioner. It is also not in dispute that despite repeated requests and even after statutory Notice, the respondent-Company has not made any payment to the petitioner-Company. It is pertinent that the respondent has failed and neglected to pay dues of a financial institution wherefrom it availed loan.

The court while hearing the winding up petition passed an order admitting the petition but subject to the petitioner removing the defects in the affidavit filed in support of the petition. The petitioner did not remove the defects within the time granted by the court. The respondent company sought to dismiss the petition on this technical ground.

Decision: Petition admitted.

Reason:

It may be noted that during the course of hearing. Respondent raised a technical plea to the effect that the instant petition is not
in consonance with Form 3 Rule 21 read with Rule 21 and no such form is filed. Happens from the order dated 25.6.2013 passed by this Court that the matter was virtually heard at length and the petitioner Company was granted time to remove the defects, if any, by 3.8.2013.

It is not in dispute that the respondent-Company availed the loan facility to the tune of Rs. 3 crores. It is also not in dispute that the respondent-Company has not made any payment to the petitioner- company since January, 2012. It is also not in dispute that the respondent-company did not give any response to the statutory Notice. It is also not in dispute that despite repeated requests and even after statutory Notice, the respondent-Company has not made any payment to the petitioner-Company. It is pertinent that the respondent has failed and neglected to pay dues of a financial institution wherein it availed loan.

In this context, it would be appropriate to refer to the provisions contained under Sections 433 and 434 of the Companies Act, which inter alia provides that if a company is unable to pay its debts or if the Court is of the opinion that it is just and equitable that the Company should be wound up, in such circumstances company can be wound up. According to the Section 434 of the Act, if after service of statutory Notice at the registered office of the Company the debtor neglected to pay the same, it will be deemed that the Company is unable to pay its debts.

In view of the facts and circumstances of the case and above mentioned undisputed facts namely that the respondent-Company has failed to repay the loan and even after service of statutory notice it has not paid any payment towards the loan, the Court is satisfied that the case of the petitioner-Company falls within the purview of Section 434 read with Section 433 and that the respondent-Company has neglected to pay its debt and therefore, the petitioner has made out a case for order of admission of petition.

In light of the submissions made by the learned advocate for the petitioner and on pursuance of the orders dated 25.6.2013 as well as 6.8.2013, it is hereby recorded that the technical plea taken by the respondent nothing but a sheer attempt to either delay in making the payment or an attempt to put forward a moonshine defence in the petition.

In the present petition, except the technical plea that there is some breach of the Companies (Court) Rules, 1959, there is no denial by the respondent Company to the demand raised by the petitioner. Even as per the order dated 25.6.2013 passed in this petition, this Court has provided that if the respondent does not make the payment and/or does not finalize arrangement similar to CDR with the petitioner, the petition will automatically stand admitted on 6.8.2013. Cumulatively considering the aforesaid facts, this petition is required to be admitted.

**Competition Law**

**LW: 14:02:2014**

**M/S ESYS INFORMATION TECHNOLOGIES PVT LTD v INTEL CORPORATION (INTEL INC.) & ORS**

**[CCI]**

**Case No. 48 of 2011**

Ashok Chawla, Dr. Geeta Gouri, Anurag Goel, M. L. Tayal, Justice (Retd.), S. N. Dhingra, S. L. Bunker

Member.

[Decided on 16/01/2014]

**Competition Act,2002 – sections 3 and 4 – distribution of computers etc. by Intel – conditions imposed in the agreement – whether indulged in anti-competitive agreement and abuse of dominance – Held, No.**

**Brief facts:**

Being a dominant enterprise in the relevant market of microprocessors for mobiles, desktops, laptops, and servers in India, it is alleged in the complaint that Intel has abused its dominant position by:

i. Imposing unfair and discriminatory conditions such as prohibition on dealing with its competitors, reducing the credit period for the informant when it deals with the products of AMD, etc. in violation of provisions of Section 4(2)(a)(i) of the Act.

ii. Indulging in unfair pricing by discriminating price between the distributors and Original Equipment Manufacturers (OEMs) in violation of provisions of Section 4(2) (a) (i) of the Act.

iii. Restricting and limiting the production by foreclosing the distribution network to its competitors in violation of provisions of Section 4(2)(b) (i) of the Act.

iv. Denying access to the market of microprocessors to its competitors by not allowing its distributors to deal with their products and denying access to the market of personal computers and laptop to the informant in violation of provisions of Section 4(2)(c) of the Act.
vi. Imposing supplementary conditions whereby distributors are obliged to notify Intel whenever they intend to deal with products of its competitors and tying high demand products with low demand products in violation of provisions of Section 4(2) (d) of the Act.

vi. Leveraging its dominant position in the market for its high demand products for low demand products by compelling the distributor to buy its high demand product along with the low demand products in violation of provisions of Section 4(2) (e) of the Act.

**Decision:** Complaint dismissed.

**Reason:**
The Commission has carefully perused the entire material submitted by the Informant, the submissions made by the Informant and Intel before the DG, the investigation report of the DG, objections/ reply filed by Intel in response to the DG’s findings and all other relevant material and evidences available on record.

**Issue No. 1:** Whether there is contravention of the provisions of Section 3 of the Act by Intel?

Informant has alleged that Intel has contravened provision of Section 3(4) of the Act by indulging into tie-in arrangement, exclusive supply agreement and resale price maintenance, which is, as provided in the Act, includes any agreement requiring a purchaser of goods as a condition of such purchase, to purchase some other goods. In the instant case, it is observed by the Commission that there is no evidence on record to hold that Intel is putting any condition before any distributor that it will provide its high demand products only if the distributor purchases its low demand products also. Rather, it has come in evidence that Intel provides more incentives to those distributors who achieve the targets with reference to its low demand products. This target and incentive structure of Intel has plausible business justification. It may be a prudent business decision on the part of a manufacturer to provide more incentives to distributors for its low demand product with the intention to raise its market demand. Any allegation related to the aforementioned incentive schemes may raise serious concern, only if the same has an appreciable adverse effect on competition including the impact of causing foreclosure of the competitors of Intel or distort the competition in the downstream distribution business. In this case, investigation has pointed out that the incentive schemes are neither causing foreclosure of competitors of Intel nor placing the Informant at any competitive disadvantage. Thus, in the absence of any harm to competition the Commission finds no merit in the allegation of the Informant in this regard.

The next is the issue of exclusive supply agreement. As per the Act, exclusive supply agreement includes any agreement restricting in any manner the purchaser in the course of his trade form acquiring or otherwise dealing in any goods other than those of the seller or any other person. In the DG report, it is found that “the Agreement does not prohibit and rather provides for the distributors to deal in competing products of Intel subject to limitations. It is further noted that Intel has not imposed any conditions that would prevent or restrict the resale of Intel products by the distributor.”

On the issue of resale price maintenance, the Act provides that it includes any agreement to sell goods on condition that the prices to be charged on the resale by the purchaser shall be the prices stipulated by the seller unless it is clearly stated that prices lower than those prices may be charged. The Informant has alleged that Intel is dictating the resale price to the distributors. On the other hand, Intel has submitted that the suggested retail price is only a guideline and that distributors have the sole discretion to determine its own resale price. The Commission notes that contrary to the allegation of the Informant, Clause 4(6) of distributor agreement expressly provides that distributors are free to sell the Intel products at a price suggested by the distributors. The information obtained by the DG from various parties revealed that the distributors themselves set the resale price of microprocessors. Therefore, the allegation that Intel is setting the resale prices for distributors is not substantiated. It is further noted that the DG has found that Intel does track information about the prevailing market price of microprocessors, Intel has contended that it is natural and legitimate to be interested in downstream prices at which distributors sell their products. Intel has argued that this mechanism helps the manufacturer to plan and adjust capacity to satisfy end users needs. The DG has also stated that monitoring of resale price by Intel is a macro level exercise and cannot be termed as resale price maintenance in terms of Section 3(4)(e) of the Act.

After due consideration, the Commission is of the view that monitoring the downstream market price of its own products as in the present case cannot be said to be anti-competitive. The Commission has not come across any evidence which suggests that the alleged act of Intel would in any manner create barriers to new entrants in the market, drive existing competitors out of the market or foreclose competition into market.

On the basis of the above analysis, the Commission is of the considered opinion that Intel has not contravened the provisions of Section 3(4) read with Section 3(1) of the Act. Hence, the issue is decided accordingly.
Issue No. II: Whether there is contravention of provisions of Section 4 of the Act by Intel?

Accordingly, the Commission is also of the view that there are four relevant markets involved in the instant case as identified by the DG viz: “the market for microprocessors for desktops PCs in India”; “the market for microprocessors of mobile/portable PCs such as laptops, notebooks, net-books, etc. in India”; “the market of microprocessors for servers in India”; and “the market of microprocessors for tablets in India.”

Having delineated the relevant markets, the next issue is whether Intel is in a dominant position in any of the said relevant markets. It is pertinent to note that there exist strong entry barriers in the relevant markets in the present case, on account of significant intellectual property rights of Intel. This combined with the scale and scope that Intel enjoys, does accord it a position of dominance. Considering all the facts cumulatively, the Commission is of the opinion that Intel has economic strength and market power, which enables it to operate independently of competitive forces prevailing in the relevant market. Thus, the Commission holds the view that Intel enjoys a dominant position in three of the four relevant markets i.e., “the markets of microprocessors for desktops PCs in India”; “the market of microprocessors of mobile/portable PCs such as laptops, notebooks, net-books, etc. in India”; and “the market of microprocessors for servers in India.”

On the issue of imposition of unfair conditions in the Agreement by Intel, based on the findings of the DG and material available on record it is observed by the Commission that Intel has not imposed any conditions on the Informant in the Agreement which can be termed as unfair or discriminatory. The allegation of the Informant that Intel restricted it to deal with the products of its competitor or gives incentives in meeting the target of sale of its high demand product based on the target set for its low demand products does not get substantiated from the available material on record. In the preceding paras it has been seen that the distributors of Intel products are not precluded from dealing in the products of its competitors and in fact they were found dealing in the competing products. Therefore, there is no question of foreclosure of market for the competitors of Intel. It has also been seen that the scheme of incentives and targets is not unfair or discriminatory. Under these circumstances it is evident that no clause in the Agreement is found to be unfair or discriminatory as alleged by the Informant.

The issue for the consideration of the Commission is whether Intel is charging different prices to different customers namely the OEMs and the distributors for the sale of similar products with the same marginal costs. It is evident from the facts on record that the cost of packaging of microprocessor for the distributors is different from the cost of packaging microprocessor for OEMs, being higher for the former and lower for the latter. Thus, Intel has been charging different prices because of cost difference and the prices appear to be aligned to the costs. Further, from the DG findings, it is observed by the Commission that OEMs are the business partner of Intel and are bulk purchasers. It appears to be a common business practice to give better discount to the bulk purchase and unless it impedes the ability of the reseller to compete any competition concern may not probably arise. Further, the Informant has not been able to supply any cogent evidence or reason to support its allegations. The Commission, agreeing with the DG, concludes that the alleged pricing policy of Intel does amount to secondary line price discrimination and has not resulted in foreclosure of any of its downstream customers. Thus, the allegations of the Informant regarding charging of unfair and discriminatory prices by Intel in abuse of dominance in violation of Section 4(2) (a) (i) does not stand established.

After considering the information and evidence available on record the Commission is of the opinion that Intel has also not restricted and limited the market by foreclosing the distribution network to its competitors or denied access to the market of microprocessor to its competitors or imposed supplementary conditions or leveraged its dominant position in the market of high demand products in the market for low demand products. Thus, the Commission is of the view no contravention of the provisions of Section 4(2) (b) (c), Section 4(2) (c), Section 4(2) (d) and Section 4(2) (e) of the Act by Intel has been established in the present case.

LW: 15:02:2014

TULIP STAR HOTELS LTD. v. SPECIAL DIRECTOR OF ENFORCEMENT [SC] Civil Appeal No. 680 of 2014 & 681 of 2014

S.S. Nijjar & F.M.I. Kalfulla, JJ. [Decided on 18/01/2014]

Sections 6(4), 6(5), 7 & 9 of the Foreign Exchange Regulation Act, 1973 read with section 49 (3) & (5) of Foreign Exchange Management Act, 1999 – Transaction between two authorised money changers – sale of foreign currency at higher rate – whether results in any violation of the Act or rules – Held, No.
Brief Facts:
The Appellants are the company and the Executive Director of the company. The Respondent issued a show cause notice against the Appellants, alleging that the Appellant company sold foreign currency to the value of Rs. 1, 01, 00, 000/- and $500, 000/- of UK between 29.4.1997 to 5.6.1997 through unauthorised persons nominated by M/s Hotel Zanzam in violation of Sections 6(4), 6(5), 7 & 8 of the Foreign Exchange Regulation Act, 1973 (hereinafter called 'FERA') as well as paragraph 3 of the Memorandum of FLM issued by RBI. The Appellants were called upon to show-cause why penalty should not be imposed against them under Section 50 of FERA read with Section 49 (3) & (4) of Foreign Exchange Management Act (hereinafter called 'FEMA'). Subsequently, by order dated 28.10.2004 the Respondent imposed a penalty of Rs.50, 000/- each on both the Appellants. The Appellants preferred appeals before the Appellate Tribunal for Foreign Exchange, which were also dismissed by order dated 2.7.2008. The aforesaid order of the Original Authority, as well as the Appellate Authority, were the subject matter of challenge before the Division Bench of the High Court, which having confirmed the orders of the lower authority, as well as the tribunal, the Appellants have come forward with these appeals.

Decision: Appeals allowed.

Reason:
The above impugned orders disclose that the only violation or contravention related to the stipulations contained in paragraph 3 read with Section 6(4) and 6(5) of FERA. It will be relevant to note that the variation in the rates of purchase value of the foreign currency was not the basis for the ultimate conclusion about the contravention held against the Appellants. Therefore, keeping aside the said aspect, when we examine the contravention held proved against the Appellants, we feel it appropriate to make a reference to paragraph 9 in the forewent. Under paragraph 9 of the FLM as between the money changers, a free hand has been given for purchase and sale of any foreign currency notes etc. in foreign value. The only restriction imposed therein is that the Indian rupee value of the foreign currency should not be paid by way of cash, but should always be paid in the form of an instrument such as banker's cheque/pay-order/demand draft etc., or by debiting to the purchaser's bank account. Therefore, if under paragraph 9 such a free hand has been given to the money changers, namely, FFMIs in the matter of purchase of foreign currency etc., by making payments in the form of negotiable instruments under the relevant statutes, the question that would arise for consideration would be whether in a case of this nature where such a transaction had taken place in between two licensed FFMIs and the said transaction was carried on by exchange of foreign currency by way of payment in the form of pay-orders and that the sale effected by the Appellants and the purchase made by the other FFMIs, namely, M/s Hotel Zanzam was not disputed, can it still be held that there was any violation at all in order to proceed against the Appellants for imposing a penalty?

When we examine the said issue, we are unable to accede or countenance the stand of the Respondent that the foreign currencies to the value mentioned in the earlier paragraphs were handed over to the representative of M/s Hotel Zanzam by one Mr. Rakesh Mahatara and, therefore, the whole transaction was in contravention of Sections 6(4) and 6(5) of FERA and paragraph 3 of FLM.

When we examine paragraph 3 of FLM, we find that the caption of the said paragraph is “Authorised Officials”. The purport of the said paragraph was to ensure that any licensed money changers should allow transaction of its money changing business in its premises only through such persons who are the licensed authorised officials as certified by the office of the Reserve Bank under whose jurisdiction such money changers operate their business. The last part of paragraph 3 makes the position a little more clear which states that “no person other than the authorized representative should be allowed to transact money-changing business on behalf of the money-changer.” Apparently when a money changer operates its business from its premises, any transaction by way of sale or purchase as part of its money changing business should be carried out only through an authorized representative.

When we extend the application of the said stipulation to the case of present nature, it can only be said that if such transaction had taken place as between the Appellants and the purchaser M/s Hotel Zanzam, it should have been carried on only through their respective authorized representatives. The statement of Mr. Peter Kerikeri, disclose that on each occasion the transaction was negotiated by the Branch Manager of the Appellants with one Mr. Pinky of M/s Hotel Zanzam. It is not the case of the Respondent that neither of these two persons who indulged in the transaction of money changing business were not the authorized officials of their respective establishments. If the said factum relating to the business transactions, which had taken place as between the Appellants and M/s Hotel Zanzam is not in controversy, we fail to see how a violation of paragraph 3 can be alleged as against the Appellants.

It is stated that after the transaction as between the Appellants and M/s Hotel Zanzam concluded, M/s Hotel Zanzam stated to have indulged in some transaction, which was in violation of the provisions of FERA with which the Appellants were not in any way concerned. It can also be safely held that far any violation of contravention of the provisions of FEMA or FERA at the instance of M/s Hotel Zanzam after the money changing transaction as between the Appellants and the said concern had come to an end, the Appellants cannot in any way be held responsible or proceeded against.

In our considered opinion that in the peculiar facts of this case and having regard to the nature of transactions which had taken place
as between the Appellants and M/s Hotel Zam Zam in the manner in which it has been narrated in the impugned order of the Original Authority as noted by the Tribunal, as well as the Division Bench of the High Court, we are convinced that there was no scope to allege a violation of paragraph 3 of the FLM or for that matter Sections 6(4) and 6(5) of FERA, 1973.

LW: 16:02:2014

KAVITA DOGRA v. DIRECTOR OF ENFORCEMENT [DEL]

Crl. Appeal No. 44 of 2008

S. Murudkar, J.

[Decided on 16/01/2014]

Foreign Exchange Regulation Act, 1973—sections 18(2) and 68—non-realisation of export proceeds—effection by the company—vicarious liability of the director—director vicariously held responsible—notice is silent upon the role played by the director—whether punishment sustainable— Held, No.

Brief facts:

The Directorate of Enforcement (‘DoE’) initiated the proceedings under FERA by issuing a memorandum to the company and its Directors including the Appellant herein. The case of the Appellant was that she was not an active director of the company and was not involved in any manner with the day-to-day affairs of the company. The Deputy Director, DoE, passed an adjudication order on 28th October 2003 referring to the replies of the company and its directors including the reply of the Appellant. The Appellate Tribunal had also rejected the appeal filed by the present appellant. Hence, the present appeal to the High Court.

Decision: Appeal allowed.

Reason:

A perusal of the said adjudication order shows that there was no separate consideration of the individual cases of each of the directors. There is an ominous finding to the effect that “export” had taken place when Shri Dinkar Dogra, Anshin Dogra, Kirit Chimwalwar and Smt. Kavita Dogra were responsible against whom the show cause notice was issued, to realize the money............ There was no application of mind to the precise role and responsibility of the Appellant in the day-to-day affairs of the company.

Even in the impugned appellate order dated 9th October 2007 the discussion is about the role of Mr. Dinkar Dogra and Mr. Kirit Chimwalwar, the other Directors. Although the appeal of the Appellant, Mrs. Kavita Dogra, was also dealt with by the impugned appellate order, there is no discussion of the facts relating to her.

To begin with, the Court would like to observe that although Section 68 FERA is in the nature of a deeming provision, the proviso thereto contemplates rebuttal of such presumption by a person who is able to show that the contravention took place without his or her knowledge.

The above provision is pari materia with Section 141 of the Negotiable Instruments Act, 1881 (‘NI Act’). In J.M.S. Pharmaceuticals Limited v. Neeta Bhalla 2005 Cr.LJ 4140 it was emphasised by the Supreme Court that where a company is accused in a complaint under Section 138 NI Act, then in order to rope in any other person with the aid of Section 141 NI Act, an averment must be made in the complaint to the effect that such person was in charge of and responsible for the conduct of the business of the company “at the relevant time” when the offence was committed, and not on the basis of merely holding a designation or office in a company.

In the present case the memorandum is a cyclothymic form and the averments as regards all the directors are identical. There is no specific mention of the precise role of the Appellant in managing the day-to-day affairs of the company. There is no evidence to show in what manner the appellant was responsible to the company for the conduct of its business. As already noticed, neither the adjudication order nor the impugned order of the Appellate Tribunal discusses the facts peculiar to the appellant.

The Court is, therefore, satisfied that the DoE failed to make out a case of contravention of Section 18(2) FERA as far as the appellant was concerned. Neither the adjudication order nor the order of the AT in her case is sustainable in law.

LW: 17:02:2014

G.Velaiachamy v. Tamil Nadu State Transport Corporation & Anr [Mad]

W.P. (MD) No. 8030 of 2013 & M.P.No.1 of 2013

Sundaresh, J.

[Decided on 17/02/2014]
Industrial Disputes Act, 1947 – section 33 (2) (b) – request of the employer to dismiss the workman rejected – workman not reinstated – whether workmen to be reinstated – Held: Yes.

Brief facts:
The petitioner herein is an employee of the respondent Corporation. In pursuance of the enquiry conducted, he was dismissed from service for misappropriation of certain amounts. As the dispute was raised by a union, in which the petitioner is a member, the respondent No.2 has sought for approval for the dismissal of the petitioner workman under Section 33(2)(b) of the Industrial Disputes Act, 1947, (hereinafter referred to as the ‘Act’). The said approval was rejected on the ground that the payment of one month wages was not complied with. However, the petitioner has not been reinstated in service. Therefore, the petitioner has come forward to file the present Writ Petition alleging that in spite of approval petition having been dismissed, the petitioner has not been reinstated in service and paid the consequential benefits.

Decision: Petition allowed.

Reason:
Admittedly, as-on-today, the order of rejection passed under Section 33(2)(b) of the Act stands. Therefore, the petitioner is entitled for the relief as prayed for by him, The Hon’ble Apex Court in M.O., T.N. State Transport Corpn. Vs. Nanduvelangan reported in 2001 (1) LLR 296; (2001) 9 SCC 99, after considering the similar issue, was pleased to hold as follows:

“From the perusal of the views of the courts referred to above the position is manifest that while the employer has the discretion to initiate a departmental inquiry and pass an order of dismissal or discharge against the workmen the order remains in an interlocutory till the employer obtains order of approval from the Tribunal. By passing an order of discharge or dismissal de facto the relationship of employer and employee may be ended but not the de jure relationship fort that could happen only when the Tribunal accords its approval. The relationship of employer and employee is not legally terminated till approval of discharge or dismissal is given by the Tribunal. In a case where the Tribunal refuses to accord approval to the action taken by the employer and rejects the petition filed under Section 33(2)(b) of the Act on merits the employer is bound to treat the employee as continuing in service and give him all the consequential benefits. If the employer refuses to grant the benefits to the employee the latter is entitled to have his right enforced by filing a petition under Article 226 of the Constitution. There is no rational basis for holding that even after the order of dismissed or discharge has been rendered invalid on the Tribunal’s rejection of the prayer for approval the workman should suffer the consequences of such invalid order of dismissal or discharge till the matter is decided by the Tribunal again in an industrial dispute. Accepting this contention would render the bar contained in Section 33(1) irrelevant.

In the present case as noted earlier the Tribunal on consideration of the matter held that the employer had failed to establish a prima facie case for dismissal/discharge of the workman, and therefore, dismissed the application filed by the employer on merits. The inevitable consequence of this would be that the employer was duty-bound to treat the employee as continuing in service and pay him his wages for the period, even though he may be subsequently placed under suspension and an inquiry initiated against him.”

In the light of the pronouncement of the Hon’ble Apex Court, there is no bar in law to entertain the Writ Petition. What the petitioner seeks is not a rated under the Act. On the contrary, what he seeks is his right to continue as an employee of the respondent’s corporation. Therefore, the objection raised by the respondent corporation cannot be sustained.

Considering the above, the Writ Petition is allowed as prayed for and the respondent Nos.1 and 2 are directed to reinstate the petitioner in service with continuity of service and the other consequential benefits, within a period of eight weeks from the date of receipt of a copy of this order. No costs.

In the light of the decisions referred to supra, this Court is of the view that the petitioner is entitled to succeed. Accordingly, the Writ Petition is allowed and the respondents are directed to reinstate the petitioner in service with continuity of service and the other consequential benefits,

LW: 18:02:2014

ENGINEERS INDIA TECHNICAL SERVICES v.
C.C.A.C.EX. RAIPUR (CESTAT)

Service Tax Appeal No.60491 of 2013-SM

G. Raghuram, President.

[Decided on 18/01/2014]

Brief facts:
The petitioner provided commercial or industrial construction services (CICs), a taxable service to M/s Maa Enterprises and M/s Maa Constructions, Nagpur during 2005-2006 to 2007-2008. The appellant was registered for providing the taxable CICs services since February 2007. It however neither filed returns nor remitted the service tax on this taxable services provided to M/s Maa Enterprises and M/s Maa Constructions, Nagpur during the period in issue. Audit revealed non-remittance of tax and hence a notice was issued on 11.9.2008 which culminated in the adjudication proceedings. The appellant contended that he worked as a sub-contractor to the principal contractor during the relevant period and that the service tax on the consideration received by the principal contractor from the eventual service recipient, was remitted. In support of this assertion, certificates issued by the principal contractor were furnished. However, adjudication authority rejected this contention and imposed tax and penalty. On appeal, the Appellate Authority confirmed the conclusion of the primary authority and rejected the appeal. Hence the present appeal to the Tribunal.

Decision: Appeal dismissed.

Reason:
The appellant refers to the Board Circular dated 7.10.98. This circular clarified that where an architect or an interior decorator sub-contracts a part of the whole of his work to another architect/interior decorator, no service tax is required to be paid by the sub-contractor, provided that the principal architect/interior decorator has paid service tax on the services rendered by him to the client and provided the sub-contracting is in respect of the same service category. A similar clarification was issued vide Board Circular dated 6.6.97 in respect of custom house agent service.

These two Board Circulars, in my respectful view, clearly misstate the legal position and are contrary to the provisions of the Act. Clarifications by the Board are intended to guide field formations, but occasionally tend to achieve the opposite. Provisions of the Finance Act, 1994 clearly explain that service tax is remittable (unless otherwise provided in the Statute) by every taxable service provider at every stage of provision of a taxable service. The recipient of a taxable service may be entitled to avail input credit of the service tax remitted, within the ambit of provisions of the Cenvat Credit Rules. The fact that taxable service is provided at various stages or by several agencies sequently does not after the trajectory of the legislative provisions, I find no legislative foundation or juridical principle in either the Board Circular dated 6.6.97 and the one dated 7.10.98, in so far as these Circulars set out a principle that where a principal architect or a Customs House Agent remits service tax, his sub-contractor, rendering the same taxable service is not liable to service tax.

While the principal contractors to whom the appellant herein had provided the taxable CICs services may be entitled to claim cenvat credit on the service tax remitted by the appellant for providing the taxable service, there is no legal basis for the claim that service tax remittance by the principal contractors, extinguishes the appellant’s service tax liability. I find no legislative or normative basis for such principle, particularly as any such principle renders the concept of Cenvat Credit nugatory.

On the aforesaid analyses, I find no error in the order of the Id. Commissioner (Appeals) confirming the order of the primary authority warranting appellate interference. The appeal is without merits and is therefore rejected, but without costs.

LW: 19:02:2014
WHIRLPOOL OF INDIA LTD v. CCE, DELHI-IV [CESTAT]
Excise Appeal No. 3471 of 2005
Archana Wadhwa & Rakesh Kumar.
[Decided on 31/12/2013]
Customs Act,1962 read with CENVAT rules – Import against advance licence by Kelvinator – non fulfillment of export obligations – Kelvinator merged with Whirlpool – settlement commission settled the duty demand issue and permitted Whirlpool to avail cenvat credit on additional duty – Department denied cenvat credit – whether assessee entitled for cenvat credit – case remanded for fresh adjudication.

Brief facts:
In this case, the undisputed facts are that
(a) the import duty of CRNKO steel sheets against two advance licences against export obligation had been made by M/s Kelvinator of India Ltd, during 1993-94 and the imported steel sheets were to be used for manufacture of Rotors and Stators for use in manufacture of compressors for refrigerators and the compressors/refrigerators were to be exported;
(b) the manufacture of Rotors and Stators was taking place in Ballabgarh factory of M/s Kelvinator of India Ltd;
(c) before the export obligation could be made by M/s Kekriwara of India Ltd., this company was taken over by M/s Whirlpool of India Ltd. (the present appellant) in 1995 and in 1996 the name of the company was changed to M/s Whirlpool of India Ltd.;

(d) Ballabgarh plant for manufacture of Retors and Slators was sold by the new owner (the present appellant) to M/s Tecumseh India (P) Ltd. in 1997;

(e) after taking over of M/s Kekriwara of India Ltd. by the present appellant, the present appellant tried to meet the export obligation against duty free import of CRINGO steel sheets against advance licenses but could not meet the export obligation even during the extended period;

(f) on failure of the present appellant to meet the export obligation, the DGFIT issued show cause notices in 1997 addressed to M/s Kekriwara of India Ltd. and subsequently issued two denial entry memos;

(g) on representation being filed by the present appellant M/s Whirlpool of India Ltd. to DGFIT, the DGFIT vide letter dated 18/12/01 put the denial entry memo in abeyance subject to condition that the appellant discharged their duty liability alongwith interest thereon and produce evidence in this regard;

(h) subsequently when the appellant approached the customs department, the customs department informed them about their duty liability which was Rs. 6,11,73,881/- out of which an amount of Rs. 95,76,342/- was additional customs duty component and besides this, the appellant were to pay interest of Rs. 13,98,36,515/-;

(i) the appellant paid the customs duty of Rs. 6,11,73,881/- on 28/10/02 and filed an application before the Settlement Commission admitting their above-mentioned duty liability and praying for waiver of interest and immunity from penalty, fine, and prosecution;

(j) the Settlement Commission vide final order dated 01/09/03 ordered that the duty of Rs. 6,11,73,881/- already paid by the appellant be treated as discharge of their customs duty liability and waived the interest on duty and also granted immunity from penalty and prosecution;

(k) the above order of the Settlement Commission also directed that if the appellant are eligible the Commissioner would consider permitting Cenvat credit of additional customs duty of Rs. 95,76,342/- and

(l) while the customs duty alongwith the additional customs duty had been paid by the appellant on 28/10/02, in pursuance of the Settlement Commission order they took is Cenvat credit on 30/03/04 under intimation to the Department.

The point of dispute is as to whether in view of the above factual ground, the appellant would be eligible for Cenvat credit.

Decision: Case remanded for fresh adjudication.

Reason:
Cenvat credit in respect of any duty paid inputs received by a manufacturer is available to him only for their use by him in the manufacture of finished products and if the duty paid inputs are not used by him for this purpose, the Cenvat credit would not be admissible to him. In terms of Rule 8 of the Cenvat Credit Rules, 2002, which were in force at the time of taking credit, if a manufacturer of final product shifts his factory to another site or the factory is transferred on account of change in ownership or on account of sale, merger, amalgamation/liquidation or transfer of factory, to a joint venture or the company with the specific provision for transfer of liabilities of such factory, then the manufacturer shall be allowed to transfer the Cenvat credit lying unutilized in his account to such transferred, sold, merged, leased or amalgamated factory only if the stock of inputs, as such, or in process or the capital goods are also transferred alongwith the factory to the new site or ownership and the inputs or capital goods on which the credit has been availed, are duly accounted for to the satisfaction of the Commissioner. Thus, if a company A owning a manufacturing unit is taken over by another company B with all assets and liabilities, the Cenvat credit lying in the account books of the company A can be transferred to company B only if the stock of inputs lying unutilized as such or in process or the capital goods, in respect of which credit the Cenvat credit had been taken, are also transferred alongwith the factory; Thus, to the extent, the Cenvat credit lying unutilized in the account books of company A is in respect of the goods which have already been consumed by A prior to its take over and are not available for transfer, the credit cannot be transferred to the Cenvat credit account of company B which has taken over the company A; Rule 8 of the Cenvat Credit Rules, is in accordance with the general principle that Cenvat credit would be available to a manufacturer in respect of only those duty paid inputs which are actually used by him in his factory in the manufacture of finished products. It is this principle which has to be applied for resolving the dispute in this case.

In the present case, as discussed above, the CRINGO steel sheets had been imported by the previous owner of the factory M/s Kekriwara of India Ltd. in 1993-94. At that time, the import was made free of duty against advance licences with export obligation. During 1995-96, the factories of M/s Kekriwara of India Ltd. were taken over by M/s Whirlpool of India Ltd. As per the Commissioners finding, the CRINGO steel sheets had been used in Ballabgarh
On search to the said parcel van on 07.09.2009 at about 8:30 pm at the plot form No. 6 in Lucknow Railway Station, the investigating authority inventorising following goods, which included charas and ganja, of the quantity and value thereof mentioned against each seized the same. No one came forward to claim the charas and betel nut and ganja as also charas. There was no evidence of lawful import of the charas and betel nut which were found to be goods of third country origin seized as above. Notice of confiscation was issued in respect of the goods seized. The appellant pleaded ignorance by contending that recovery of aforesaid goods was made from the parcel van without knowledge of the appellant. In absence of any involvement of the appellant with goods of aforesaid description and being thereafter, the appeal not be brought to the fold of law.

Decision: Appeal dismissed.

Reason:
It is unbelievable how the appellant pleads that the parcel van was not sealed when valuable goods of consignors were in the leased parcel van. Appellant made plea of breaking of seal baselless in absence of any FIR or police report. When loading and unloading of goods are made to and from parcel van it is responsibility of appellant to answer as to identity of consignor and consignee on record and their address as well as description of goods. Appellant cannot plead innocence. A man of ordinary prudence and diligence would never believe that a leased parcel van shall leave a station without seal when appellant is answerable to pillage and loss thereto. Appellant is always accountable to the contents inside the parcel van. It is unbelievable that the appellant has no knowledge about the NDPS substance inside the van which had been found during search. So also, smuggled goods of third country origin were also found therein without any evidence of lawful import documents. NDPS substance being harmful and injurious to society, there shall be no leniency to the appellant at all against penalty imposed on him. Appropriate due of penalty should be exemplary punishment to anti-social activity causing detriment to the interest of the society and the economy. Malicious and contumacious conduct of appellant cannot be ruled out. Similary without exclusive knowledge of appellant, no goods of questionable nature shall be loaded in parcel van for which appellant is answerable. Further standard proof is required in criminal proceeding is strict but preponderance of probability is enough in fiscal proceeding. Finding appellants active involvement and exclusive knowledge about Charas and Ganja as well as smuggled goods in the leased parcel van, appeal is dismissed.
01

Report u/s 394A of the Companies Act, 1956 – Taking accounts of comments/inputa from Income Tax Department and other sectoral Regulators while filing reports by RDs.

Section 394A of the Companies Act, 1956 requires service of a notice on the Central Government whenever cases involving amalgamation/reconstruction/amalgamation (under Section 394) come up before the Court of competent jurisdiction. As the powers of the Central Government have been delegated to the Regional Directors (RDs) who also file representations on behalf of the Government wherever necessary.

1. It is to be noted that the said provisions are in addition to the requirement of the report to be received respectively from the Registrar of Companies and the Official Liquidator under the first and second provisions to Section 394(1). A joint reading of Sections 394 and 394A makes it clear that the duties to be performed by the Registrar of Companies and Official Liquidator under Section 394 and of the Regional Director concerned acting on behalf of the Central Government under Section 394A are quite different.

2. An instance has recently come to light wherein a Regional Director did not project the objections of the Income Tax Department in a case under Section 394. The matter has been examined and it is decided that while responding to notices on behalf of the Central Government under Section 394A, the Regional Director concerned shall invite specific comments from Income Tax Department within 15 days of receipt of notice before filing his response to the Court. If no response from the Income Tax Department is forthcoming, it may be presumed that the Income Tax Department has no objection to the action proposed under Section 391 or 394 as the case may be. The Regional Directors must also see if in any particular cases feedback from any other sectoral Regulator is to be obtained and if it appears necessary for him to obtain such feedback, it will also be dealt with in a like manner.

3. It is also emphasized that it is not for the Regional Director to decide correctness or otherwise of the objections/views of the Income Tax Department or other Regulators. While ordinarily such views should be projected by the Regional Director in his representation, if there are compelling reasons for doubting the correctness of such views, the Regional Director must make a reference to this Ministry for taking up the matter with the Ministry concerned before filing the representation under Section 394A.

4. This Circular is effective from the date of issue.

(V. Sharma)
Deputy Director

02

Clarification with regard to holding of shares or exercising power in a fiduciary capacity – Holding and Subsidiary relationship under Section 2(87) of the Companies Act, 2013

This Ministry has received a number of representations consequent upon notifying section 2(87) of the Companies Act, 2013 which defines “subsidiary company” or “subsidiary”. The stakeholders have requested this Ministry to clarify whether shares held or power exercisable by a company in a fiduciary capacity will be excluded while determining if a particular company is a subsidiary of another company. The stakeholders have further pointed out that in terms of section 403 of the Companies Act, 1956, such shares or powers were excluded from the purview of holding-subsidiary relationship.

1. The matter has been examined in the Ministry and it is hereby clarified that the shares held by a company or power exercisable by it in another company in a fiduciary capacity shall not be counted for the purpose of determining the holding-subsidiary relationship in terms of the provision of section 2(87) of the Companies Act, 2013.

2. This issues with the approval of competent authority.

(K. Narayanan)
Assistant Director
03 (Information Technology) IT Governance For Depositories

[Issued by the Securities and Exchange Board of India vide CIR/ MIR/DER/03/2014 dated January 21, 2014]

1. SEBI constituted the Depository System Review Committee (DSRC) to undertake a comprehensive review of the Indian depository system. Based on the recommendations of DSRC, following guidelines are issued to strengthen the Information Technology (IT) governance framework of depositories.

2. Depositories shall formulate an IT strategy committee at the Board level of depository to provide insight and advice to the Board in various areas that may include:
   a. Developments in IT from a business perspective,
   b. Alignment of IT with the business direction,
   c. The availability of IT resources to meet strategic objectives,
   d. Competitive aspects of IT investments,
   e. Alignment of the IT architecture to the organization needs and its approval,
   f. Setting priorities and milestones,

3. Depositories shall formulate an executive level IT Steering Committee to assist the IT strategy committee in implementing the IT strategy. The IT steering committee shall comprise of representatives from IT, Human Resources (HR), Legal and various business functions as felt appropriate.

4. The Depositories shall formulate an IT strategy document and an Information Security policy which should be approved by the Board and reviewed annually.

5. The Depositories shall create an Office of Information Security and designate a senior official as Chief Information Security Officer (CISO) whose work would be to assess, identify and reduce information technology (IT) risks, respond to incidents, establish appropriate standards and controls, and direct the establishment and implementation of policies and procedures.

6. SEBI has laid down Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) for stock exchange and depositories vide circular CIR/MRD/03/12/2012 dated April 13, 2012 and CIR/MRD/07/17/2012 dated June 22, 2012. In addition to the requirements of the aforementioned circulars, depositories shall designate a senior official as the head of BCP function.

7. Depositories are directed to:
   a. Take necessary steps and put in place necessary systems for implementation of the above.

b. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decisions, wherever applicable.

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 read with Sections 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the Securities market.

DILIP R I
Deputy General Manager

04 FII Position Limits in Exchange Traded Interest Rate Futures (IRF)

[Issued by the Securities and Exchange Board of India vide CIR/ MIR/DER/03/2014 dated January 20, 2014]

1. SEBI in consultation with RBI vide circular CIR/MRO/ DRRMP/32/2013 dated December 5, 2013 prescribed the framework for Stock Exchanges to launch cash settled Interest Rate Futures on 10-year G-sec.

2. In the said circular, the following position limits were prescribed for FIs:

   a. The gross open positions of the FII across all contracts shall not exceed 10% of the total open interest or NRI 600 corens, whichever is higher.

   Additional restriction: The total gross short (sold) position of each FII in IRF shall not exceed its long position in the government securities and in Interest Rate Futures, at any point in time. The total gross long (bought) position in cash and IRF markets taken together for all FIs shall not exceed the aggregate permissible limit for investment in government securities for FIs.

   FIs shall ensure compliance with the above limits. Stringent action shall be taken against FII in case of violation of the limits.

3. SEBI vide circulars dated April 1, 2013 and July 18, 2012 has put in place guidelines for monitoring and enforcing limits of FIs in Government Securities and corporate bonds by directing depositories to disseminate information regarding the total FII investment values in Government and corporate bonds. It has been decided in consultation with RBI that this monitoring mechanism shall also incorporate monitoring of gross long positions of FIs in IRF as mentioned in Paragraph 2 above. The mechanism shall be as follows:

   a. [Further details provided in the circular]

   b. [Further details provided in the circular]
a. Stock exchanges shall provide information regarding aggregate gross long position in INR of all FIs taken together at the end of the day to the depositories NSDL and CDSL and shall also publish the same on their website.

b. NSDL and CDSL shall aggregate the gross long position of FIs in INR in each exchange and add relief investment of FIs in Government Debt for monitoring adherence to the regulatory limit prescribed in paragraph 13 (a) of the SEBI Circular on INR dated Dec 8, 2013 /paragraph 4.5 of the RBI directions on INR dated Dec 5, 2013 and shall jointly publish and disseminate the same on their website, on daily basis.

c. As and when the total of cash and INR of all FIs as determined in sub-paragraph to above reaches 85% of the permissible limit, NSDL and CDSL shall inform RBI (GM in-charge, Foreign Exchange Department), SEBI and Stock Exchanges.

d. Once 90% of limit is utilized, NSDL and CDSL shall inform RBI, SEBI and Stock Exchanges about the same. Stock Exchanges shall notify the same to the market and thereafter FIs shall not further increase their long position in INR till the overall long position of FIs in cash and INR comes below 85% of existing permissible limit.

4. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

5. The circular shall come into force from the date of the circular.

6. This circular is available on SEBI website at www.sebi.gov.in, under the category “Circulars”.

Shashi Kumar
General Manager

05 Operational Guidelines for Designated Depository Participants

[Issued by the Securities and Exchange Board of India vide CIR/ IMD/FRC/02/2014 dated : January 08, 2014]

The SEBI (Foreign Portfolio Investors) Regulations, 2014 (“the Regulations”) have been notified on January 07, 2014.

Pursuant to the implementation of Foreign Portfolio Investor (“FPI”) regime, SEBI approved Designated Depository Participants (“DDPs”) would grant registration to FPIs on behalf of SEBI and also carry out other allied activities in compliance with Regulations and other guidelines, circulars, issued thereunder.

It has been decided in consultation with various market participants to issue the operational guidelines to facilitate registration of FPIs by DDPs on behalf of SEBI. The same is annexed herewith.

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

The circular is available on SEBI website at www.sebi.gov.in under the categories “Legal framework” and “Information for FPIs”.

S. Madhusudhan
Deputy General Manager

These operational guidelines for Designated Depository Participants (“DDPs”) are issued to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2014 (“the Regulations”).

1.0 Engagement of DDP

Each FPI shall engage a DDP before making investment in Indian securities market. At all times the DDP and the Custodian of Securities (“Custodian”) of the FPI shall be the same entity.

2.0 Registration of FPI by DDP

2.1 Scrutiny of applications

The application received for grant of registration as FPI in the format prescribed under the Regulations (Form A) shall be scrutinized by the DDP on the parameters as described below:

2.2 Check List for Grant of Registration as FPI

The following checklist may be used by DDP for scrutiny of documents relating to registration of FPI.

Part A: Documents / Information submitted by the applicant:

<table>
<thead>
<tr>
<th>S No.</th>
<th>Particulars of Document</th>
<th>Whether Submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Application Form A, duly filled and signed</td>
<td>Yes/ No</td>
</tr>
<tr>
<td>2</td>
<td>POC/MOG Declaration and Undertakings</td>
<td>Yes/ No</td>
</tr>
<tr>
<td>3</td>
<td>Applicable conversion/registration fees</td>
<td>Yes/ No</td>
</tr>
<tr>
<td>4</td>
<td>Additional undertakings or information (please provide details thereof)</td>
<td>Yes/ No</td>
</tr>
</tbody>
</table>

(All the above 4 points have to be replied in the affirmative.)
## Part B: Consideration of application:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Regulatory requirements as specified in SEBI (FPI) Regulations, 2014</th>
<th>Remarks of the DOP</th>
<th>Remarks of the Regulatory requirements as specified in SEBI (FPI) Regulations, 2014</th>
<th>Remarks of the DOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name of the Applicant</td>
<td></td>
<td>10. Whether the applicant is fit and proper?</td>
<td>(Yes) / (No)</td>
</tr>
<tr>
<td>2</td>
<td>Category of the applicant: (please specify the name of the Sub-Category Category I Category II Category III)</td>
<td></td>
<td>11. PCC/MCQ status of the applicant</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>If the applicant or its investment manager/investment advisor/trustee of trust belong to Category II, its registration status with overseas regulatory authority, indicating the following details: Name of the Regulator Registration No. &amp; Validity Address Remark, if any</td>
<td></td>
<td>12. Whether the applicant is a part of any investor group?</td>
<td>(Yes) / (No)</td>
</tr>
<tr>
<td>4</td>
<td>Date &amp; Place of Incorporation (Wherever applicable)</td>
<td></td>
<td>13. Whether the name of the applicant figures in the list of defaulters (for default in payment of fees) available on SEBI website.</td>
<td>(Yes) / (No)</td>
</tr>
<tr>
<td>5</td>
<td>Principal place of business</td>
<td></td>
<td>14. Whether the name of the applicant has been checked in the publicly available sources for ascertaining any regulatory action against the applicant?</td>
<td>(Yes) / (No)</td>
</tr>
<tr>
<td>6</td>
<td>Is it legally permissible for the applicant to invest in securities outside the country of its incorporation or establishment?</td>
<td></td>
<td>15. Whether the applicant complies with the eligibility criteria as specified under SEBI (FPI) Regulations, 2014.</td>
<td>(Yes) / (No)</td>
</tr>
</tbody>
</table>

*This checklist is only illustrative and therefore does not prohibit DOP to obtain any other suitable information/document from the applicant, as per need.*

2.3 In case of an applicant being a bank or its subsidiary, the respective DOP shall forward the relevant details of the applicant such as its name & address to SEBI. SEBI would in turn request RBI to provide its comments. Based on the comments received from RBI, SEBI would intimate the comments of RBI to DOP accordingly.

2.4 Where the application form is incomplete, or lacks clarity, the applicant shall be advised by the DOP to clarify or furnish the desired information within a reasonable time.

2.5 Conditional Registration

If the applicant is newly incorporated/established seeking to register itself as a broad-based fund under Category II, but does not satisfy the broad-based criteria at the time of making application, the DOP may consider grant of conditional registration, with validity period of 180 days to such applicant:

2.5.1 The applicant is an India dedicated fund or undertakes to make investment of at least 5% corpus of the fund in India; 2.5.2 The applicant undertakes to comply with the broad based criteria before the validity of its conditional registration i.e., within 180 days; 2.5.3 In order to assess the compliance with the broad-based criteria, the FPI shall provide details of
investors to the DDP. The DDP may, after appropriate due diligence, issue acknowledgement regarding fulfilment of broad based criteria, if it is satisfied.

2.5.4 In case the DDP issues acknowledgement regarding fulfilment of broad based criteria, the conditional registration shall be treated as registration, henceforth.

2.5.5 If the FPI fails to satisfy the DDP that it has attained broad based status within 180 days, it shall be reclassified as category III,

2.5.6 If an existing broad based fund registered as Category II FPI, ceases to remain broad based on account of redemption etc., the procedure specified at clause 2.5.1 to clause 2.5.5 shall be followed,

3.0 Surrender of Registration

3.1 Where an FPI desires to surrender its certificate of registration, it may make an application to the DDP. The DDP shall accept the surrender of registration after ensuring the following:

3.1.1 There are no dues by the applicant outstanding to SEBI.

3.1.2 The holdings of the concerned applicant in security account and bank account is nil.

3.1.3 SEBI has given its No Objection Certificate (NOC).

4.0 Clipping Of Investment Limits

4.1 Where multiple FPIs belong to the same investor group, the investment limits of all such FPIs shall be clipped at the investment limit as applicable to a single FPI. This shall be the responsibility of the depositories.

4.2 For the purpose of ascertaining investor group, the concerned DDPs shall consider all such entities having direct or indirect common shareholding/ beneficial ownership/ beneficial interest of more than 50%, as belonging to same investor group. The DDP shall report the details of investor group(s) to the depositories.

4.3 Information regarding investor group(s) may be obtained by the DDPs from the respective applicants in the format as prescribed in Form A of the Regulations.

4.4 Where different FPIs belonging to the same investor group are serviced by different custodians, the custodians shall report the holdings to both the depositories. The depositories shall club the investment limits and ensure that combined holdings of all these FPIs does not exceed 10% of the issued capital of the investee company at any time.

Information regarding FPI groups:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of the reporting entity</th>
<th>Registration no. of reporting entity</th>
<th>Name of FPI with whom the applicant shares common and beneficial owners</th>
<th>Registration no. of FPI</th>
<th>Demat Account No. of FPI mentioned at IMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
</tr>
</tbody>
</table>

Instructions for providing investor group information:

- FPIs shall provide details of all entities having direct or indirect common shareholding / beneficial ownership / beneficial interest, of more than 50%, as a part of their group, for submitting this data.

- The common beneficiary owner(s) shall be identified on the basis of (1) share holding, (2) voting rights (3) any other terms of control, in excess of 50%, across FPIs, if any.

- In case of FPI groups, any one FPI may file the declaration, listing all other FPIs covered, and furnish the agreement / acknowledgement of other FPIs in that group on the cover letter i.e. a single certification can be provided for an FPI group.

- For individual investors, the individual and his/her relatives would constitute a group. The definition of “relative” shall be as per Section 2 Sub section 77 of the Companies Act, 2013.

4.5 The DDP shall take necessary declarations & undertakings from the FPI.

4.6 The Depositories shall ensure that the investment limit of 10% is not breached by the FPI investor group.

4.7 The depositories shall put in place appropriate systems, procedures and mechanisms to capture and maintain the details of FPIs belonging to the same investor group, based on the information provided by the DDPs, from time to time.

4.8 The depositories shall put in place appropriate systems, procedures and mechanisms to capture and maintain the details of holdings of FPIs belonging to the same investor group, based on the information provided by the DPs/Custodians from time to time.

4.9 The depositories shall put in place appropriate systems, procedures and mechanisms to monitor the
investment limit/holdings of FPIs belonging to the same investor group.

4.10 The depositories shall ensure that the aggregate holdings of all FPIs belonging to the same investor group should remain below 10% of the paid-up capital of the investee company.

4.11 In case the aggregate holdings of FPIs belonging to the same investor group exceed the stipulated limit for any reason whatever, the depositories shall put in place appropriate procedures and mechanisms to bring back the holdings within the stipulated investment limit, in a reasonable period of time not exceeding 7 days.

4.12 The depositories shall report the details of those FPIs who are responsible for such breach of investment limit to SEBI forthwith.

5.0 Miscellaneous Approvals

5.1 Change in Material Information

5.1.1 Under the Regulations, “if there is any material change in the information previously furnished by it to the Designated Depository Participant and/or Board, which has a bearing on the certificate granted by the Designated Depository Participant on behalf of the Board, it shall forthwith inform the Designated Depository Participant and/or the Board.

5.1.2 Such material change may include direct or indirect change in control, change in regulatory status, merger, demerger or restructuring, change in category, change in structure etc.

5.1.3 The DDP shall examine all such material changes and re-assess the eligibility of the FPI.

5.1.4 Where there is a delay of more than six months in intimation of material change by the FPI to the DDP, the DDP shall, forthwith, inform all such cases to SEBI for appropriate action, if any.

5.2 Permission for Disinvestment

5.2.1 FPIs which are not desirous of continuing with the registration but are holding certain securities, may hold such securities after expiry of registration. Such FPIs shall be permitted to hold the residual securities for subsequent disposal, after the expiry of FPI registration, subject to receipt of specific permission from DDP in this regard.

5.2.2 The procedure for seeking permission for disinvestment by FPIs after expiry of registration is given below:

5.2.2.1 At the time of expiry of registration, the FPI desiring permission for disinvestment shall make a request to DDP along with details of its holdings.

5.2.2.2 The DDP may grant such permission for disinvestment with an initial validity period of 6 months.

5.2.3 The required sale trades shall be carried out by the FPI only after receipt of permission from DDP.

5.2.4 The permission shall be granted only for sale of the securities held by the FPI as on date of expiry of registration. No purchase transactions shall be permitted after the expiry of registration. However, credit of corporate benefits and application for rights issue in respect of existing securities would be permitted.

5.2.5 If the FPI is unable to sell the securities within 6 months, it can approach the DDP for extension of permission. The request shall mention the reason for seeking extension and also accompanied by a statement of current holdings in the required format. These requests may be considered based on the merits of the case.

5.3 Name Change

5.3.1 In case the FPI has undergone a change in name, the request for updation/incorporation of new name should be submitted by the FPI to the DDP accompanied by documents certifying the name change. The documents relevant for name change are:

i. Original FPI registration certificate granted in the old name;

ii. Certified copy of document(s) from home regulator evidencing the name change;

iii. Certified copy of document(s) from Registrar of Company (or equivalent authority) (wherever applicable) issued, thereby evidencing the name change.

iv. An undertaking by the FPI stating that it is a mere name change and does not involve change in beneficial ownership;
5.3.2 Upon receipt of the request for name change along with above-mentioned documents, the DDP shall effect the change in name in the Registration Certificate and in its database.

5.3.3 If there is a delay of more than six months in intimation of name change by the FPI to the DDP, then it shall lead to violation of Regulation 23(1)(c) and liable for penal action, as deemed fit, by SEBI.

5.3.4 The DDP shall forthwith, forward all such cases of delayed reporting to SEBI for appropriate penal action, if any.

5.4 Change in DDP/Custodian

In case the FPI wishes to change the DDP/Custodian, the request for change shall be intimated to SEBI through the concerned DDP/Custodian. On receipt of no objection from the existing transferor DDP/Custodian and acceptance from the proposed/transfer FPI, the Custodian, then approval from SEBI shall be sought by the concerned FPI.

5.5 Change in Status of a Compliant Jurisdiction

5.5.1 If a jurisdiction, which was compliant with SEBI (FPI) Regulations at the time of grant of registration to FPI, becomes non-compliant i.e., ceases to be member of IOSCO/BIS or the concerned jurisdiction is listed in FATF’s “high risk” and “non-cooperative” jurisdiction, then concerned Custodians shall not allow the FPIs belonging to such jurisdictions to make fresh purchases till the time the jurisdiction is compliant with SEBI (FPI) Regulations. However, the FPIs shall be allowed to continue to hold the securities already purchased by it.

5.5.2 The concerned DDP shall inform to SEBI a list of such jurisdiction along with the details of FPIs belonging to the jurisdiction.

5.6 Other Changes relating to FPI

5.6.1 DDP shall take note of the other changes such as change in Compliance Officer; change in contact details and address and update the records accordingly.

5.6.2 If change in address results in change in jurisdiction of FPI, the DDP shall reassess the eligibility of FPI as per the Regulations.

6.0 Obligation of DDP with regard to taxation

The DDP shall set up a mechanism for tax deduction and payment in compliance with the directions issued by the Income Tax Department/CBDT/Reserve Bank from time to time.

7.0 Grandfathering provision for Qualified Depository Participants with existing clientele

Qualified Depository Participants ("QDPs") which are deemed to have been granted approval as DDPs under the Regulation 11(1) of the Regulations would be permitted to service the clients, which have opened qualified foreign investor accounts, as on date of notification of the regulations.

However, such QDPs will be allowed to register new FPIs after obtaining registration as a Custodian from SEBI.

8.0 Eligibility of Insurance and Reinsurance companies

It is clarified that insurance and reinsurance companies shall be deemed to be appropriately regulated for the purpose of the regulations, if they are regulated or supervised by the relevant regulator in their concerned foreign jurisdiction in the same capacity in which they propose to make investments in India. Such entities shall also be required to satisfy the eligibility criteria as laid down in Regulation 4 of the Regulations.

9.0 Clarification on Regulation 5(b)(ii)

For the purpose of Regulation 5(b)(ii) Investment manager shall mean an entity performing the role of investment management, investment advisory, trustee or any equivalent role and is responsible for investment related compliance of the foreign portfolio investor.

6  Reporting of Trades in Securitised Debt Instruments in Trade Reporting Platforms and Clearing and Settlement of trades in Securitised Debt Instruments through Clearing Corporations

[Issued by the Securities and Exchange Board of India vide CIR/ NID/DP/1/2014 dated 1 January 07, 2014]

1. SEBI vide circular dated January 24, 2013 has specified Guidelines for providing dedicated Debt Segments on Stock Exchanges. As per the said circular, the debt segment shall also offer separate trading, clearing, settlement and reporting facilities in Securitised Debt Instruments (as defined in SEBI]
From the Government

(Public Offer and Listing of Securitised Debt Instruments) Regulations, 2006, BSE, NSE and MCX-SX have already set up dedicated debt segment in accordance with the said circular.

2. For developing the Securitised Debt Instrument market and to improve transparency, it has now been decided that, all trades in Securitised Debt Instruments (listed or unlisted) by Mutual Funds, Foreign Institutional Investors/sub-accounts/ Qualified Foreign Investors/ Foreign Portfolio Investors, Alternative Investment Funds, Foreign Venture Capital Investors and Portfolio Managers shall be reported on the trade reporting platform of either NSE, BSE or MCX-SX within fifteen minutes of the trade. To ensure that the data is not duplicated, the trades shall only be reported on one of the trade reporting platform mentioned above. The reporting for a trade must be done by the buyer and the seller on the same platform to ensure matching of both sides of the trade.

3. To provide transparency and efficient pricing of Securitised Debt Instruments, the reporting platforms will provide continuous data pertaining to Securitised Debt Instruments, comprising of issuer name, ISIN number, face value, maturity date, current coupon, last price reported, last amount reported, last yield (annualized) reported, yield average yield price, total amount reported and rating of SDI. The Exchanges will also provide on their website offer document/ continuous directories, if any, relating to the Securitised Debt Instruments traded and such other additional information pertaining to the trade reporting.

4. Further, it has also been decided that all trades in Securitised Debt Instruments (listed or unlisted) done between specified entities, namely, Mutual Funds, Foreign Institutional Investors/ sub-accounts/ Qualified Foreign Investors/ Foreign Portfolio Investors, Alternative Investment Funds, Foreign Venture Capital Investors and Portfolio Managers and RBI regulated entities, as specified by RBI, shall be necessarily cleared and settled through the National Securities Clearing Corporation Limited (NSCCL) or the Indian Clearing Corporation Limited (ICCL) or MCX-SX Clearing Corporation Limited (MCX-SX CCL).

5. All transactions cleared and settled in terms of this circular will be subject to such norms as may be specified by NSCCL, ICCL and MCX-SX CCL.

6. NSE, BSE, MCX-SX and clearing corporations of the said exchanges are directed to:
   (a) make amendments to the bye-laws, rules and regulations for the implementation of the above decision with effect from April 01, 2014 as may be applicable and necessary;
   (b) make necessary arrangements for smooth implementation of this circular.

7. Specified entities are advised to gear up their systems and processes for implementation of the provisions of this circular within the time specified above.

8. All stock exchanges are advised to bring the provisions of this circular to the notice of all their members and to disseminate the same on their respective websites.

9. This circular is issued in exercise of powers conferred by sub-section (1) of section 11 and section 11A 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.

10. This circular is available on SEBI website at www.sebi.gov.in.

Barnali Mukherjee
General Manager

07 Delivery Instruction Slip (DIS) Issuance and Processing

[Issued by the Securities and Exchange Board of India vide CIR/ MIMD/DP/01/2014 dated : January 07, 2014]

1. SEBI had earlier issued circular SEBI/MRD/D/Dep/Cir/03/2007 dated February 13, 2007 and SEBI/MRD/D/Dep/Cir/03/2008 dated February 26, 2008 on safeguards to address the concerns of the investors on transfer of securities in dematerialized mode.

2. In order to safeguard the interest of the investors, it has been decided to strengthen the supervisory and monitoring role of the depositories and their participants with respect to issuance and processing of Delivery Instruction Slips (DIS). The issue was examined by the Depository System Review Committee and based on their recommendations the depositories are advised to put in place the following measures:

Standardization of DIS

3. Depositories shall ensure that the DIS is standardized across all DPAs in terms of:
   a. Serial Numbering of Delivery Instruction Slips so as to enable system level checks by the depositories
   b. Layout and size of DIS so as to facilitate scanning and easy readability of records.

4. The DIS must bear a pre-printed serial number, DP ID, and a pre-printed/proc-stamped Beneficial Owner (BO) ID. The depositories shall prescribe a standard method of serial numbering and ensure that serial numbers issued by a DP are unique within the DP-ID.
5. DP shall ensure that:
   a. same DIS shall not be used for giving both market and off-market instructions,
   b. a single DIS shall not be used for transactions with multiple execution dates.

Monitoring of DIS

6. Upon issuance of DIS booklets or loose slips to BO, the DP shall make available immediately the following details of the DIS to the depository system electronically:
   a. the DIS serial number,
   b. BO ID,
   c. date of issuance, and
   d. any other relevant detail as decided by the depository.

7. At the time of execution of DIS, DP shall enter the serial number of DIS in the depository system for validation. The depositories shall make provisions in their systems to facilitate the same.

8. In respect of all the transfer instructions on a DIS, Depositories shall validate the serial number of DIS and shall ensure that no instructions accompanied by a used DIS or unissued DIS are processed.

Scanning of DIS

9. DP shall scan every DIS executed during a day along with all Annexures/Computer printsout, if any, by the end of the next working day in the manner specified by the depository.

10. The depositories shall ensure that their DP have adequate infrastructure, systems and processes to implement scanning, storage and transfer of the scanned DIS in the manner specified by the depositories.

11. The depositories shall ensure that the systems set up by the DP maintains proper records of all scanned DIS images including audit trials for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS.

12. Depositories shall utilize the archived scanned images for off-site inspection.

13. Provisions of this circular shall not be applicable for the instructions received from the clients by the DP electronically in a manner approved by the Depository.

14. The provisions of this circular shall come into effect six months from the date of issue. Once a new DIS booklet is issued to a BO as per provisions of this circular, any DIS issued to such a BO shall not be accepted by the DP. An DIS issued prior to this circular shall be phased out within a period of 6 years from the date of this circular. The measures listed above under the head Monitoring of DIS shall be made applicable to the DIS issued as per the provisions of this circular.

15. The Depositories are advised to:
   a. take necessary steps and put in place necessary systems for implementation of the above,
   b. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary;
   c. bring the provisions of this circular to the notice of their DP and also to disseminate the same on their website;
   d. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Report.

16. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Maninder Cheema
Deputy General Manager

Know Your Client Requirements

(Released by the Securities and Exchange Board of India vide CIR/MIRSD/13/2013 dated: December 28, 2013)


2. Vide above mentioned circulars, SEBI simplified the account opening process for the investors. A standard Account Opening Form (AOF) has been prescribed which is divided in 2 parts i.e. Part 1 contains the basic KYC details of the investor. All SEBI registered intermediaries and Part II captures additional information specific to the area of activity of the intermediary. Further, with the centralised KRA system in place, the client has to undertake the KYC process i.e. Part I of the AOF only once which means he need not undergo the KYC process again when he approaches different intermediaries in securities markets.

3. It has now been decided in consultation with various market participants to shift certain information in Section G of Part I
to Part II of the AOF (for both individuals and non-individuals). Revised Part I of AOF is enclosed. Part II shall be modified by the intermediary accordingly.

4. Information as contained in revised Part I of AOF shall only be required to be captured in the systems of KRAAs from the date of this circular. However, in view of existing pre-printed forms available with the intermediaries, a time period of six months, effective from the date of this circular, is provided to bring about the aforementioned modifications in the KYC form.

5. The above modifications would assist in avoiding repeated modifications in the KRA system as information provided by the clients in Section C changes over a period of time and will facilitate in making the KYC uniform for the entire financial sector.

6. Intermediaries dealing with Eligible Foreign Investors investing under Portfolio Investment Scheme may be guided by the clarifications issued vide SEBI circular CIR/MRD/23/07/2013 dated September 12, 2013.

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

A. S. Mitra
Deputy General Manager

Banking Laws

09 Facilities for Persons Resident outside India – Clarification

[Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No. 96 dated : January 20, 2014]

Attention of Authorized Dealers Category II (AD Category II) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 (Notification No. FEMA/25/RB-2000) and A.P. (DIR Series) Circular No. 45 dated October 22, 2012 in terms of which Foreign Institutional Investors (FII) are allowed to approach any AD Category I bank for hedging their currency risk on the market value of entire investment in equity and/or debt in India as on a particular date subject to conditions specified therein.

2. We have been receiving references from market participants as to whether, along similar lines, it is possible for FIIs and other foreign investors to effect remittances on cash/TOM/spot basis to a bank other than the designated AD Category-I custodian bank.

In this connection it is clarified that a foreign investor is free to remit funds through any bank of its choice for any transaction permitted under FEMA, 1999 or the regulations / directions framed thereunder. The funds thus remitted can be transferred to the designated AD Category-I custodian bank through the banking channel. Note should, however, be taken that KYC in respect of the remitter, whenever required, is a joint responsibility of the bank that has received the remittance as well as the bank that ultimately receives the proceeds of the remittance. While the first bank will be prior to the details of the remitter and the purpose of the remittance, the second bank, will have access to complete information from the recipient’s perspective. Besides, the remittance receiving bank is required to issue FIRC to the bank receiving the proceeds to establish the fact that the funds had been remitted in foreign currency.

3. All other conditions in our A.P. (DIR Series) circular No.45 dated October 22, 2012 apply mutatis mutandis.

4. AD Category-I bank may bring the contents of this circular to the notice of their constituents and customers.

5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

(Rudra Narayan Kazi)
Chief General Manager in Charge

10 Conversion of External Commercial Borrowing and Lumpsum Fee/Royalty into Equity

[Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No. 94 dated : January 16, 2014]

Attention of Authorized Dealer (AD) banks is invited to A.P. (DIR Series) Circular No. 15 dated October 1, 2004 on the captioned subject.
2. In terms of the said circular, an Indian company can issue equity shares against External Commercial Borrowings (ECB) subject to conditions mentioned therein and pricing guidelines as prescribed by the Reserve Bank from time to time regarding value of equity shares to be issued, Reserve Bank has received some references regarding how the rupee amount against which equity shares are to be issued shall be arrived at; in other words, what rate of exchange shall be applied to the amount in foreign currency borrowed or owed by the resident entity from/to the non-resident entity.

3. It is clarified that where the liability sought to be converted by the company is denominated in foreign currency as in case of ECB, import of capital goods, etc., it will be in order to apply the exchange rate prevailing on the date of the agreement between the parties concerned for such conversion. Reserve Bank will have no objection if the borrower company wishes to issue equity shares for a rupee amount less than that arrived at as mentioned above by a mutual agreement with the ECB lender. It may be noted that the fair value of the equity shares to be issued shall be worked out with reference to the date of conversion only.

4. It is further clarified that the principle of calculation of INR equivalent for a liability denominated in foreign currency as mentioned at paragraph 3 above shall apply mutatis mutandis, to all cases where any payable/obligatory by an Indian company such as, lump sum fees/royalties, etc., are permitted to be converted to equity shares or other securities to be issued to a non-resident subject to the conditions stipulated under the respective Regulations.

5. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

Rudra Narayan Kar
Chief General Manager in Charge

Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure

[Issued by the Reserve Bank of India vide DBOD.No.BF.12/21.06.203/2013-14 dated: January 15, 2014]

Please refer to the draft guidelines on the captioned subject issued on July 2, 2013 and paragraph 22 of second quarter review of the monetary policy announced on October 29, 2013 (extract enclosed). Unhedged foreign currency exposures of the entities’ are an area of concern not only for individual entity but also to the entire financial system; entities who do not hedge their foreign currency exposures can incur significant losses due to exchange rate movements. These losses may reduce their capacity to service the loans taken from the banking system and thereby affect the health of the banking system.

We have issued various guidelines advising banks to closely monitor the unhedged foreign currency exposures of their borrowing clients and also factor this risk into the pricing. However, the extent of unhedged foreign currency exposures of the entities continues to be significant and this can increase the probability of default in times of high currency volatility. It has, therefore, been decided to introduce incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures.

For calculating the incremental provisioning and capital requirements, the following methodology may be followed:

a. Ascertain the amount of Unhedged Foreign Currency Exposure (UFCE):

Foreign Currency Exposure (FCE) refers to the gross sum of all items on the balance sheet that have impact on profit and loss account due to movement in foreign exchange rates. This may be computed by following the provisions of relevant accounting standard. Items maturing or having cash flows over the period of next five years only may be considered.

UFCE may exclude items which are effective hedge of each other. For this purpose, two types of hedges which may be considered are - financial hedges and natural hedges. Financial hedges are normally formal through a derivative contract with a financial institution. Hedges through derivatives may only be considered where the entity is in possession of the derivative contract that documents the purpose and the strategy for hedging and assessed its effectiveness as a hedging instrument at periodic intervals. For the purpose of assessing the effectiveness of hedge, guidance may be taken from the pronouncements of the Institute of Chartered Accountants of India on the matter.

Natural hedge may be considered when cash flows arising out of the operations of the company offset the risk arising out of the FCE defined above. For the purpose of computing UFCE, an exposure may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year. For instance, export revenue (booked as receivable) may offset the exchange risk arising out of repayment obligations of an external commercial borrowing

1 For the purpose of this circular, “entities” means those entities which have borrowed from banks including borrowings in INR and other currencies.
If both the exposures have cash flows/maturity within the same accounting year:

b. Estimate the extent of likely loss:
The loss to the entity in case of movement in USD-INR exchange rate may be calculated using the annualised volatilities. For this purpose, largest annual volatility seen in the USD-INR rates during the period of last ten years may be taken as the movement of the USD-INR rate in the adverse direction.

c. Estimate the riskiness of unhedged position and provide appropriately:
Once the loss figure is calculated, it may be compared with the annual EBITDA as per the latest quarterly results certified by the statutory auditors. This loss may be computed as a percentage of EBITDA. Higher this percentage, higher will be the susceptibility of the entity to adverse exchange rate movements. Therefore, as a prudent measure, all exposures to such entities (whether in foreign currency or in INR) would attract incremental capital and provisioning requirements (i.e., over and above the present requirements) as under:

<table>
<thead>
<tr>
<th>Likely Loss/EBITDA (%)</th>
<th>Incremental Provising Requirement on the total credit exposures over and above standard asset provisioning</th>
<th>Incremental Capital Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 15 per cent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>More than 15 per cent and up to 30 per cent</td>
<td>200bps</td>
<td>0</td>
</tr>
<tr>
<td>More than 30 per cent and up to 50 per cent</td>
<td>400bps</td>
<td>0</td>
</tr>
<tr>
<td>More than 50 per cent and up to 75 per cent</td>
<td>600bps</td>
<td>0</td>
</tr>
<tr>
<td>More than 75 per cent</td>
<td>800bps</td>
<td>0</td>
</tr>
</tbody>
</table>

2. Banks may compute highest annual volatility over a period of last ten years in the high frequency (1st), daily changes in the USD-INR rates may be computed as a log return of the daily rate over the yesterday’s rate. Second, daily volatility may be computed as standard deviation of these returns over a period of one year (252 observations). Thirdly, this volatility may be annualized by multiplying by the square root of 252. This computation has to be performed on a daily basis for the 252 days in the last ten years. The highest annual volatility thus computed should be used for the computation of the risk loss by multiplying it with the EBITDA.

3. EBITDA is defined for computation of DSCR = Profit After Tax + Depreciation + Interest on debt + Lease Rentals, if any.

4. From the Government

5. In terms of circular DOD/DPR/CIC.No.61/1/2013-13 dated November 21, 2013, banks have to monitor the UFE on a monthly interval. Banks should calculate the incremental provisioning and capital requirements at least on a quarterly basis. However, during periods of high USD-INR volatility, the calculations may be done on a monthly interval.

4. The implementation of these guidelines may pose some issues for exposure to projects under implementation and to new entities which may not have annual EBITDA figure available. The calculation of incremental provisioning and capital requirements for projects under implementation will be on projected average EBITDA for the three years from the date of commencement of commercial operations and incremental capital and provisioning should be accordingly computed subject to a minimum floor of 20 bps of provisioning requirement. For new entities also, the same framework may be made applicable.

5. While computing the UFE of the foreign MNCs (i.e., MNCs incorporated outside India), inter-group foreign currency exposures (e.g., a subsidiary of a foreign MNC in India may have borrowed from its parent) may be excluded if the bank is satisfied that such foreign currency exposures are appropriately hedged or managed robustly by the parent.

6. These guidelines have been framed keeping in view the domestic borrower’s vulnerability to foreign currency exposure. However, currency induced credit risk may also be considered for exposures of overseas branches and foreign subsidiaries. For operationalizing these guidelines in case of exposures of overseas branches and foreign subsidiaries of the bank, INR should be replaced by the domestic currency of that jurisdiction.

7. Banks may ensure that their policies and procedures for management of credit risk factor their exposure to currency-induced credit risks and are calibrated towards borrowers whose capacity to repay is sensitive to changes in the exchange rate and other market variables. These could include stipulation of internal limits for these exposures, which may be fixed while considering the overall risk appetite. Where such exposures are high, the options available to the banks to reduce the associated risks may include reducing these exposures, encouraging borrowers to reduce their currency mismatches by hedging foreign currency exposures, maintaining higher provisioning and capital, etc. Banks should also ensure that the risk of unhedged foreign currency exposure is effectively incorporated in their internal credit rating system and ensure that their loan pricing policies adequately reflect overall credit risks. Implementation of these requirements will be dependent on a robust MIS for getting sufficient and credible data on a regular basis from the borrowers.
8. Banks may disclose their policies to manage currency induced credit risk as a part of financial statements certified by statutory auditors. In addition, banks should also disclose the incremental provisioning and capital held by them towards this risk.

9. The quantification of currency induced credit risk will form a part of banks’ Internal Capital Adequacy Assessment Programme (ICAAP) and banks are expected to address this risk in a comprehensive manner. The ICAAP should measure the extent of currency induced credit risk the bank is exposed to and also concentration of such exposures. Banks may also like to perform stress tests under various extreme but plausible exchange rate scenarios under ICAAP. Outcome of ICAAP may lead a bank to take appropriate risk management actions like risk reduction, maintenance of more capital or provision, etc. As a part of Supervisory Review and Evaluation Process (SREP) under Pillar 2, RBI may review the risk management measures taken by the bank and its adequacy to manage currency induced credit risk, especially if exposure to such risks is assessed to be an higher side.

10. This framework may be implemented from April 1, 2014.

(Chandan Sinha)
Principal Chief General Manager

Annex

Extract from Second Quarter Review of Monetary Policy Statement for 2013-14

Unhedged Foreign Currency Exposure

22. Unhedged foreign currency exposures of corporates are a cause for concern as they pose a risk to individual corporates as also to the entire financial system. Based on feedback received from industry participants, it is proposed to:

- issue final guidelines on unhedged foreign currency exposures by end-December 2013.

12. Clarification – Establishment of Liaison Office/Branch Office/Project Office in India by Foreign Entities – General Permission

[Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No.RB dated : January 15, 2014]

Attention of Authorised Dealers is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, viz., Foreign Exchange Management (Establishment in India of Branch or Office or other Place of Business) Regulations, 2000, as amended from time to time, in terms of which, no entity or person, being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iran or China shall establish in India, a branch office or liaison office or a project office or any other place of business by whatever name called, without the prior permission of the Reserve Bank.

2. It is clarified that the provisions of Regulation 4 of Notification No. FEMA 22/2000-RB dated 3rd May 2000, vide, along with their specified conditions apply for entities from Hong Kong and Macau also.

3. Accordingly, applications from entities registered in/ resident of Hong Kong and Macau, for establishment of Liaison/Branch/Project Offices or any other place of business by whatever name called shall require prior approval from Reserve Bank of India.

4. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Establishment in India of Branch or Office or Other Place of Business) (Amendment) Regulations, 2013, which have been notified vide Notification No.FEMA.293/2013-RB dated November 12, 2013 vide G.S.R.No.767(E) dated December 06, 2013.

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (45 of 1999) and are without prejudice to permission/approvals, if any, required under any other law.

(C.D. Srinivasan)
Chief General Manager

13. Foreign Direct Investment – Pricing Guidelines for FDI instruments with optionality clauses

[Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No.86 dated : January 9, 2014]

Attention of Authorised Dealers is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20 / 2000-RB dated May 3, 2000 as amended from time to time. In terms of the extant instructions, only equity shares or preference shares/debentures are eligible to be issued to persons resident
outside India under the Foreign Direct Investment Scheme in terms of Regulation 5 (1) of Foreign Exchange Management (Transfer and Issue of shares by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 22/2000-RB dated May 3, 2000.

2. On a review, it has now been decided that optionally clauses may henceforth be allowed in equity shares and compulsorily and mandatorily convertible preference shares/debentures to be issued to a person resident outside India under the Foreign Direct Investment (FDI) Scheme. The optionally clause will oblige the buy-back of securities from the investor at the price prevailing/vose determined at the time of exercise of the optionally so as to enable the investor to exit without any assured return. The provision of optionally clause shall be subject to the following conditions:

(a) There is a minimum lock-in period of one year or a minimum lock-in period as prescribed under FDI Regulations, whichever is higher (e.g., defence and construction development sector where the lock-in period of three years has been prescribed). The lock-in period shall be effective from the date of allotment of such shares or convertible debentures or as prescribed for defence and construction development sectors, etc., in Annex B to Schedule I of Notification No. FEMA 20 as amended from time to time;

(b) After the lock-in period, as applicable above, the non-resident investor exercising option/right shall be eligible to exit without any assured return, as under:

(i) In case of a listed company, the non-resident investor shall be eligible to exit at the market price prevailing at the recognized stock exchanges;

(ii) In case of an unlisted company, the non-resident investor shall be eligible to exit from the investment in equity shares of the investee company at a price not exceeding that arrived at on the basis of Return on Equity (ROE) as per the latest audited balance sheet. Any agreement permitting return linked to equity as above shall not be treated as violation of FDI policy/PEMA Regulations.

Note: For the above purpose, ROE shall mean Profit After Tax/Net Worth. Net Worth would include all free reserves and paid up capital.

(iii) Investments in Compulsorily Convertible Debentures (CCDs) and Compulsorily Convertible Preference Shares (CCPS) of an investee company may be transferred at a price worked out as per any internationally accepted pricing methodology at the time of exit duly certified by a Chartered Accountant or a RBI registered Merchant Banker. The guiding principle would be that the non-resident investor is not guaranteed any assured exit price at the time of making such investment agreement and shall exit at the price prevailing at the time of exit, subject to lock-in period requirement, as applicable.

3. Reserve Bank has since amended the Regulations and the changes have been notified vide Notification No. FEMA 294/2013-RB dated November 12, 2013 vide G.S.R. No. 809(E) dated December 30, 2013.

4. All existing contracts will have to comply with the above conditions to qualify as FDI compliant.

5. AD Category - I banks may bring the contents of the circular to the notice of their constituents concerned.

6. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

(Rudra Narayan Kar)
Chief General Manager-In-Charge

Resident Bank account maintained by residents in India – Joint holder – liberalization

[Issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No. 87 dated : January 9, 2014]

Attention of Authorized Dealer (AD) banks is invited to A.P.(DIR Series) Circular No. 12 dated September 15, 2011 in terms of which individuals resident in India were permitted to include non-resident close relative(s) (relatives as defined in Section 6 of the Companies Act, 1956) as a joint holder(s) in their resident savings bank accounts on “Joint or Survivor” basis. Such non-resident Indian close relatives are however not eligible to operate the account during the life time of the resident account holder in terms of said instructions.

2. Reserve Bank has received representations that for operational convenience the Non-Resident Indians (NRIs), as defined in Regulation 2(vi) of FEMA Notification No. 5 dated May 3, 2000, may be permitted to operate such accounts on “Either or Survivor” basis. Accordingly, on a review, it has been decided that AD banks may include an NRI close relative (relatives as defined in Section 6 of the Companies Act, 1956) in existing /
new resident bank accounts as joint holder with the resident account holder on "Either or Survivor" basis subject to the following conditions:

a) Such account will be treated as resident bank account for all purposes and all regulations applicable to a resident bank account shall be applicable;

b) Cheques, instruments, remittances, cash, card or any other proceeds belonging to the NRI close relative shall not be eligible for credit to this account,

c) The NRI close relative shall operate such account only for and on behalf of the resident for domestic payment and not for creating any beneficial interest for himself;

d) Where the NRI close relative becomes a joint holder with more than one resident in such account, such NRI close relative shall be the close relative of all the resident bank account holders.

e) Where due to any eventual occurrence, the non-resident account holder becomes the survivor of such an account, it shall be categorized as Non-Resident Ordinary Rupee (NRO) account as per the extant regulations,

f) Ours will be on the non-resident account holder to keep AD bank informed to get the account categorized as NRO account and all such regulations as applicable to NRO account shall be applicable.

g) The above joint account holder facility may be extended to all types of resident accounts including savings bank account.

3. While extending this facility the AD bank should satisfy itself about the actual need for such a facility and also obtain the following declaration duly signed by the non-resident account holder:

"I am the joint account holder of SB/FV/RD/Current Account bearing No., which stands in my name and in the name of , who is my , (state relationship), I hereby undertake that I shall not use the proceeds lying in the above account for any transaction in contravention of the provisions of the Foreign Exchange Management Act (FEMA) 1999, Rules/Regulations made thereunder and the related circulars/instructions issued by the Reserve Bank from time to time. If further undertake that if any such transaction is put through the said account in contravention of the FEMA, 1999 or Rules/Regulations made thereunder, I shall be held responsible for the same. I shall intimate my bank in the event of any change in my Non-resident/Resident status."

4. Authorised Dealer Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Rudra Narayan Kay
Chief General Manager In-Charge

Provisions under section 6 (4) of Foreign Exchange Management Act, 1999 — Clarifications

(issued by the Reserve Bank of India vide A.P. (DIR Series) Circular No. 90 dated: January 9, 2014)

Attention of Authorized Dealers is invited to Section 6(4) of FEMA, 1999 in terms of which a person resident in India may hold, own, transfer or invest in foreign currency, foreign security or any immovable property situated outside India if such currency, security or property was acquired, held or owned by such person when he was resident outside India or inherited from a person who was resident outside India.

2. We have been receiving representations with regards to nature of transactions covered under Section 6(4) of FEMA, 1999.

In this regard it is clarified that Section 6(4) of FEMA, 1999 covers the following transactions:

(i) Foreign currency accounts opened and maintained by such a person when he was resident outside India;

(ii) Income earned through employment or business or vocation outside India taken up or commenced while such person was resident outside India, or from investments made while such person was resident outside India, or from gift or inheritance received while such a person was resident outside India;

(iii) Foreign exchange including any income arising therefrom, and conversion or repatriation or accrual to the same, held outside India by a person resident in India acquired by way of inheritance from a person resident outside India;

(iv) A person resident in India may freely utilise all their eligible assets abroad as well as income on such assets or sale proceeds thereof received after their return to India for making any payments or to make any fresh investments abroad.

206
Chartered Secretary (M)
without approval of Reserve Bank, provided the cost of such investments and/or any subsequent payments received therefor are met exclusively out of funds forming part of eligible assets held by them and the transaction is not in contravention to extant FEMA provisions.

3. Authorised Dealer Category-1 banks may bring the contents of this circular to the notice of their constituents and customers concerned.

4. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the FEMA, 1999 (45 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

[Image]

From the Government

 Deferred Tax Liability on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961

[Image]

Deferred Tax Liability on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961

[Issued by the Reserve Bank of India vide DBOD, No.BPB.G.77/ 21.04.2013-14 dated December 30, 2013]

Please refer to our earlier clarification dated November 6, 2009 with respect to the ‘Special Reserve’ created by banks under Section 36(1) (viii) of Income Tax Act, 1961 (hereinafter referred to as ‘Special Reserve’), in terms of which, only the net amount of such Special Reserve (net of tax payable) should be taken into account for the purpose of computation of Tier-I capital.

2. In this context, it has been observed that some banks are not creating deferred tax liability (DTL) on Special Reserve as per Accounting Standard 22: Accounting for taxes on income (AS 22) on the grounds that they do not intend to withdraw from such Reserve in the future. In many cases banks have formalised such intent by having resolutions passed by their Boards or Committees to this effect.

3. The matter regarding creation of DTL on Special Reserve has been examined and banks are advised that, as a matter of prudence, DTL should be created on Special Reserve.

4. For this purpose, banks may take the following course of action:

a) If the expenditure due to the creation of DTL on Special Reserve as at March 31, 2013 has not been fully charged to the Profit and Loss account, banks may adjust the same directly from Reserves. The amount so adjusted may be appropriately disclosed in the Notes to Accounts of the financial statements for the financial year 2013-14.

b) DTL for amounts transferred to Special Reserve from the year ending March 31, 2014 onwards should be charged to the Profit and Loss Account of that year.

5. In view of the requirement to create DTL on Special Reserve, banks may reckon the entire Special Reserve for the purpose of computing Tier-I capital.

[Image]

External Commercial Borrowings (ECB) Policy – Liberalisation of definition of Infrastructure Sector

[Issued by the Reserve Bank of India vide A.P. (DORA Series) Circular No. 85 dated January 6, 2014]

Attention of Authorised Dealer Category-1 (AD Category-1) banks is invited to the Notification No. FEMA:281/2013-RB dated July 19, 2013 published in the Gazette of India vide G.S.R. No. 627 (E) dated September 12, 2013 and to the A.P. (DORA Series) Circular No. 48 dated September 18, 2013 in terms of which definition of infrastructure sector for the purpose of raising ECB was expanded taking into account the Harmonised Master List of Infrastructure sub-sectors and Institutional Mechanism for its updation approved by Government of India vide Notification F.No.13/06/2009-INF dated March 27, 2012.

2. On a review, it has been decided that, for the purpose of ECB, ‘Maintenance, Repairs and Overhaul (MRO) will also be treated as a part of airport infrastructure. Accordingly, MRO, as distinct from the related services which are other than infrastructure, will be considered as part of the sub-sector of Airport in the Transport Sector of Infrastructure.

3. All other aspects of ECB policy shall remain unchanged.

4. AD Category-1 banks may bring the contents of this circular to the notice of their constituents and customers.

5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (45 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.
## Members Admitted

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name</th>
<th>Membership No.</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sh, Tushar Day</td>
<td>FGS - 7425</td>
<td>NRPG</td>
</tr>
<tr>
<td>2</td>
<td>Sh, Saurabh Menon</td>
<td>FGS - 7426</td>
<td>NRPG</td>
</tr>
<tr>
<td>3</td>
<td>Sh, Sibash Sami</td>
<td>FGS - 7427</td>
<td>NRPG</td>
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*Admitted on 25th December 2013, 29th December 2013 and 1th January 2014*
News From the Institute

131 Ms. Ranjini Rawat
ACS - 34096
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176 Ms. Diosa Sharma
ACS - 34641
NRIC

132 Ms. Ramya Prath
ACS - 34797
SRIC
177 Ms. Geima Satia
ACS - 34842
NRIC

133 Ms. Aradhna Hemadugu Shingeshwar
ACS - 34598
SRIC
178 Ms. Priyanka Dhanav
ACS - 34543
NRIC

134 Ms. R. A. Rabiya Begum
ACS - 34599
SRIC
179 Ms. Bhawana Singh
ACS - 34644
NRIC

135 Mr. Ganesha Gopalak
ACS - 34600
WRIC
180 Mr. Pradip Kantibh Dave
ACS - 34645
WRIC

136 Mrs. Krushna Viren Make
ACS - 34501
WRIC
181 Ms. Priyanka Guldai
ACS - 34646
WRIC

137 Ms. Umi Praveenashasta Shah
ACS - 34602
WRIC
182 Ms. Guda Raghavan
ACS - 34647
SRIC

138 Ms. Priyanka Jhalavala
ACS - 34603
WRIC
183 Mr. Siv Krishna Narla
ACS - 34648
SRIC

139 Ms. Sheelal Shankararam Remalkar
ACS - 34604
WRIC
184 Mr. V. Sheena
ACS - 34649
SRIC

140 Ms. Pooja Karunakar Shetty
ACS - 34605
WRIC
185 Mr. Kallie M
ACS - 34650
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141 Mrs. Reena Sakhin Parekh
ACS - 34606
WRIC
186 Mr. Aathur U
ACS - 34651
SRIC

142 Mr. Ravi Mohibul Valbigam
ACS - 34607
WRIC
187 Mr. Prakash R
ACS - 34652
SRIC

143 Mr. Ami Harsh Manjha
ACS - 34608
WRIC
188 Ms. Shradha Valam
ACS - 34653
SRIC

144 Ms. Avni Kirti Vartiya
ACS - 34609
WRIC
189 Mr. Mamesh Pupadai Bhahadya
ACS - 34654
WRIC

145 Mr. Nagesh Desaiyasth Rujihandawar
ACS - 34610
WRIC
190 Mr. Ami Daga
ACS - 34655
EIRC

146 Mr. Manu Pratam
ACS - 34611
SRIC
191 Mr. Suresh Kumar
ACS - 34656
SRIC

147 Mr. Aditya Jagdish Soni
ACS - 34612
WRIC
192 Ms. Payal Vasant Kale
ACS - 34657
EIRC

148 Ms. Teenmeen Youl Mandorewal
ACS - 34613
WRIC
193 Ms. Vithi Amora
ACS - 34658
EIRC

149 Ms. Chetha Navamalum Gandhi
ACS - 34614
WRIC
194 Mr. Adity Dhanuk
ACS - 34659
EIRC

150 Ms. Elka Mahesh Kumar Mehta
ACS - 34615
WRIC
195 Ms. Nisha Kedia
ACS - 34660
EIRC

151 Mr. Dipesh Keeda
ACS - 34616
WRIC
196 Mr. Nadeem Akhter
ACS - 34681
NRIC

152 Mr. Svarun Desai
ACS - 34617
EIRC
197 Ms. Swati Desai
ACS - 34662
NRIC

153 Mrs. Rejeshwari Makan
ACS - 34618
SRIC
198 Ms. Khushboo Jain
ACS - 34663
WRIC

154 Ms. Sweta Gondaram Rungta
ACS - 34619
WRIC
199 Ms. Poonam
ACS - 34664
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155 Mr. Suhuram V
ACS - 34620
SRIC
200 Mr. Sumit
ACS - 34665
NRIC

156 Ms. Shalaka Mulvai
ACS - 34621
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201 Mr. Ramu K
ACS - 34666
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157 Mr. Pratyush Khurana
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202 Ms. Priya Pandurang Pawar
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158 Ms. Chirley Lawani
ACS - 34623
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203 Ms. Shilpa Prabhuash Shetty
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159 Mr. Hetal Anil Parmar
ACS - 34624
WRIC
204 Ms. Karanpam Sundarajan
ACS - 34669
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160 Ms. Rkrita Prakumar Agawal
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205 Ms. Pooja Bhan
ACS - 34670
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161 Ms. Tabassum Ruwaslak Khan
ACS - 34626
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206 Ms. Shelia Basha
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162 Mr. Irhan Jainel Garm
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207 Ms. Ayush Agawal
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163 Ms. Prachi Harsh Hisad
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208 Mr. Harshil Sarg
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164 Mr. Rajesh Dhanvram Gaur
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209 Mr. Subash Kusral
ACS - 34674
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165 Mr. Vishwanath Daval
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210 Ms. Geetha Nalani
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166 Mr. Sun Kumar Magan
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211 Ms. Bhavana Shetty
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212 Mr. Mathan R
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168 Ms. Nidhita Kundhesar
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213 Mr. K. Ramya Bhat
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169 Mr. Valishad Dubey
ACS - 34634
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214 Ms. Pooja Jain
ACS - 34679
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170 Ms. Suhita Sharda
ACS - 34635
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215 Ms. Supriya Sanjay Dhage
ACS - 34680
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171 Ms. Ruchita Sharma
ACS - 34636
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216 Mr. Rakesh Saha
ACS - 34681
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172 Mr. Sumit Ghat
ACS - 34637
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217 Ms. Anjali Amrit Date
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173 Ms. Manju Ahuja
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218 Ms. Disha Sanjay Gange
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174 Mr. Deepak Malik
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219 Mr. Milan Anand Kumar Kansara
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220 Ms. Topika Jain
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### Certificate of Practice

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*Issued from 2nd December 2013 to 30th January 2014*

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**Restored**

1. Mr. Jai Prakash Sharma
2. Mr. Praveen Thakur
3. Ms. Anuradha Shrivastava
4. Mr. Bablu Bajaj
5. Ms. Minam Matthews
6. Ms. Rasakali Matta
7. Mr. Mehboob Aliyev
8. Mr. Laxmi Narayan Sharma
9. Ms. Gargi Seth
10. Mr. K.K. Rathi
11. Mr. D. Vyas Kumar
12. Mr. Anil Kumar
13. Mr. V. Surendra
14. Mr. Sampath Kumar
15. Mr. P. R. Kandaswamy
16. Mr. P. Sampath
News From the Institute

Licentiate ICSI

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* CANCELLED during the month of December, 2013
** ADMITTED during the month of December, 2013

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# Company Secretaries Benevolent Fund

MEMBERS ENROLLED* REGIONWISE AS LIFE MEMBERS OF THE COMPANY SECRETARIES BENEVOLENT FUND

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* Data as of December 2013 to January 2016.
ATTENTION MEMBERS

UPDATION OF REGISTER OF MEMBERS

1. Annual Membership Fee

It is observed from the records that annual membership fee do not seem to have been received in respect of one or more years from some members. The list of these members is available at Institute’s website www.icsi.edu. It is possible that some of these members have actually paid the fee but such payments have not been reflected in the records of the Institute. In case any member in the list has paid his annual membership fee, he is requested to write with details of the payment at email id vikash.rrvastava@icsi.edu to enable us to rectify our records and such rectification will be done with an apology. If any member in the list has not paid the annual membership fee, he is requested to pay the same immediately and intimate the details of such payment at the email id vikash.rrvastava@icsi.edu. Such payment will be acknowledged gratefully.

2. Change of Professional address & other details

The professional address of the members whose names are borne on the Register of Members as on date are available on the website of the Institute in Member’s Directory Section. Members are requested to check their professional address and intimate the changes, if any, at the email id meena.bisht@icsi.edu.

Members may also change their professional and residential address online through Institute’s portal www.icsi.edu. The steps for online change of address are available on the link http://www.icsi.edu/WebModules/Member/steps_changeaddress.htm

3. Uploading of Scanned Images of Photographs & Signatures on Institute’s website

Members are also requested to check the scanned image of their photographs and signature on the website of the Institute. The members, whose images of photographs / signature are not available on the website of the Institute, may upload the same on the website of the Institute. The steps for uploading the same on the website are available on the link http://www.icsi.edu/WebModules/Member/steps_imageupload.htm

4. Issue of Members’ Identity Card

The members who are yet to be issued the Members’ Identity Card are requested to send the scanned image of their photograph indicating their name, membership number and date of birth in .jpeg format at email ID meena.bisht@icsi.edu or send two latest passport size photographs indicating the details on the reverse to the Membership section of the Institute at ICSI House, 22, Institutional Area, Lodhi Road, New Delhi.

For clarifications/queries if any, members may please write at email ids as given below :-

Annual Membership fee - vikash.rrvastava@icsi.edu
Change of Address, Images of photographs, Signature and Id Card - meena.bisht@icsi.edu
# List of Companies Registered for Imparting Training During the Month of December 2013

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<th>Training Period</th>
<th>Stipend</th>
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<td><strong>EIRC</strong> The Director</td>
<td>15 months</td>
<td>Suitable</td>
</tr>
<tr>
<td>BMTB, Road &amp; Power Pvt Ltd, 33 A N S Road</td>
<td></td>
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<tr>
<td>7th Floor, Room No.22 Kolkata 700 001</td>
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<tr>
<td><strong>Mr. V K Jalan</strong> Managing Partner</td>
<td>15 months/15 days</td>
<td>Suitable</td>
</tr>
<tr>
<td>O P Jalan &amp; Associates, 48 Carl Sarai Road</td>
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<tr>
<td>Uppal Bazar, Rashtriya Janhanda 84001</td>
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<tr>
<td><strong>Shri P P Das</strong> Director</td>
<td>15 months</td>
<td>Suitable</td>
</tr>
<tr>
<td>Parvati Resources Pvt. Ltd, 6A Elgin Road, 2nd Floor Kolkata 700003</td>
<td></td>
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<tr>
<td><strong>Ms. Rupali Sandesh Bhagat</strong> Company Secretary</td>
<td>15 months</td>
<td>Suitable</td>
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<tr>
<td>Bazar Recid Limited</td>
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<tr>
<td>4939, G.T. Road Warehouse No.M7</td>
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<tr>
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<td>Shyam Precast Private Limited</td>
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<td><strong>NIRC</strong> The Director</td>
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<tr>
<td>Gung Grandee (P) Ltd, 4 Anasagar Link Road</td>
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<tr>
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</tbody>
</table>

**Shri B K Daga**

153 months Suitable

**Shri Mukesh Yadav**
Director, Jai Balram Ltd., A - 177, Chhatarpur Enclave Phase II, New Delhi 110074

15 months Suitable

**Shri A Venkatesh Kumar**
Company Secretary, Lanco InfraTech Limited Lanco House, Plot # 397 Udhing Wali, Phase 3 Gurgaon -122016

3 months Suitable

**Ms. Shabih Ameria**
Company Secretary, GETTI Infotronics Pvt. Ltd. A-15, Sector-63 Noida

15 months Suitable

**Ms. Vishwa Jyoti**
Company Secretary, JK Technosoft Limited A-2 Local Shopping Complex Neelam Moh. Greater Kailash I New Delhi 110 048

15 months Suitable

**Mr. Varun Gupta**
Director, Hindustan Glass Works Ltd. A-219 First Floor W-700 DDA Marble Market Kirti Nagar New Delhi - 110005

15 months Suitable

**Ms. Antulii Grover**
Sr. Manager - Legal & Co. Secy., United Health Group Information Services Pvt. Ltd. 13th & 14th Floor, Tower B Urtech Cyber Park, Sector 39 Gurgaon 122001

15 months Suitable

**Mr. V Gupta**
Company Secretary Shuja Developers Ltd., 2nd Floor, Hotel Continental Cunningham Place New Delhi 110 001

15 months Suitable

**Mr. Arvind Jain**
Executive President - Finance Dhangpur Sugar Mills Limited 341 Old Industrial Estate, Phase III New Delhi 110 020

15 months Suitable
<table>
<thead>
<tr>
<th>Name</th>
<th>Designation/Position</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Hardeep Singh</td>
<td>Company Secretary-legal Head, Paul Merchants Ltd., PMI, House, SCD 829 - 830, Sector 25 A, Chandigarh 160 022</td>
<td>Suitable 15 months</td>
</tr>
<tr>
<td>Shri Mohit Chauveela</td>
<td>Managing Partner, Mohit Chauveela &amp; Associates, 2nd Floor, Marshal Chambers, LSC Majar Vihar Phase II, New Delhi 110001</td>
<td>Suitable 15 months</td>
</tr>
<tr>
<td>The Vice President</td>
<td>Company Secretary, Healthpoint Services India Pvt Ltd, 508, 509, 510, Maheshwari Building, 91, Nehru Place, New Delhi 110019</td>
<td>Suitable 15 months</td>
</tr>
<tr>
<td>Shri Saurabh B Gandhi</td>
<td>Company Secretary, Jyoti CAG Automation Ltd., Plot No. 7839 Lodhika (Mehrauli), GIDC, Kalwa Road, Mumbai</td>
<td>Suitable 3 months</td>
</tr>
<tr>
<td>SIRC</td>
<td>Company Secretary, Computer Age Management Services Pvt Ltd, Royals Towers, 118 Anna Saci, Chunni 600 022</td>
<td>Suitable 15 months</td>
</tr>
<tr>
<td>Mr. P. G. Rashmi</td>
<td>Company Secretary &amp; Compliance Officer, Source Natural Foods &amp; Herbal Supplements Pvt. Ltd., No. 160, First Floor, 5th A Cross 11th Main, Jayanagar 4th T Block, Bangalore 560 041</td>
<td>Suitable 15 months</td>
</tr>
<tr>
<td>Mr. C. S. Jithesh</td>
<td>Company Secretary, Go Go International Pvt. Ltd., No. 208 Industrial Area, 2nd Cross, Yeshwantra, Bangalore 560706</td>
<td>Suitable 15 months</td>
</tr>
<tr>
<td>The Director</td>
<td>G-One Agro Products Limited, 102 Nirmati Complex, Near Taran Dinning Hall, Opp. Sare India, Ashram Road, Ahmedabad 380005</td>
<td>Suitable 15 months</td>
</tr>
</tbody>
</table>
List of Practising Members
Registered for the Purpose of Imparting Training During the Month of December, 2013

Shri Darshan Shah
Managing Director
Iprecis Technologies Limited
201 Swadhna, Mod Estate
L 9 B Marg, Ghodbunder (W) 400085
15 months
Suitable

Ms. Jahnaka RagHAVAN
Company Secretary
SHCE Projects Limited
SHCE, House,
P - 51, T T C Industrial Area
M I D C, Mahape, Navi Mumbai
15 months
Suitable

The Director
Shreeji Vastu Pvt. Limited
CS No. 7297 Rocket Lane
Next to Lt. Kanti Shah Hospital
Valhar Bagh, Nagpur
15 months
Suitable

Shri Nisha Solanki
Company Secretary
NFB Industrial Bearings Ltd.
Dharnur, 2nd Floor
15 SRM P M Road
Fort, Mumbai 400 001
15 months
Suitable

Shri Sanjeev Kapoor
Vice President
Axens Bank Limited
Axens House 8th Floor,
Wadi International Centre,
Pandurang Budharang, Worli
Mumbai - 400 025
15 months
Suitable

Shri Jainsh K. Shaikh
Managing Director
Technol Johnson Elevators (India) Private Limited
602, 6th Floor, OAS Square,
Sangam Complex,
127, Andheri Kurla Road, Andheri (East),
Mumbai - 400059
15 months
Suitable

Chief Corporate Counsel & CS
Balbha Limited
Bharat House, 5th Floor
104, Bombay Samchar Marg Fort
Mumbai - 400001
3 months
Suitable

Managing Director
Ari P Velikars Limited
103, Nalanda Complex,
Premchandra Nagar Road, Vastupur
Ahmedabad - 380015
15 months
Suitable

Director
Kaiwal Retreat Private Limited
74, Amrit Estate, 3rd Cross Road,
Linkhandwala Complex, Andheri West,
Mumbai
15 months
Suitable

CS SWATI BORTHAKUR
COMPANY SECRETARY IN PRACTICE
4966, JAMNAGAR NAGAR
JAMMU - 184 004
PCA: 3793

CS MANISHKUMAR NAVNITLAL GANDHI
COMPANY SECRETARY IN PRACTICE
KONVAKRMA SOCIETY - 1
HARVI ROAD, VAISHNAV - 380 022
PCA: 3794

CS NEEMA JAIN
COMPANY SECRETARY IN PRACTICE
441 FIRST FLOOR, CHHAG DEHY
NEW DELHI - 110 017
PCA: 3795

CS KANWAR K. SINGH
COMPANY SECRETARY IN PRACTICE
KH NO. 363, MAIN ROAD
FATEHPUR, BERI, NEW DELHI - 110 074
PCA: 3796

CS HEENA KHURANA
COMPANY SECRETARY IN PRACTICE
F-195, KHEMAR SINGH ESTATE, WEST END MARG,
LANE NO-2, SID-KJAKES
NEW DELHI - 110002
PCA: 3797

CS D.K. PHANINDRA
COMPANY SECRETARY IN PRACTICE
H NO. 2.184/4, PLOT NO. 73,
MALLAKARJUNA COLONY
ROAD NO-1, BAJA ENCLAVE
OLD BOSEPALLY, SECUNDERABAD - 500 011
PCA: 3798

CS NITIN AGRAWAL
COMPANY SECRETARY IN PRACTICE
E-106, NEAR KRISHNA AKAASH
SAMTA COLONY, RAMPUR - 492 001
PCA: 3799

CS VANDANA SHARMA
COMPANY SECRETARY IN PRACTICE
H NO. 1385,
PANA RAPIDIAN, NARELA
NEW DELHI - 110040
PCA: 3790

218
February 2014
CHARTERED SECRETARY
News From the Institute & Regions

News From the Regions

Eastern India Regional Council

24th Regional Conference
Regional Council

On 11 and 12,1,2014 the IIRC of the ICSI organized its 24th Regional Conference of Company Secretaries on "Connecting for Collective Growth" at Ranchi.

The programme was inaugurated by Chief Guest Swami Suparnananda, Secretary, Ramakrishna Mission Institute of Culture, Golpark, and Guest of Honour was CS Dr. Narang Saini, Regional Director (Eastern Region), Ministry of Corporate Affairs, Government of India. A total of 160 delegates and members of the ICSI participated in the Conference.

The conference had five technical sessions. On 11,1,2014, two Technical Sessions were covered. Technical Session I covered the topic Empowerment of Women in India: Redefining Boundaries. The speakers were Sangeeta Jatia, International Director, International Association of Lions Clubs, Dr. Kunal Sarkar, Candor Surgeen, Jr, Vice-President & Head-Medica Super Specialty Hospitals and GS Tenaz Punwar, Sr. General Manager Legal & Company Secretary, Larsen & Toubro Ltd. In Technical session II the topic for discussion was Company Secretary’s Governance Professional: Understanding Transformation. The speakers were Chandru Sen, IAS (Retd.), Former Chief Secretary, Government of West Bengal & Govt. Nominee on the Council of The ICSI, CS Sanjay Jain, Managing Director, TT Limited, CS Sudhir Pareek, Chief Legal & Secretary, Pidilite Industries Limited and CS M.S. Sahu, Secretary, The ICSI.

The programme concluded after the cultural show presented by Management Trainsee of ICSI-BEIR.

On 12,1,2014, Technical Session II covered the topic Rebuilding the Nation Defiling Responsibilities. The speakers were Utpal Chatterjee, Editor for India of LEADERS (New York) and Former Sheriff of Kolkata, Ashok Goenka, Managing Director, Save AAM Admi (NGO), and Lion A P Singh, Past International Director, Lions Club International. The topic of Technical Session IV was Ethics. Morality and Conduct: Integrating Letter & Spirit. The speakers were GA Bharat Baid, Practising Chartered Accountant, CS Sanjiv Kumar Gupta, Practising Company Secretary and Chairman, Audit Committee, Energy Development Company Limited (Past Chairman, ICSI-IEIR), Prashant Mehta, Managing Director, Kaushala Infrastructure Development Corporation Limited and CS Kaushik Mukherjee, Company Secretary & General Manager, Phillips Carbon Black Limited (IP-Sanjiv Goenka Group). The last Technical Session was on Corporate Governance & CSR: Myths, Reality, Challenges & Linkages. The speakers were CS Ashok Pareek, Executive Director, SRGI Capital Market Limited & Central Council Member, The ICSI, CS Vinod Kothari, Practising Company Secretary (Past Chairman, ICSI-IEIR) and CS Deepak Kumar Khattar, Chairman ICSI-IEIR.

A Health Check Up camp was also organized, where the participants checked up Blood Sugar, Blood Pressure, Body Weight etc. The programme concluded after the Valedictory Session. Chief Guest on the occasion was CS Ananthasubramanian, President, the ICSI and Practising Company Secretary. The speakers were CS Ashok Pareek, CS Deepak Kumar Khattar and CS Arun Khandelia. The programme was well appreciated by all the participants, members, guests and speakers.

BHUANESWAR CHAPTER

Investor Awareness Programmes

The Chapter conducted five Investor Awareness Programmes as under:

On 19,12,2013 a programme was conducted at Salpuri under Cuttack district of Odisha. On 5,1,2014, two programmes were conducted at Anurakumar and Rimbir under Nayagam district and on 10,1,2014 two more programmes were conducted at Sakhigopal and Puruli district of Odisha. CS A, Achariya, Principal Chairman, CS R, Mishra, Chief Secretary, CS D, Mohapatra, CS P, Nayak, Chamber Treasurer, CS L.D, Sahoe and CS J.B Das, Past Chairman of the Programme addressed during the Investor Awareness Programmes. On 19,12,2013 the programme was addressed by CS H.R, Satapathy and Prof. Akshaya Kumar Das, Principal, Salpur College, Salpur, Cuttack. In addition S.N, Mishra, Assistant Director, the ICSI, New Delhi addressed at Sakhigopal & Puruli, CS Achariya, Chairman, Sakhigopal Municipality and B. Prasad, Branch Manager, Central Bank, Sakhigopal Branch also addressed at the Programme held on 10,1,2014, CA R.N, Pulikonda, CS Bishawj Mohapatra and CS Bimal Prakash PCS also addressed at the programme held on 10,1,2014. The programme was sponsored under theegis of EPF, MCA, Govt. of India, Investors’ general public, schools, colleges, teachers, housewives, advocates, members of the Institute and students, small traders and businessmen were present in large numbers at the above programmes. Investor related information booklet and other relevant information were provided to the investors in all the programmes free of cost. There was a question hour session for the investors in each of the programmes wherein various queries raised by the participants were replied by the speakers of the programme.
Seminar-cum-Career Awareness Programmes

On 19.12.2013, the Chapter conducted a seminar-cum-career awareness programme at Sambal College, Sambalpur, Odisha wherein CS J.B. Das, past Chairman, CS P. Nayak, Chapter Treasurer and CS R.R. Satapathy, FCs, Bhubaneswar addressed the students and the HODs or faculties of Arts, Science & Commerce of the College. Prof. Ashok Kumar Dash, College Principal also addressed the students on the occasion. Speakers of the programme apprised the students about the role & responsibilities of the Company Secretary and its career. They also apprised them the course fees, examinations, study materials, programmes, library facilities and the online system of the Institute for the benefit of the students. Leaflets and brochures were distributed amongst the participating students and faculties.

Study Circle Meeting

On 21.12.2013, the Chapter organized its 7th study circle meeting of the year 2013 on "Corporate Governance". The study circle meeting was initiated by two members followed by active participation of the members in the deliberation, CS A. Atharya, Chairman, CS M. Mitho, Vice Chairman of the Chapter also spoke on the occasion. About 25 members and 15 students attended the meeting.

Full Day Seminar

On 29.12.2013, the Bhubaneswar Chapter organized a full day seminar on "Managing Creativity, Corporate Social Responsibility (CSR) and Merger, Amalgamation & NCLT" at its premises, CS Ashok Pareek, Central Council Member, the ICSS addressed the gathering on CSR and CS Deepak Kumar Khata, Chairman, RIRC addressed on Managing Creativity, CS Anjali Kumar Roy, Past Chairman, ERC also addressed on Merger, Amalgamation & NCLT. The speakers of the seminar freely presented nicely their topics and replied the queries of the participant members and students, CS A. Atharya, Chapter Chairman at the inaugural session addressed the gathering and briefed on the theme of the seminar and apprised the members and students present about the activities of the Chapter. The seminar was attended by 90 delegates.

Annual Members’ Family Picnic

On 5.1.2014, the Chapter arranged its Annual Members’ Family get-together-cum Annual Picnic at Asurakumari, Ranpur District, Nayagarh, Odisha, a picnic spot of Odisha. Around 90 participants consisting of the family members and Chapter staffs attended the programme. The Get-together-cum-picnic was followed by game, quiz and songs amongst the participants, CS A. Atharya, Chapter Chairman wished all the participants for a better life and also hoped that this type of get-together will continue in future.

RANCHI CHAPTER

Career Awareness Programmes

On 18 and 20.1.2014, Career Awareness programmes were conducted at Greenfield Public School, Premnagar, Haxag and St Thomas School, Dhanu. Ranchi by S. Snekh, Administrator, S.P. Prasad, and Sumanta Dutta, Chapter Officials gave a presentation on "Career as a Company Secretary" and replied the queries of the students about the course, subjects, job prospects of the profession. The Principal and other teachers of the schools appreciated the efforts of ICSI for creating awareness about CS course.

Career Awareness Programmes/Fairs

NIRC organised 12 Career Awareness Programmes/Fairs during the month of December 2013 in various schools and colleges located in Delhi and surrounding areas, CS J.K. Barua, T. R. Mehra, Laxman Dev and Himanshu Sharma addressed in these Career Awareness Programmes.

Haryana State Conference on Doing Business in India: Investment Opportunities & Regulatory Framework

On 7.12.2013, the Regional Council organised Haryana State Conference on Doing Business in India: Investment Opportunities & Regulatory Framework (Host: Sonarpal Chapter) and (Co-host: Gurgaon, Faridabad, Karnal, Panipat and Yamunanagar Chapters), Prof. Ravi Ram Chaudhary, Chairman, Haryana Khadi and Village Industries Board, Govt. of Haryana was the Chief Guest, Manmohan Jain, Registrar of Companies (NCT) of Delhi & Haryana, Ministry of Corporate Affairs was the Guest of Honour and also a speaker of the programme. The other speakers were CS Santosh Kumar, Dy. Director, Office of Regional Director (NR), MCA, CS Dilip Mittal (Council Member, ICSS); CS Sameet Gambhir, Group Company Secretary & GM - Legal, Schneider Electric Infrastructure Limited and CS J.K. Barua, Associate Professor, University of Delhi.

North Delhi Study Group Meeting on Valuation of Companies (Business Valuation, FDI Valuation, OD Valuation and ESOP Valuation)

On 8.12.2013 at the North Delhi Group Meeting on Valuation of Companies (Business Valuation, FDI Valuation, OD Valuation and ESOP Valuation)
News From the Institute & Regions

and ESDP Valuation S Maneesh Shrivastava, Senior Manager - Corporate Professionals were the speakers.

Vaishali Study Group Meeting on Emerging Opportunities in Regulatory Permissions and Approvals
On 14.12.2013 at the Vaishali Study Group Meeting on Emerging opportunities in Regulatory Permissions and Approvals CS K.K. Singh was the speaker.

Participation in Delhi Airtel Marathon - 2013

South Delhi Study Group Meeting on Foreign Contribution (Regulation) Act, 2010 (FCRA) – Legal Aspects & Issues related to Procedure & Compliance
On 30.12.2013 at the South Delhi Study Group Meeting on Foreign Contribution (Regulation) Act, 2010 (FCRA) – Legal Aspects & Issues related to Procedure & Compliance J.K. Chattopadhyay, Ex Deputy Secretary FCRA, Ministry of Home Affairs was the speaker.

Workshop on NCLT - Opportunities & Challenges
On 21.12.2013 at the Workshop on NCLT Opportunities & Challenges CS Dhan Raj, Member, Company Law Board was the Chief Guest. The speakers were CS P.K. Mittal, Council Member, ICSI, CS Saurabh Kalla and Arun Saxena of Saxena & Saxena, West Zone Study Group Meeting on Related Party Transactions under Companies Act, 2013
On 21.12.2013 at the West Zone Study Group Meeting on Related Party Transactions under Companies Act, 2013 CS Pankaj Tewari was the speaker.

Meeting of Company Secretaries in Practice on Latest Updates on FEMA
On 23.12.2013 at the Meeting of Company Secretaries in Practice on Latest Updates on FEMA, CS Atul Mittal, Council Member, the ICSI was the speaker.

Study Circle Meeting on Alternate Dispute Resolution – Current Trends
On 27.12.2013 at the Study Circle Meeting on Alternate Dispute Resolution – Current Trends CS Laxmi Gurung, Managing Partner, LG Corp Law was the speaker.

HR Conclave on Company Secretary - A Governance Professional
On 28.12.2013 at the HR Conclave on Company Secretary - A Governance Professional CS Nesar Ahmad, Immediate Past President, ICSI and CS Ibn Kamboj, AVP Legal & Company Secretary, Hero MotoCorp Ltd, were the speakers.

East Zone Study Group Meeting on Corporate Social Responsibility
On 28.12.2013 at the East Zone Study Group Meeting on Corporate Social Responsibility CS Pawan Varshney was the speaker.

New Year Eve Celebration
On 29.12.2013 the Regional Council organised the New Year Eve Celebration for its members and their families.

Workshop for Female Company Secretaries on the topic Women Empowerment
On 4.1.2014 at the Workshop for Female Company Secretaries on the topic Women Empowerment Shabnam Khan, Human Rights Activist was the Guest of Honour, CS Rajiv M. Patel & Gajendra Kapoor, Corporate Trainer were the speakers.

Valedictory Session of 183rd MSOP
On 13.12.2013 at the Valedictory Session of 183rd MSOP Dr. R K Agarwal, Past Chairman, NIRC-ICSI was the Chief Guest.

184th MSOP
On 16.12.2013 at the inauguration of 184th MSOP, B K Sabharwal, Chairman, Federation of Indian Stock Exchanges was the Chief Guest.

On 1,1,2014 at the valedictory session CS G P Madaan was the Chief Guest.

CS Anil Singh in his welcome address also congratulated the participants for completing the 184th MSOP and offered his best wishes to them for the New Year. He emphasized on having specialized knowledge, continuous updation of knowledge and being accountable for the work. He also suggested the participants
that everyone should do SWOT analysis of the New Companies Act, 2013.

CS Deepak Kukreja while delivering his address welcomed the participants to ICSI family. He congratulated the participants for completing their last leg of training i.e. MSOP and said that after getting the membership of the Institute in near future all the participants will represent the CS Profession and the Institute and while doing any act, they have to keep in mind the reputation of the Institute. He mentioned that CS professionals are put under the bracket of KMPs under the Companies Act, 2013 and said that the participants can understand the responsibilities and accountability cast by the Ministry on Company Secretaries under the New Companies Act, 2013. He suggested the participants to give full respect to their seniors and parents.

CS Manish Gupta while delivering his address welcomed the participants to the fraternity of CS professionals and said that during MSOP, students are transformed into members. He suggested the participants to have long-term goals and start working on them from the beginning of their career. He requested the participants to contribute to the activities of the Institute and at the end offered his best wishes to the participants.

CS G P Madaan congratulated the participants for completing their 184th MSOP. He encouraged the participants by informing them that every entrepreneur requires the services of professionals like Company Secretaries. He said that participants should prepare their mind and choose between employment and self-employment from the beginning of their career. He advised the participants to expand their horizon of work and not confine themselves to compliances only. He informed the participants about Company Secretaries Benevolent Fund and suggested them to join the same.

185th MSOP Inaugural Session

On 2,1,2014 the Regional Council inaugurated its 185th MSOP at its premises. CS Ashok Tyagi was the Chief Guest of the session, CS Deepak Kukreja, CS NPS Chadwa, CS Aishu Gupta, CS Arvind Singh and S K Nigam were present on the occasion. CS Arvind Singh while coordinating the inaugural session of 185th batch of MSOP suggested the participants to be participative & interactive with the faculties of MSOP. He said that query raised by one participant will be beneficial for all the participants and suggested them to clear their doubts during sessions. He said that New Companies Act 2013 gives lot of hope & opportunity to CS Professionals and also suggested the participants to read the Act atrosh.

CS Deepak Kukreja while delivering his address congratulated all the participants for reaching to the last leg of training i.e. MSOP. He said that entire corporate world is looking up towards CS professionals. He stressed on updating knowledge and suggested the participants to be attentive & interactive during the sessions. He advised them to respect the senior faculties & their family members.

CS Aishu Gupta in her address emphasized on having long-term goals and suggested the participants to interact with the faculties and make best use of them. She offered her best wishes to the participants for their future.

CS NPS Chadwa said that for next 15 days all the participants will be students but after the completion they will be treated as Members of ICSI. He advised the participants to enjoy everyday and learn from eminent faculties of MSOP. He suggested the participants to do their own SWOT analysis and start working on them.

CS Ashok Tyagi said that after the completion of 15 days, the participants depending on their attitude will become different personalities. He advised the participants to do their job with full dedication & commitment, as satisfaction of job plays a vital role in the success of the person. He said that learning never ends and emphasized on the importance of continuous learning. He also advised the participants to improve their drafting skills. He wished the participants for their future.

CS Arvind Singh concluded the inaugural session of 185th MSOP. He acknowledged the presence of Chief Guest, He said that we all should learn from the expert knowledge of Senior Members of the Institute.

One Day Seminar on Governance, Fraud & Offences under Companies Act, 2013

On 28,10,2013 the Regional Council organized a one day seminar on Governance, Fraud & Offences under the Companies Act, 2013 at Hotel Le Meridien, New Delhi. U C Kotha, Director of Inspection & Investigation, Ministry of Corporate Affairs, Government of India was the Chief Guest and Harish K Vad, Vice President, ICSI was the Guest of Honour. Around 400 members were present at the inaugural function of the seminar.

Inaugural Session: CS Vineet Chaudhary anchored the inaugural session of the seminar. He briefly informed the coverage of the programme and said that the topic of the seminar is new and never been touched. He said that there is thin line between the governance & accountability and we have to understand this thin line and gear up and prepare ourselves to face the challenges thrown by the Companies Act, 2013.

CS Deepak Kukreja welcomed the dignitaries on the dias. He said that for a country’s equitable and sustainable development, governance mechanisms are needed across the board from a nation’s education and health systems to its financial system and companies. Governance is needed to mitigate climate change and to effectively manage land and natural resources. Governance is also needed for the global system that is tasked with deciding on and monitoring the development commitments. Where governance
News From the Institute & Regions

is effective and just, it provides a solid base for economic, environmental and social sustainability. For these positive impacts to happen, governance must be composed of key reinforcing pillars such as transparency, accountability, integrity and participation. These elements establish a governance framework for transformative change. They serve to unlock the passive and empowering forces of governance for the social good. Professionals like Company Secretaries can play a vital role in ensuring the good governance. Under the Act Company Secretaries are put under the bracket of Key Managerial Personnel and will be held responsible for the compliances of the at the relevant laws applicable to the companies. He also thanked various Chapters which participated in the seminar through webinar.

CS Ajay Mittal while addressing the gathering explained the linkage between Governance, Fraud, Offence, Inspection & Investigation. He also mentioned about the setting up of Serious Fraud Investigation Office (SFIO) for making investigation in fraud cases and also briefly touched the provisions of Companies Act, 2013 relating to NCLT, NCLT etc, the agencies empowered under the Act for the purpose of making inquiry, investigation, etc.

CS M S Saha, Secretary, The ICES gave the background of why these kinds of governance provisions are prescribed in the Act. He mentioned that now a days major part of the growth of the country come from organized activity and not from the agricultural sector and they are the drivers of the economic growth of the country. He said that Governance is not a new thing it started from the days of the Joint Stock Companies and was started with Cadbury Committee of London. He explained the fundamental principles of governance and said that for governance of the company, governance of the markets is essential. The governance of the markets is based on the input of the company and output of the company is taken care by the Competition Commission of India and input is capital and that is taken care by the Securities Law. Unless the securities markets are regulated properly, the price signals it will generate will not be proper. He said that unless governance principles are not there in these markets, they have no relevance in the Companies Act.

CS Parth K Vaid while addressing the gathering complimented NIRC for its continued activism in organizing various programs. He expressed his concern about the challenges thrown before the members by the economic & regulatory environment and also assured that with the help of regulators our members will have a trouble-free ride. He said that the challenges are mainly due to rapid changes in the laws and also advancement of the technology. Increase in corporate frauds leads to increased accountability for the professionals and the solutions lies in self regulation and transparency. He said that expectations of the corporates and regulators are increasing day by day from the Company Secretaries and they have to find new ideas for creating value for the organization. He mentioned about SFIO and said that Company Secretaries may offer their services at SFIO. He also informed the members about various developments taking place at the Institute level.

U C Nair while addressing the gathering said that the Companies Act, 2013 has a long history viz, Companies RA, 1893, 1913, 1956, 2000, 2009, 2011 & 2017. He informed about the entire procedure of passing of the Act and said that it requires long time & labourious efforts. He suggested that the Institute may constitute a Committee and give suggestions on the new Act to the Ministry. He also touched the various provisions of the new Act relating to duties of directors, one person company, SME, scrutiny & inspection, investigation, SFO, class action suits, offences under the Companies Act, 2013, compounding of offences, consultation panel, corporate social responsibility and also various recognitions given to Company Secretaries.

CS Manish Gupta arranged presentation of the memento & certificates to the awardees of the Research Paper Competition, 2013 and also to the best presenters & best participants of 182nd & 183rd MSOP.

First Technical Session: CS Vinod Chaudhary anchored the First Technical Session of the seminar.

CS Pavan Kumar Upadhyay, Past President, the ICESI & Managing Director, Corporate Professionals Capital Private Ltd, spoke on “Governance: Initiatives & Accountability”. He divided his entire discussion into four main parts viz, Strengthening Corporate Framework, Stakeholder Interest Protection, Transparency & Disclose & Impact of Changes. He discussed in detail the provisions relating to Composition of Board, Directorship of Directors, Meeting of Board, Quorum for Board Meeting, Meeting through Video Conferencing, Quorum for Board Meeting in case of Interested Directors, New & Mandatory Committees viz, Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee etc. He also discussed the provisions relating to qualification duties, responsibilities of Directors & powers of the Board and also the provisions relating to appointment of Managerial Personnel. While dealing with Stakeholder Interest Protection, he discussed the provisions relating to Public Issue, acceptance of deposits, management & administration of company, CSR and prevention of oppression & mismanagement etc. On Transparency & disclosure, he discussed the provisions relating to Annual Return, Return to be filed with Registrar incuse the stake of promoter changes, accounts of the company, general meeting, Audit & Auditors, Related Party Transactions, Secretarial Audit, Fraud & Penal Provisions etc. At the end he said that that these changes will lead to increase in quality of functioning of the company, beginning of new era of Board Governance, enhanced responsibility w.r.t. disclosure & transparency, increase in trust of investors & stakeholders.

Marwane Namra, Registrar of Companies, NIC of Delhi & Haryana spoke on Scrutiny, Inspection & Investigation – Technical Aspects. He discussed in detail provisions relating to Chapter XIV, Section 206 to 229, Section 90, section 467, 447, 448 and 449 of the Companies Act, 2013 relating to power of Registrar to call for further information and inspection, inquiry on information.
of fraudulent or unlawful state of affairs. Power of Central Government to order inspection, penal provisions on disobedience of inquiry orders, conduct of investigation & inquiry, penal provisions on disobedience of inspection orders, Search & Seizure, Investigation, Investigations by SFIO, reasons for conducting inquiry, Inspection and investigation, Nature of non-compliance, non-compliance w/Praous, definition and various types of frauds. After the first technical session, members present asked various queries, which were suitably replied by the guest speakers of the session. CS Rajiv Bajaj concluded the first technical session.

Second Technical Session: CS Ranjeet Pandey anchored the second technical session, CS Nesar Ahmad, Past President, the ICSI chaired the Second Technical Session of the seminar. While addressing the gathering he mentioned the linkage between the governance and fraud and how to bridge the gap between the two. He said that out of four pillars of government, board process is the main pillar and with which professionals like company secretaries are directly associated with as it require inputs from a professional like Company Secretary. He suggested the members present to go through Chapter XV of the Companies Act, 2013 and also briefly mentioned about the powers of SFIO.

Nirmesh Sarwad, Director, Serious Fraud Investigation Office spoke on SFIO: Functions, Role & Powers. He discussed briefly the history of SFIO and explained the same in the present context and said that SFIO now is a statutory organisation created under section 211 of the Companies Act, 2013. He also discussed in detail the functions, role & powers of SFIO as prescribed under the Act.

Mannomohan Junteja, Registrar of Companies, NCT of Delhi & Haryana spoke on Componding of offences under Companies Act, 2013. While addressing the gathering, he explained the difference between the compoundable and non compoundable offences and also explained the entire procedure & provisions relating to compounding of offences under the Companies Act, 2013.

After the second technical session, members present asked various queries, which were suitably replied by the guest speakers and Chairman of the session.

CHANDIGARH CHAPTER
Talk on the Companies Act, 2013
On 18.1.2014 the Chandigarh Chapter of the NIRC of the ICSI organized a Talk on the Companies Act, 2013 at Chandigarh. The talk was aimed to cover various aspects of the Companies Act, 2013 though all the sections of the Act are not yet operable but the sections which have been implemented have already started affecting existing compliance practice & procedure. The Managing Committee of the Chapter observed to address the issue relevant to the professionals by conducting this Talk. The programme was attended by 38 delegates.

CS Anil Aggarwal, Advocate, Punjab and Haryana High Court through Power Point Presentation explained in detail various sections of the Companies, Act 2013 notified and to be notified by the Central Government. While addressing the participants, CS Aggarwal also mentioned that in the Companies Act, 2013 punishment fine imposed for any fraud has been increased manifold. He also discussed about the constitution of NCLT and the qualifications of its Members and Technical Members. He mentioned that a Company Secretary could be a Technical Member.

CS Aggarwal mentioned that it is the time when the professionals have to pay more attention before signing of any document, certificate or filing of various forms with the Government or Regulatory Authorities. The Talk was very informative and the feedback of the participants was very good.

At the end of the presentation, there was a Question - Answer Session wherein various queries raised by the participants were replied by CS Anil Aggarwal by citing various live examples.

FARIDABAD CHAPTER
Half Day Seminar on Companies Act 2013
On 12.1.2014 the Chapter organised a half day seminar on Companies Act, 2013 at Faridabad. CS N.K. Goel, Chapter Chairman in his welcome address said that the purpose of the programme was to provide an insight into the Companies Act, 2013 for the Corporate Professionals and to give emphasis on the scope of company secretaries.

Chief Guest CS Deepak Kundra, Chairman, NRC spoke about the regulatory aspects of the Companies Act, 2013 and informed them about the industry and corporate expectations from the new law. He suggested the participants to follow the proactive approach to be successful professional.

First Technical Session: CS Vireet Chaudhary, Member, NIRC anchored the first technical session on Overview of Companies Act, 2013 & Opportunities for CS. While addressing the gathering, he said that the Companies Act, 2013 provides plethora of opportunities for CS members but as always opportunities are being followed by the challenges. Only such professionals can deliver best who keep pace with the fast changing Corporate World and Keep on updating themselves.

Second Technical Session: CS Parvaj Jain anchored the second technical session on CSR & Class Action Suits. He explained the significance of Corporate Social Responsibility in terms of Business Value. He also elaborated various provisions relating to Class Action Suits under the Companies Act, 2013.

Third Technical Session: CS Saurabh Kalia anchored the third technical session on Opportunities for CS in NCLT & Corporate Restructuring. He informed the participants that one of the main
features of the new legislation is setting up of the National Company Law Tribunal (NCLT) and Appellate Tribunal, Once formed NCLT would replace the Company Law Board.

The programme received overwhelming response and was well received by the members present.

**GHAZIABAD CHAPTER**
**11th Professional Development Programme/ Full Day Seminar on Corporate Governance**

On 05.01.2014 the Chapter organized its 11th Professional Development Programme/One day seminar on Corporate Governance at its premises. Deepak Kulkarni, Chairman, NIRC was the Chief Guest who took the first technical session on "Corporate Governance" and shared rich insights about the role of Company Secretary pertaining to Corporate Governance. He also discussed in detail various provisions of New Companies Act, 2013. The session was very informative and interactive and response of participants was overwhelming. Post lunch session was on "Service Tax - Negative List". CA Piyush Garg explained in detail various provisions and intricacies which a CS should be aware of. The programme concluded with the valedictory session.

**Panel Discussion on Service Tax and Income Tax Issues**

On 11.01.2014 Ghaziabad Chapter of NIRC at the ICSI organized a panel discussion on "Service Tax and Income Tax Issues" in association with Ghaziabad Management Association and All India Federation of Tax Practitioners (North Zone) at M/S, Gharibabad, J.D. Narkani, National President of AITP was the Chief Guest of the programme. The panel was moderated by Mukul Gupta and panel members comprised of CA Abhijit Jain, CA Saurabh Agarwal and CA Naveen Garg. Saurabh Agarwal from Ernst & Young discussed in detail definition, applicability, exemption and negative list of service tax. The speakers covered new rules of service tax in detail. There was light discussion between the panel and the audience which made it a very interactive session.

**Investor Awareness Programme on National Stock Exchange and Capital Market for General Public**

On 21.01.2014 Ghaziabad Chapter of NIRC at the ICSI organized an Investor Awareness Programme on National Stock Exchange and Capital Market for General Public at NH-3, Ghaziabad. CS Pawan Kumar Bhardaawaj from NSE and Anind Kumar from SEBI were the speakers. The speakers shared rich insights on the role of SEBI & NSE in regulating the investment market and safeguarding the interest of investors. They also discussed in detail the available investment options and the precautions to be taken while investing in them. The session was very informative and interactive and response of participants was overwhelming.

**GURGAON CHAPTER**
**15th Management Skills Orientation Programme**

From 28.11.2013 the Chapter organized its 15th MSOP. CS Parveen Kheterpal, Chapter Chairman welcomed the students and addressed them by sharing his experience. This was followed by inauguration of the programme.

On 14.12.2013 at the valedictory session certificates to all the participants were distributed. Best participant award in the male category went to Kulwant Singh Herr in and in the female category to Tanmik Kaur.

**Tree Plantation Programme**

On 5.12.2013 the Gurgaon Chapter organized a Tree Plantation event. The event was in order to promote the Green concept. The Dignitaries present on the occasion planted trees at the Gurgaon Chapter. The event was also attended by students of 15th MSOP.

**Half Day Seminar on Prevention of Sexual Harassment at Workplace and Segment Wise Licensing and Registration followed by New Year Get Together**

On 3.1.2014 the Gurgaon Chapter organized a Half Day Seminar on the above topic at the Chapter premises. The topics of the seminar were Prevention of Sexual Harassment at Workplace and Segment Wise Licensing and Registration. CS K K Singh, Managing Partner; K K Singh & Associates initially discussed and deliberated on the importance of Segment Wise Licensing and Registration in the corporate world. This was followed by CS Rekshanda Niyazi took a session on Prevention of Sexual Harassment at Workplace. The seminar was attended by members and students.

**Half Day Seminar on Recent Development in Foreign Direct Investment and Overseas Direct Investment**

On 9.1.2014 the Chapter organized a Half Day Seminar on the above topic. CS Atul Mittal, Central Council Member & Director, Tax & Regulatory, Deloitte Touche Tohmatsu India Pvt. Ltd. discussed and deliberated on the recent developments that have
taken place in Foreign Direct Investment. Following this, CS Hitender Mehta, Past Chairman, NIRC and Partner, Vahal Associates addressed the participants on recent developments in Overseas Direct Investment. The seminar was attended by members and students.

Investor Awareness Programme
On 11.11.2013 the Gurgaon Chapter organized an Investor Awareness Programme at Myra Tourist Complex, Rohanak. The programme was attended by 75 participants. Dr. Sattish Guddi was the chief guest of the programme. Jatin Kumar took the technical session and guided the participants on how to start investing safely in the Capital Market. He also educated the participants on the Role of Regulators and rights of small investor as well as Investor Protection.

Full Day Workshop on Companies Act, 2013
On 18.11.2013 the Chapter organized a Full Day Workshop on Companies Act, 2013 at Gurgaon. The topic of the workshop was Governance, Risk Management & Compliance. CS G.P. Madan took the first Technical Session by addressing the audience on the value of Independent Directors in the corporate world. The next session was taken by CS B.K. Khatria, Senior VP, Legal & Secretarial, Yezdi India Limited on Corporate Social Responsibility. The next session was taken by CS Sandip Khatria, Partner, Financial Accounting Advisory Services, Gurgaon and his topic was Governance through Auditors.

The inaugural part of the Second Technical Session was taken by CS Lalit Kumar, Partner, Sagar Associates Advocates & Solicitors on Distress in Board Reports. The final Technical Session was taken by CS Hitender Mehta who addressed the audience on Annual Return Disclosures.

Half Day Seminar on Service Tax – Voluntary Compliance Encouragement Scheme 2013 & Reverse Charge and Refund under Service Tax Law
On 6.12.2013 the Chapter organized a Half Day Seminar at Gurgaon. CS Parveen Khetrapal, Chairman, in his welcome address said that Service Tax is an important part of indirect tax to the Government of India and companies providing various services need to take care of it.

The topic of the seminar was Service Tax – Voluntary Compliance Encouragement Scheme 2013 & Reverse Change and Refund under Service Tax Law. CS Sanjiv Dagar, Managing Counsel, Legalist and CS Anil Kumar discussed and deliberated on the various provisions of the Service Tax. The seminar was attended by members and students.

Full Day Seminar on Drafting of Commercial Agreements
On 14.12.2013 the Gurgaon Chapter organized a Full Day Seminar on Drafting of Commercial Agreements at Gurgaon. The Chief Guest of the Programme was CS Pawan Kumar Vijay, Past President, ICBS. Mr. Sudhakar Ratne from KPG & Partners was the Guest of Honour on the occasion.

The first Technical Session was taken by K.K. Darbh, K.K Darbh & Associates and his topic was “Drafting & Negotiating of Commercial Contracts”. This was followed by a session by Rajinder Sharma, Director, Corporate Affairs & General Counsel South Asia on “Effective Risk Control Measures to Minimize Litigation Exposure and Avoid Disputes. The next session was taken by Deepak Khurana, Partner, Khaltia Sud & Partner on Drafting & Negotiation of Dispute Resolution Clauses & Practical aspect on Alternative Dispute Resolution.”

The second Technical Session was taken by CS G.S. Kumar, Senior Partner, Lakshmi Ram & Associates, on “Critical Aspects of Shareholders and Joint Venture Agreement”. The seminar was attended by members and students.

JAIPUR CHAPTER
Half Day Seminar on Practical Aspects of Companies Act, 2013
On 22.12.2013 the Chapter organized a Half Day Seminar on the above topic, at Chapter Premises, CS Deepak Kukreja, Chairman, NIRC was the chief guest for the programme. The Speakers were CS Manoj Maheshwari, Practicing Company Secretary & CA Bhupendra Mantri who presented their views on the topic to the members.

Half Day Seminar on Life Skills & Motivation
On 4.1.2014 the Chapter organized a Half Day Seminar on Life Skills & Motivation at Jaipur. The Speakers were S.P. Pathak & Satish Dalal who presented their views about Life skills & motivated the members present.

New Year Celebration & CSBF Cultural Evening
On 4.1.2014 Jaipur Chapter celebrated New Year Celebration & CSBF Cultural Evening at Jaipur. The programme was attended by a large number of members. During the Programme Office
Southern India Regional Council

HR Conclave

CS Dr B Ravish, Company Secretary in Practice and Member inaugurated the programme and spoke on the theme and on value addition to the profession by the CS both in employment and practice. He highlighted the importance of the CS in an organization and his role. He also spoke on the services that are rendered by the Company Secretaries in Practice.

The speaker for the programme, CS B Ravish, Director, Human Resources, Nokia, Chennai spoke on the role and importance of CS in HR perspective, he shared his experience of being a CS and heading the HR of a multinational company. He asserted that a CS can be a multi-faceted personality, Ravish explained the HR executives that the CS has been tagged as Key Managerial Personnel in the Companies Act 2013 and will be vital in implementing effective corporate governance, which has been given more importance in the Act. Tessa J Kallarackal, a Professional Programme Student, compered the programme.

First PCS Induction Programme
On 7 and 8.12.2013 the first PCS Induction programme of the ICSI – SRC was organized at ICSI House, Chennai. Around 30 members participated in the programme, CS Sridhar R, Council Member, The ICSI, in his opening remarks, explained the need and coverage of the programme, CS Sridhar R, Council Member, CS P T Rangaswamy, Past President, CS Dr B Ravish, Member, CS Ramasubramanian C, Treasurer, CS A R Sambasivam, CS B Chandra, PCS, CS A M Sridharan, CS Estivar S, were the speakers for the programme.

Study Circle Meeting on An overview of changes under the new Company Law
On 13.12.2013 at the Study Circle Meeting on An overview of changes under the new Company Law CS R Rajesh, Advocate addressed the meeting, Rajesh focussed on the provisions relating to Associate Company, Company Liquidator, Key Managerial Personnel, One Person Company, Small Company, etc. The speaker threw light on the consequences of false and incorrect information or representation at the time of incorporation and explained that in the Corporate Social Responsibility Committee constituted under section 135 there should be at least one independent director. Rajesh also spoke on the changes pertaining to disqualifications for appointment of director, compromises, arrangements and amalgamations, NCLT, NCLAT, Special Courts and independent directors, The members actively interacted with the speaker.

One Day Workshop on Companies Act 2013 and Emerging Capital Markets for Faculty Members
On 14.12.2013 with a novel and reasonable idea of updating the faculty members of Commerce, Management and Law, the ICSI – SRC in association with Saveetha School of Management, Saveetha University, Chennai organized a workshop on the above topic at ICSI – SRC House, Chennai. Around 125 faculty members from all over Tamil Nadu participated in the workshop.

Earlier Sarah Arrekswamy, Joint Director, ICSI – SRC in her welcome address explained the participants about the workshop. CS A Mohan Kumar, AGM, Legal & Company Secretary, After Technologies Limited, Chennai inaugurated the seminar. Mohan Kumar congratulated the SRC on the initiative and also explained the delegates in nutshell the important changes in the Companies Act, 2013.

The first session was on the ‘Companies Act 2013’, handled by CS Dr B Ravish, Company Secretary in Practice, Chennai & Member, ICSI – SRC, Dr. Ravish, in his stimulating speech, explained the various changes & updates in the Companies Act 2013 from academic point of view. Being himself a distinguished academician, his updates from academic view was appreciated by all the participants.

CS Sridharath S, Management Consultant and Secretary, Tamil Nadu Investors’ Association, Chennai was the speaker of the second session. He gave the faculty members an update on the recent developments in capital market and tips for safe investments in the share market.

In the third session, Rama Haran, Corporate Trainer, addressed the faculty members on the work life balance and tips to lead a stress free life.

Investor Awareness Programmes
The ICSI-SRC organized Investor Awareness Programmes at the following educational institutes:
On 4.12.2013 at DRBCCC Hindu College, Pattabhiram, S Mahadevan, Chief Manager, Andhra Bank (Retd.) Financial Consultant, Chennai was the speaker; on 6.12.2013 at MEASI Institute of Management Studies, Royapettah, A R Vasudevan, Regional Manager, CDSL, Chennai was the speaker; on 10.12.2013 at T S Narayanaswami College of Arts & Science, Navab S Venkatesan, Treasurer, Tamilnadu Investors Association, Chennai was the speaker; on 12.12.2013 at Sri Muthukumarans Arts & Science College, Madanapalle, A V Vasudevan, Regional Manager, CDSL, Chennai was the speaker; on 14.12.2013 at ICSI-SIRG House, Chennai for the faculty members of various arts & science colleges, management institutes and law schools S Srikant, Secretary Tamilnadu Investors Association, Chennai was the speaker; on 17.12.2013 the programme was held at Department of Management Studies, Dr MGR University, Chennai S Venkatesan, Treasurer, Tamilnadu Investors Association, Chennai was the speaker; on 20.12.2013 the programme was held at Department of Post graduate studies and research in commerce, University of Madras, Chennai V Nagappan, Adviser, Madras Stock Exchange Ltd, Chennai and S Srikant, Secretary Tamilnadu Investors Association, Chennai were the speakers.

**COIMBATORE CHAPTER**

**Professional Development Programme**

On 4.1.2014 the Chapter organized a Professional Development Programme on Scope of Company Secretaries in the Companies Act, 2013 Including Secretarial Audit & Certification of Annual Return at Indian Chamber of Commerce & Industry Hall, Avinashi Road, Coimbatore.

CS R. Sridharan, Central Council Member, the ICSI was the Guest Speaker who explained in detail the scope of Company Secretaries in the Companies Act, 2013 with latest statistical data on Company Secretaries and Corporates covered under the Secretarial Audit & Certification of Annual Return. The session was highly informative, updated & lively and received with applause by strength of many members and students. On the same day, the Chapter organized an Interaction with S N Ananthasubramaniam, President, the ICSI. He interacted with members and students on various initiatives taken by the ICSI during the year 2013 like E Learning, E Registration, etc.

**HYDERABAD CHAPTER**

**Seventh Residential Programme**

On 13 & 14.12.2013 the Chapter organized its 7th Residential Programme on “Rejuvenator” at Ananthagiri Hills, Visakhapatnam jointly with Visakhapatnam Chapter, CS A vvSS, Ch. R Selvar Babu presided over the function and addressed the gathering and explained the importance of conducting residential programme and importance of the topic chosen for the purpose, CS Vasudeva Rao Devail, Vice Chairman of the Chapter welcomed the gathering and informed about the advantages of conducting joint programme at Anantagiri and relevance of the topic and advised the members to participate actively in the Interactive session. CS S S, Marthi, Member, SIRG congratulated both the Chapters for organizing the Residential Programme.

Srinivas Savaram, Trainer was the speaker. He interacted with the participants and briefed them about the need to understand what rejuvenator is. He dealt with relevance as well as the importance of the topic. Participants actively volunteered and participated in the demos relating to several topics.

** KOCHI CHAPTER**

**Inauguration of ICSI House, Kochi**

The Inaugural function of ICSI House, Kochi, started on 3.1.2014 with a Puja at the new premises at 5 AM. which was attended by CS S.N, Ananthasubramanian, President, ICSI, CS R. Sridhara, Central Council Member and Chairman of Committee for property acquisitions, the Managing Committee Members of ICSI, Kochi Chapter and other members. On completion of the Puja, the Formal Inaugural Function was held at The Renai, Cochin from 10:30 AM. which was attended by several dignitaries including Josekutty V.E, Deputy Registrar of Companies for Kerala and Lakshadweep, Vijayan Menon, former Registrar of Companies for Kerala, Tamil Nadu and Mumbai and Prashanth, Assistant Official Liquidator.

CS Jayan K, Chairman, Kochi Chapter delivered the Welcome Address which was followed by the unveiling of Plaque by CS S.N. Ananthasubramanian, accompanied by CS R. Sridharan, CS Raju Ramachandran, Vice Chairman, SIRG, the Managing Committee Members of Kochi Chapter and senior members, Josekutty V.E, Deputy Registrar of Companies, CA Jemon K George, Member, SIRG of ICAI, CMA V Santhosh Kumar, Chairman, Cochin Chapter of ICAI, CS Raju Ramachandran, CS A. Vivekanand, Past Chairman, SIRG, CS N. Balasubramanian, Past Chairman, Cochin Chapter offered felicitations on the occasion, CS R. Sridhara, addressed the gathering which was followed by Inaugural Address by the President. The Inaugural Function was followed by a Professional Development Programme on Secretarial Audit, Annual return and Scope for CS in the Companies Act, 2013 by CS R. Sridharan.
SALEM CHAPTER
Career Awareness Programmes
On 10.1.2014, the Career Awareness Programme conducted by the Salem Chapter of the ICSI at K.S.R. College of Arts & Science, Department of Management Studies, Erode Road, Thrushengode for II-Year MBA Students.

CS Santharam N, Chapter Secretary detailed the students regarding qualification, duration, structures, employment, importance, prospects of the CS Course and role of Company Secretaries. After his detailed explanation about Career as a Company Secretary, he also included a brief lecture about Capital Markets in India.

Sundar Swamy S, Assistant explained about the Registration of CS course through Online and activities of the Institute and Chapters. The queries raised by the students were clarified by the Secretary during interaction session.

On 22.12.2013 the Salem Chapter of SIRC of the ICSI conducted Career Awareness Programme at K.S.R. College of Arts & Science, Erode Road, Thrushengode.

Chapter Chairman CS Selayappan S. detailed the students regarding the CS course like qualification, duration, structures and the employment prospects in his lecture.

CS Gnanasekaran S, Vice-Chairman of the Chapter addressed the students on the importance, value and role of Company Secretaries.


The queries raised by the students were clarified by the Chairman and Vice - Chairman during interaction session.

Crickets Match between ICSI-WIRC and MCA
On 2.1.2014 ICSI-WIRC organised Friendly Cricket Match at Hindu Gymkhana, Mumbai. The programme was inaugurated by K. L. Kamboj, RD, WR, Reddy, OL, Mumbai, Dr. T. Pandian, ROC, Maharashtra, I C V Sajeevan, Deputy Director and A K Tripathi, Member (Judicial), C.I.B, Mumbai Bench graced the occasion. CS Hitesh Buch, Chairman, ICSI-WIRC during his address thanked the MCA officials for their whole-hearted support in organising the match over the years. Kamboj inaugurating the match remarked that ICSI always remained an extended arm of MCA, he said that more such initiatives are to be planned in future.

CS B Narasimhan, Central Council Member the ICSI was a part of WIRC XI, CS Ragni Chokshi, CS Sanjay Gupta, CS Makarand Late, CS Allu Mehta and CS Hitesh Kothari were also present to cheer up the teams. CS Kaushik M. jhaveli coordinated the event.

Health Check up camp organised at RD Office Premises
On 11.1.2014 ICSI-WIRC in continuation with its social welfare activities organised a Health Check up Camp at its premises of the Regional Director (WR) at Mumbai. K L Kamboj, Regional Director - WR, Dr. T. Pandian, NOC, Maharashtra, Reddy, OL, Mumbai and G V Sajeevan, Deputy Director graced the occasion.

CS Hitesh D. Buch during the inauguration specially thanked the Regional Director and the MCA officers in Mumbai for assisting ICSI-WIRC in organizing the Camp. He hoped that such activities will be continued by MCA and WIRC. He thanked CS S K Jain (Dr.) for coordinating the event and contributing his valuable time selflessly for this noble cause. CS Prakash K Pandya, CS Hitesh Kothari and other senior members also visited the camp. The medical Camp was organized with the kind and whole hearted support of Bajajith Hunga, President, Hindustan Chamber Chiktala, Mumbai.

Western India Regional Council
Campus Placement of ICSI-WIRC
On 7.12.2013 ICSI-WIRC organized a Campus Placement at GNMS, Matunga, Mumbai. Around 10 Corporates and 15 Practitioners participated in the interview process. The interviews were held for both Members as well as Management Trainees.


There was good response from corporates. Some freshers were interviewed and appointed for overseas jobs.

Two Days Workshop and Panel Discussions on Companies Act, 2013
On 4 & 5.1.2014 ICSI-WIRC jointly with its Indore Chapter organized a Two Day Programme at Fortune landmark, Indore. The Programme was attended by professionals from various states.
across the region. Eminent icons, mainly from CS Profession addressed the participants.

On 4.1.2014 CS B Narasimhan, Council Member inaugurated the programme and shared his brief thoughts. CS Ashish Gang Secretary, ICSI-WIRC delivered the introductory remarks, welcomed the guests and delegates and introduced the theme of the Conference. CS Hitesh Buch delivered the Chairman’s address. He complimented the Indore Chapter of ICSI for taking this initiative of organising the programme at an appropriate time. He mentioned that the Conference would be of immense benefit to the participants in view of the sweeping changes that are brought and contemplated in the Companies Act, 2013. He explicitly mentioned that the role of the CS would be of great significance in corporate world after the entire law is made effective, and the members in practice and employment shall have to live up to the expectations of the corporate management and the legislature. There were five technical sessions on 4.1.2014.

Dr K S Ravichandran, Company Secretary in Practice, Coimbatore spoke on Related Party Disclosures and Transactions, CS U K Chaudhary Past President, ICSI and Senior Advocate, deliberated on the role of and scope for CS in the era of NCLT. Protection of Small Investors under the Act and Penal Provisions of Listing Agreement were covered by Onish Joshi, Senior General Manager – BSE CA Asem Trivedi, spoke on Accounts, Audit and Auditors, Vijay Joshi, Secretary, WIRC of Institute of Cost Accountants of India spoke on Cost Audit and Cost Records.

After the technical sessions on the first day, a cultural evening was organized in the evening. Members took part in various activities and exposed their talent during the occasion.

On 5.1.2014 at the First Technical Session was an Impact of new provisions on Private Limited Companies which was dealt by CS Ashok Mehta, Former Chairman, ICSI-WIRC. CS Umesh Ved, Council Member spoke on Company Secretary under new regime of Company Law & Capital Market (including relevant) part of Chapter III and CS B Narasimhan spoke on General Meetings & Dividend (Chapter VII and VIII) and Secretarial Audit Report and Annual Return.

The last Technical Session of the conference was addressed by CS Pavan Kumar Vijay, Past President, The ICSI on Board and Corporate Governance and Opportunity for CS.

During the President address, CS S S Ananthasubramanian spoke about the Governance and the key role a CS has to pay in maintaining Governance. He said governance has to be commenced with in and then only it can be extended to corporate.

He complimented team WIRC and Indore Chapter for organising this workshop of immense topical relevance.

Reciprocating the Valedictory Address by the President, CS Hitesh Buch, WIRC Chairman expressed gratitude on behalf of WIRC to the President, the participants, the sponsors and the faculty for their support and for successful conclusion of the programme. He also complimented the entire managing committee of Indore Chapter for the arrangements and hospitality.

CS Ananthasubramanian responded to various queries raised by the participants.

Other council members who spoke during the valedictory session included CS Prakash K Pandya, Chairman - POC, ICSI-WIRC, CS Umesh Ved and CS Atul Mehra, Central Council Members.

AHMEDABAD CHAPTER

Investor Awareness Programme

On 4.1.2014 an Investor Awareness Programme was organised jointly with the Ahmedabad Chapter of WIRC of ICSI and MCA at Sarvar Patel Seva Sanstha, Gandhinagar, Gujarat. Mr. Mujibhud Doshi, LIC Agent, Rajesh Tarpara, Chapter Secretary, Vishalbhai Gajera, Chairman, Ankleshwar Industrial Association, Thites of Sarvar Patel Seva Sanstha, Ankleshwar, founder of Nilotkhand Group Industries, and Bhikhubhai Gadhesaria, Chairman, Sarvar Patel Seva Sanstha were on the dais. Around 118 other persons along with well known industrialist were present in the programme.

The programme started with welcome address by Mr. Mujibhud Doshi and then was addressed by Bhikhubhai Gadhesaria with occasional speech. Rajesh Tarpara briefed the idea behind the programme and explained about MCA, ICSI and ILPE, Chief Guest Vishalbhai Gajera in his address covered how to manage and invest money in the capital market as well as in other option. He also explained functioning of Share Market in brief. Rajesh Tarpara then delivered technically various aspects of smart investments and Mantras for prudent investment.

The programme was then made open for question-answer session. After that Kabanbhai Kotibha, Investor concluded the programme.

PUNE CHAPTER

Study Circle Coordination Meeting

On 7.12.2013, Pune Chapter of WIRC of the ICSI organized a Study Circle Coordinator Meeting, Vice-Chairman of the Chapter CS Shipra Dixit and Chapter Secretary CS Pangal Anand were present for the meeting. Around 15 Coordinator of Study Circle Meeting were present. The Meeting was very informative and appreciated by the ISCM Coordinator.
ICSI - CCGRT
Programme on the Companies Act, 2013 (With draft Rules & Forms thereunder)

On 17.1.2014 the ICSI-CGRT conducted a full day programme on Companies Act, 2013 (with draft Rules & Forms thereunder) at its premises. The speakers of the programme were Shashikala Rao, Practising Company Secretary & Former Vice President - Corporate Secretarial at Reliance Industries Ltd., Mumbai, Dr. K. K. Chandratre, Practising Company Secretary, Pune and Sashi R. Rajadhyaksha, Consultant - Tata Capital Financial Services Limited and former Head - Legal & Compliance & Company Secretary - Tata Capital Limited, Mumbai.

Shashikala Rao initiated the discussion by giving an overview of the Companies Act, 2013 with particular reference to New Concepts. She enlightened the participants about the provisions under the Companies Act, 2013 viz. Incorporation, Charges, Capital and their various implications.

She explained about e-governance, where one has an option of keeping books of accounts in electronic form, maintenance & inspection of documents in electronic form, uploading of financial statements on website and holding of board meetings through electronic means. She discussed section 135 which states that CSR committee to be constituted by companies and 2% of average NPBRT of last 3 years to be mandatorily spent on CSR by companies having net worth of 1000 crore or more, turnover of 1000 crore or more, net profit of 5 crore or more. She exchanged her views on the various available investor protection measures like Investor Education and Protection Fund (IEPF) which can be utilised for distribution among investors who have suffered losses; also claim of an investor over an unclaimed dividend to IEPF shall not be extinguished. She even elucidated Secretarial Audit under section 204, which is compulsory for every listed or public company having a paid up share capital of Rs. 100 crore or more and is required to be annexed with Board's report. She also made a mention of provisions relating to appointment of woman director, independent directors and provisions in respect of their tenure and liability for the same, code of independent directors provided in Schedule N, duties of directors prescribed. Director's Responsibility Statement, development and implementation of risk management policy in Board's report, Board's resolutions to be filed with ROC, functions of CS, enhanced disclosure in prospectus, secretarial standards to become mandatory, financial statement, financial year, key managerial personnel, officers in default, related party, small company and subsidiary company.

While discussing incorporation, she pointed out that maximum number of members in a private company has been increased from 50 to 200; the memorandum of a company shall be in respective forms specified in Tables A, B, C, D and E in Schedule I as may be applicable to such company; the articles of a company shall be in respective forms specified in Tables F, G, H, I and J in Schedule I as may be applicable to such company; for commencement of business a declaration is filed and the paid-up share capital of the company is not less than Rs. 5 lakhs in case of a public company and not less than one lakh rupees in case of a private company on the date of declaration, company to have its registered office from the 15th day of its incorporation. She also explained the concept of One Person Company (OPC) along with the provisions applicable to them. She told the participants about charges under section 77. She shall be duly paid by every company creating a change within or outside India, to register the particulars of the charge, on payment of such fees and in such manner as may be prescribed, with the Registrar within 30 days of the creation. She also threw light on the concepts relating to public offer under the new Act. A public company may issue securities - through prospectus, through private placement, through rights or bonus issue and a private company may issue securities - by way of rights or bonus issue, through private placement.

She concluded her session by discussing the powers of SEBI to regulate issue and transfer of securities etc. (section 22), matters to be stated in Prospectus (section 26), offer of sale of shares by certain members of company (section 28), criminal liability for mis-statement in prospectus (section 34), civil liability for mis-statement in prospectus (section 35), class action suits (section 37), offer for invitation for subscription of securities on Private Placement (section 42), variation of shareholders' rights (section 48), issue & redemption of preference shares (section 55), transfer & transmission of securities (section 56), further issue of share capital (section 62) and issue of bonus shares (section 63).

Dr. K. K. Chandratre gave an awe-inspiring presentation on Chapters XII (Appointment & Qualifications of Directors) & XIII (Appointment & Remuneration of Managerial Personnel) of the New Act and shared his experience. A minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company; maximum number of directors is 15 but can be more than 15 after passing a special resolution; one woman director must be appointed by the class of companies prescribed by Central Government; every listed company shall have a least 1/9th of the total number of directors as independent directors; every Independent Director must fulfill the criteria stated in Section 149(6) and abide by the Code of Conduct in Schedule IV. Other provisions include selection of independent directors and maintenance of data bank of Independent directors (Section 150), Appointment of directors elected by small shareholders (Section 151), Appointment & Retirement of Directors (Section 152), right of persons other than retiring directors to stand for directorship (Section 160), Section 152-159 deals with DIN, appointment of additional director, alternate director & nominee director (Section 161), Section 260,262 & 263 are combined under Section 161; under section 161(2), alternate director can be appointed only for a director who is going to be out of India for 3 months or more and one person cannot be appointed as alternate director for two directors in the same company; no person can be appointed as alternate director unless he is qualified to be appointed as Independent Director and alternate director’s tenure will be till the return of original director to India. Under section 161(3), nominee director can be appointed by any institution in pursuance of the
provisions of any law or of any agreement or by the Central Government or the State Government or by virtue of its shareholding in a government company. Appointment of directors to be voted individually (section 162), corresponds to section 233 of Companies Act, 1956, option to adapt principle of proportional representation for appointment of directors (section 163) and disqualification for appointment of directors (section 164), corresponds to section 274 of Companies Act, 1956, under Companies Act, 2013, two more grounds have been added - a person who has no DIN & a person who has been convicted of an offence dealing with related party transaction under section 188 at any time during the last preceding five years. No person shall hold office as a director, in more than 20 companies and the maximum number of public companies in which a person can be appointed as a director shall not exceed 10. Vacant office of director (section 167) corresponds to section 283(1) of the Companies Act, 1956. Under section 168, the director must also forward a copy of his resignation along with detailed reasons to the ROC within 30 days of resignation. Removal of Director (section 169) corresponds to the section 284 of the Companies Act, 1956, which empowers members of a company to remove any director by ordinary resolution subject to compliance with some formalities.

Regarding Chapter XIII, he said that a company cannot appoint MD & Manager simultaneously; maximum tenure of office at a time is 5 years; re-appointment is to be made earlier than one year. Four disqualifications for MD/Di /Manager has been specified viz: is below the age of twenty-one years or has attained the age of seventy years (extension has been granted in case of a person who has attained the age of seventy years only after passing a special resolution with a justification for the same); is an un-discharged insolvent or has at any time been adjudged as an insolvent, has at any time been declared bankrupt or made a bankrupt, or has at any time made a composition with them; or has at any time been convicted by a court of an offence and sentenced for a period of more than six months. He said that Section 254(2), 254(2) & 255 of Companies Act 2013 defines Managing Director, Whole-time director & Manager. Remuneration (under section 270), corresponds to the section 198 of the Companies Act, 1956. Schedule V corresponds to the Schedule XII of Companies Act, 1956. Part II of Schedule V contains conditions to be complied with at the time of appointment or re-appointment of a MD/Di/ Manager. The total remuneration payable by a public company shall not exceed 11% of the net profits for that financial year and in case it exceeds 11%, approval of Central Government shall be taken for the same. Net Profit for this purpose should be calculated in accordance with Section 198 of the Companies Act, 1923. He clarified that “When Net profit is inadequate or absent” in any financial year i.e. a company has no profit or inadequate profit, it can pay remuneration without government’s approval but subject to A in accordance with the provisions of Schedule V, Part II of Schedule V corresponds to Part II of the Schedule XII of Companies Act, 1956. When the company incurs losses or inadequate profits, there are four limits linked with effective capital for calculating remuneration. He wrapped up the session by pointing out that Part II allows remuneration up to 2.5% of current-relevant profit which is defined as profit calculated. Non-Executive Remuneration is 1% of Net Profit. If there is MD/Di/ Manager and 3% if there is no MD/ Di/Manager and Remuneration payable to Non-Executive Directors in any other capacity must be included in the limits of 11% and 3% or 3%, but remuneration for professional services is not included and does not need government approval if the services rendered are of a professional nature.

The last speaker for the day, Shailshi H. Rajadhyaksha, in his session, focussed on loans and investments by companies, Loans to Directors and Meetings. He discussed regarding the changes in law relating to inter-corporate loans such as - Loans, guarantee and security made to any person (the 1956 Act dealt only with body corporate) will attract the 2013 Act compliance requirement, rate of interest on loan granted cannot be lower than the prevailing yield of 1 year, 3 year, 5 year or 10 year Government Security closest to the tenure of the loan and the list of exemptions has been curtailed. He stated that company cannot make investments through more than 2 layers of investment companies. He further discussed about Section 185 which deals with loan to directors and states that no company shall directly or indirectly advance any loan (including loan represented by a book debt) or give guarantee or provide security in connection with such loan to any director-related persons. An exception to the above rule is made for MD or a WTD, if such loan is in accordance with the terms of services extended to all employees or is approved by shareholders by special resolution.

He also threw light on the various changes in provisions relating to board meetings and proposed Secretarial Standards then under, which included frequency of Board Meeting - section 173(2), time for giving notice and conditions for short notice - section 173(3), participation through video conferencing or other audio-visual means - section 173(3) and counting for quorum - section 174(1), power to hold a Board Meeting in case the number of directors falls below quorum only for increasing the number of directors or for convening a General Meeting to do this - section 174(2). Approval of financial statements and Board Report should not be dealt through video conferencing, He pointed out that the provisions of Section 283(2) of the Companies Act, 1956 has now been deleted (which provided for counting at meetings adjourned due to want of quorum for statutory purposes).

In conclusion, he discussed about shorter notice for General Meeting as given in Section 101(1) of Companies Act, 2013, which corresponds to Section 171 of Companies Act, 1956. A general meeting of a company is required to be called by giving not less than 21 days notice either in writing or through electronic mode. However, a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% of the members entitled to vote at such meeting as against consent by members holding 95% of total paid-up share capital which was the case under the Companies Act, 1956. He also highlighted the fact that earlier, only listed companies (whose either shares or debentures are listed) had to go through postal ballot but now as per the new Act, every company whether listed or unlisted have to go through postal ballot. At the quests of the participants were very well addressed by the speakers. The programme left the participants wanting for more.
Justice S. N. Dhingra, Chairperson, Appellate Authority established by the Central Government under Section 22A of the Chartered Accountants Act, 1949 (38 of 1949), Section 22A of the Cost and Works Accountants Act, 1959 (53 of 1959) and Section 22A of the Company Secretaries Act, 1980 (56 of 1980); Member, Competition Commission of India and former Judge, Delhi High Court was also a Member of the Institute of Company Secretaries of India.

In an interview with Chartered Secretary, Justice Dhingra has advised the professionals not to pay only lip service to the society. The earth and its resources and the culture is not their creation and is a gift of their forefathers to them. They should work in preserving and enhancing the same for the future generations.

CS: Custom, precedent and legislation are three components of Indian law. How the relative importance of these three have changed over time, particularly between what we inherited at the time of Independence and what we have today.

Jus: Custom, precedent and legislation are the three sources of law. Customary Law was one of the main sources of Indian law until advent of modern judicial system. Customary law was compiled by the contemporary commentators like Manu, Narad, Yajnavalkya in their works like Manu Samhita, Narad Samhita, Yajnavalkya Samhita, etc. In ancient India, the issues relating to family matters, marriage, inheritance and social issues like rights of different persons in different castes of the society etc. were dealt with as per customary law. Indian society about 5000 years back became a caste a infected society and the customary law was governing different aspects of the society. The first known treatises where detailed exposition of laws, rules and regulations, in respect of business transactions, administration and governance were laid down is Chulakesa’s Arthashastra. Charaka in his treatise has touched almost all walks of the life and laid down rules for the society to be followed and implemented by the king.

The legislation as a source of law in India started some time in 1860s when the political power in India was taken over by the British Queen. Prior to that, East India Company entered English laws in pockets of its influence, the personal laws and laws of inheritance still continued to be customary laws. There were two main schools of customary law for Hindu Mitakshara and Dayabhaga. These two schools of customary law used to govern different territories of India and these two schools continued to govern the personal laws and laws of inheritance, etc. The Indian Constitution became supreme legislative law after independence. It is only after 1952 that the Indian Parliament started legislating in respect of social aspects, individual rights and family rights, family disputes, etc. in India and the first major legislation was Hindu Marriage Act. However, the laws enacted by Parliament left personal laws of Muslims and Christians untouched and the Parliament enacted laws only in respect of majority population i.e. Hindus.

After Independence, the legislation has been the main source of law for all Indians. However, in respect of Muslims personal matters, the source of law continues to be customary law or Quran and Hadith (the law inferred from the actions and sayings of Prophet Mohan). The entire personal law and law of inheritance, adoption, maintenance in respect of Muslims is customary/Quranic law. However, the penal, civil rights laws and business/commercial laws, etc. etc. govern entire population of India.

Law of Precedent is the law inferred from the decisions of the Courts. India after independence continued to follow common law system. The difference between a common law country and a civil law country is that in civil law, the court recognizes no precedent and the court goes strictly by statutory laws. The civil law countries have detailed procedural and substantive law codes, which govern the rights of the citizens and the courts are only to decide as per the statutory provisions. In common law countries precedent has a great value in inferring the scope of statutory provisions. Precedent law is a law made by Judges. Normally judges while deciding cases come across a situation which is not directly covered by the statutory provisions and the legislature is not quick enough to legislate for such problems, which arise in the society.

Under these circumstances, many times judges by using tools of interpretation expand or narrow the scope of statutory law and apply the statutory law as available on the existing situation. This creates precedent for other judges. Under Indian legal system, law of precedent laid down by Supreme Court is binding on all High Courts and all subordinate courts where a precedent laid down by a High Court is binding on all courts subordinate to that High Court. There are many instances, where various High Courts have interpreted provisions of statute in contradictory manner and ultimately the matter has been resolved by the Supreme Court. However, looking at the number of cases in High Courts and the volume of decisions being generated in India, there is no uniformity in the law because of precedent law and the courts keep giving different meanings to the statutes. This has resulted in situations of permanent flux in India as far as legal certainty is concerned. While the basic quality of law should be that it should have certainty for
the citizens who are supposed to follow the law, but in India in various areas, there is no certainty of law and that in one reason that litigation is now considered a gamble and every litigant wants to take a chance in respect of every order right up to Supreme Court provided he has enough money to fool the buns of advocates.

The customary law in India in case of Muslims still remains an important source as far as personal laws of marriage, divorce, inheritance, laws of adoption, maintenance etc., are concerned. However, in respect of other matters, the customary law has lost its significance and it is either the legislation or the precedent which rules.

CS: Some of the responsibilities which used to be discharged traditionally by the judiciary is moving to quasi-judicial bodies like tribunals such as NCLT and NCLAT. Does it dilute the quality of judicial services for the citizens?

Jus.: It would not be proper to say that constitution of quasi-judicial bodies like NCLT and NCLAT dilute the quality of judicial services for citizens. In fact the quality of judicial services to the citizens does not depend upon whether the service is being provided by a tribunal or by a court. It depends upon who mans the tribunal or the court. Poor quality of judicial services can be provided by the courts as well as by the tribunal, if they are not manned by properly trained and qualified professionals. Tribunisation was adopted so that there were specialized courts/adjudicating bodies for different fields. However, looking at the fact that most of the tribunals are manned by retired judges whether from District courts or from High Courts or from Supreme Court, the very purpose of tribunisation has been defeated. Neither there is quick disposal of cases by the tribunals nor there is any cut short in the procedural aspects of the tribunals. Many wasteful procedures are being followed by Tribunals as well as by courts. Procedural laws, Acts, have not been modified with the passage of time according to requirement of the society. Although most of the laws for tribunals provided that they are not bound by the provisions of evidence Act, CPC, etc., but since most of the tribunals are manned by retired judges, they by dint of habit follow the procedure as is followed by the courts and give judgements as is given by the courts. The decisions are also written in the same manner and no procedure or technique has been evolved for quick disposal of cases by the tribunals. Moreover, the powers of the High Courts under Article 226 of the Constitution are grossly abused by the litigants and against various interlocutory orders of the tribunals, writ petitions are filed before High Court which are arbitrarily entertained and the proceedings at the tribunals are also stayed. Thus, the very purpose for which the tribunals were constituted stands defeated.

The persons occupying post of members and Chairman of the Tribunals, do not possess any special qualifications in the field for which tribunal has been created.

CS: The recent legislations propose special courts for securities law offences, company law offences, etc. Is it desirable and feasible?

Jus.: Special Courts in India does not mean a court manned by specially trained people. So far my experience is that whenever special courts are created, the existing courts are designated as special courts and the cases in respect of that field are transferred to such designated courts. These designated courts apart from discharging their normal functions also acts as special courts. No special courts can be successful unless it is chaired by a person specially trained to deal with offences/matters of that area and he is not transferred from special court to normal court and from normal court to special court at will. Example of labour court is enough to show how such courts function. Labour Courts were created as special courts to deal with matters pertaining to labour laws. It was thought these courts would give quick justice to the working class who cannot afford prolonged litigation and does not have means to fight litigation. These special labour courts were manned by the same judges who were manning the normal courts despite the fact labour laws invariably stated that cases of civil procedure would not be applicable and evidence Act would not be applicable and the advocate would not be allowed to conduct the proceedings unless bound necessary by the courts or agreed to by the Union. The labour courts started taking much more time in disposal of the labour disputes than the normal civil courts.

Passing a legislation for special courts does not solve the problem of delays, inefficiency, etc., it is only the will power of the administration which can solve these problems. Rationalisation of the entire judicial system is desperately desirable but no attention is being paid to this aspect by anybody.

CS: The regulators are simultaneously discharging quasi-legislative, executive and quasi-judicial responsibilities. Do you see any public law concern arising from this and how the same can be addressed?

Jus.: I do not find any public law concern arising from a Regulator simultaneously discharging legislative, executive and quasi-judicial responsibilities. Regulators are meant to regulate specific sectors of the economy. For regulation of those sectors, Parliament passes legislation, giving guidelines and laying down specific statutory provision for areas of regulations. It is recognized universally that legislation should not burden itself with detailed regulations for conducting business by any judicial or quasi-judicial body or
executive body. The logic behind this is that the legislature cannot think of different aspects of procedural impediments that may be faced by judicial or quasi-judicial body. For this reason, rules/regulations making power is always conferred on such bodies by the legislature. These rules and regulations can be modified from time to time as per necessity by a simpler procedure by the judicial or quasi-judicial/executive bodies whereas the substantive Act which lays down the rights of the parties can be amended only by the Parliament. Amending of any Act by the Parliament is cumbersome procedure and often Parliament is too busy to consider the amendments. That is the reason that all legislations passed by the Parliament generally contain substantive rights of the parties and do not contain minute procedural aspects. Drafting of rules and regulations in respect of procedural aspects are therefore left to the quasi-judicial and judicial body. The rules and regulations are called subordinate legislation. The subordinate legislation draws its validity from the main legislation passed by the Parliament. It is settled law that rules and regulations framed by these bodies cannot overrule the substantive provisions of the statutory law.

Every executive body is also supposed to work fairly and in a judicious manner giving opportunity of hearing to a person whose rights are going to be affected. Orders of the executive body are therefore looked from the lens of fairness and also from the lens of judiciousness. It is for this reason that executive bodies are supposed to work according to rules and regulations. Regulatory bodies discharge executive and quasi-judicial responsibilities in the sense that these regulatory bodies have to ensure that the sector to which they belong operates in the best interest of public and the private players in the sector do not exploit the helplessness of the customer. All their actions affect one or the other stakeholders and they are supposed to hear stakeholders or take their views. The orders passed by them, are to implement the will of the Parliament, which lays down substantive rights of the stakeholders. While regulating is a quasi-judicial function, the implementation of the order is an executive function. Thus discharging these different functions by regulators do not create any public law concern. However, in India, High Courts under article 226 have enough powers to ensure that the regulators do not overstep their jurisdiction or do not act in defiance of the principles of natural justice.

CS: Indian courts have huge backlogs. Is there any way this backlog can be reduced? Can judicial delay ever be a thing of the past?

Jus: There is no doubt that Indian courts have huge backlog and there are more than 3.5 crore of cases affecting more than 10 crore of people, pending in Indian Courts. While the Supreme Court is saddled with around 50,000 cases, around 3 lakh cases are pending in different High Courts. The rest of the cases are pending in trial courts. This backlog can be reduced and judicial delays can be a thing of the past only if there responsible for running this judicial system think in an out of box manner and take initiative to introduce rationalisation and specialization of courts. This would involve division of courts in different categories like ordinary civil courts, criminal courts, commercial courts, revenue courts, labour courts and consumer courts, etc. These specialized courts should be there right from the trial court to Supreme Court. It should not be considered that Judge of High Court is an expert in all branches of law. By becoming a judge of High Court or of a Supreme Court one becomes an expert in all branches of law. Every branch of law has its own jurisprudence and this can be understood only if a person has sufficiently worked for long years in that branch of law. If we can have specialization in different branches of medical science (even super specialisation) we can at least have a specialization in different branches of legal matters. As a specialized heart doctor would refuse to take the case of a kidney ailment, the same should be with courts. A judge specialized in criminal law should never be asked to handle civil law cases or taxation cases or commercial cases and vice versa. The specialization should be right up to Supreme Court and the cases which move from specialized trial court should end up before specialized Supreme Court. This would prevent piling of frivolous cases and would not make litigation a gambling. The people would know with certainty what the law is and they would not hop from bench to bench or would not reach a lawyer for getting favorable orders nor they would search for which bench, which advocate should be engaged. But nobody is interested in specialization of courts.

All tribunals should be ended and only specialized courts should be created. There should be minimum interference of the higher courts during trials. At procedural aspects should be dealt with by the superior courts at the time of final hearing. If specialization of courts is reserved to, the judges would be able to take decision in certain and in a fast manner. It needs only willpower to do this, which nobody seems to have.

CS: What are the two or three aspects that make Indian Judiciary unique or different from the rest of the world?

Jus: One of the starting points of Indian judiciary which make it unique from rest of the world is delays in deciding cases. There is no time limit set for decision for any case at any stage. A trial may take anything between two years to few decades. First appeal may take few months to few years. Second appeal may also
Looking Beyond

simplistically, take months to a few years and it is quite possible that the final decision is delivered a few generations of the family have passed away. There is no guarantee that if the decision on merits has finally been delivered, the order will be implemented and executed immediately. The execution of the decree in India again takes decades. Sometimes, generations keep fighting litigation in India, first for dispute resolution and then for execution of the decree of court. By the time a final decision is given, the case may have gone on for decades.

The other starting uniqueness of Indian judiciary is that no priorities are set by Indian judiciary for deciding cases. The cases are decided according to the wishes of the judges. They may deliberately not decide old cases and keep deciding fresh cases. The cases which get publicity and media attention are always decided on priority at the cost of common litigants. PIL is another unique feature of Indian judiciary. People have coined a term ‘public interest litigation’ for ‘public interest litigation’ or ‘public interest litigation’ or ‘public interest litigation’. Despite the fact that many PILs are frivolous, the courts have been quite lenient in imposing costs on such frivolous litigants and advocates keep bringing frivolous PILs. One more unique feature of Indian judiciary is to keep the law not unsettled as already discussed by me.

CS: What is that one or two reforms or changes you would like to see in Indian judiciary?

Jus.: In my opinion, the two reforms which can change the face of Indian judiciary are abolition of all tribunals and all the cases to be decided by ordinary courts and all courts must be specialized right from the trial court to Supreme Court and the second reform which I would like to see is that all proceedings in the courts right from trial court to Supreme Court must be audio and video recorded which will ensure not only a fair trial but also give an account of how much time is given by judges to different lawyers in what cases and how the witnesses are examined and cross-examined and what is the attitude of advocates to the judges and of the judges to the advocates and how courts treat VIP litigants and ordinary litigants. This shall expose the truth behind the proven reports quoted by the judges that ‘however high you are, the law is above you’.

CS: The cost of justice seems to be on higher side and increasing. How can it be reduced so as to make it accessible to masses.

Jus.: The present judicial system is advocate oriented. It is the advocate’s capability which decides the fate of the case. Thus justice is largely dependent upon the point of the advocate and his capacity to lure advocates. Some of the senior advocates charge Rs. 3 lakh to Rs. 15 lakh per hearing. If the hearing is within the High Court where they practice, they keep with them many cases on one day and charge around Rs. 3 to 4 lakh per hearing in each case. Even if no work is done in the court on that day in a case and they have not argued the matter, still they will charge the money. Apart from arguing, they charge hourly arbitrary fee for reading the briefs and equally exorbitant fee for giving advice in writing. They charge separate fee for being briefed by briefing counsel, which is called briefing fee. The whole set up created for charging fee is such that an ordinary litigant cannot think of engaging a senior advocate. Even a Bigant earning up to Rs. 4-6 lakh a month cannot think of engaging a senior advocate. The stamp of ‘senior advocate’ is obtained by the advocates from High Courts and Supreme Court and after one is designated a senior advocate, he doubles his fees, although, his standard of capability remains the same. This stamp of ‘senior advocate’ must be abolished and all advocates must be brought at equal level. Senior advocates under the law get an advantage of priority hearings in the courts and that is the reason that every advocate after certain years of practice makes an effort to get designated as senior advocate. So much so, that advocates of Delhi who largely practice in Delhi get themselves designated as senior advocates from High Courts and some other small High Courts, where they find it easy to get designated. The common man has no hope in the present system. Unless and until the players of this system change the system lock stock and barrel and make the system judge oriented and specialization is introduced where judges know more law in a branch of law, which they preside, then the advocates, there is no hope for litigants to get justice at reasonable cost.

The programme of legal aid started in different states is a complete failure as only those advocates register themselves with legal aid who are either new comer or who are brief-less advocates. There are rare instances of some good advocates getting themselves registered with legal aid programmes.

CS: Justice delayed is justice denied. Justice hurried is justice buried. How can one balance these two?

Jus.: There is no doubt that justice delayed is justice denied. Legally all decisions must be given in a reasonable time, after following due process of law and giving opportunity to both the sides. Justice hurried is justice buried is term coined to protect the interest of advocates who seek adjournments of the proceedings. The advocates seek adjournments on various flimsy grounds. Whenever a court insists that case must proceed at a reasonable pace and must be finished within a reasonable time, the advocates resort to this. Justice hurried is justice buried is support of the right of the
advocates to have adjournments. No case can be tried by a court without following the procedure laid down for its trial. Thus, there is no question of justice hurried. There is always an appellate forum which can correct it if in a case procedure is not followed but where the case is delayed for years and years together no appellate forum can compensate for the years wasted on the litigation in the court. Take for example, if a couple, at the age of 25 years goes to court for seeking divorce and the court takes 20 years in finally deciding the case, the life of the couple stands wasted. The boy or the girl, who at the start of litigation was 25 years old and at the end of case, would be 45 years old. If a person goes to the court for vacating his house given on rent and it takes 20-30 years for final decision whether the tenant should vacate the house or not, no justice is done. Such examples can be multiplied and show that justice delayed is justice denied. However, justice hurried can never be justice buried because the appellate court can always correct the decision of trial court.

CS: A professional like company secretary is engaged by an employer or client. However, he is expected to serve the society and public, which relies on his testimonial. How does a professional acquire such dual loyalty?

Jus.: Company Secretaries, Chartered Accountants, Cost & Works Accountants, Advocates and Drawers, they are all professionals who are trained in particular profession. The training is given to them so that they become proficient and efficient in a particular branch of service and give their services, of course for a fee, to the society. Their profession requires from them that they should stick to professional ethics. Professional ethics provide that they should give benefits of their professional knowledge to the person who pays them within the four corners of law under which they act or are authorized to act. It is unethical for any professional to advise their clients how to fritter law. The difficulty only arises when they are engaged by the clients for advising them how to fritter law. Doctors are engaged by the hospitals also to exploit the persons who come to the hospital. Advocates are engaged by litigants not to conduct trials and appeals in accordance with law but to win the cases. When advocates are engaged to win the cases and they adopt dubious practices. With such aims, they act contrary to the professional ethics. Similarly, CAs are engaged to ensure that the companies follow good accounting principles and accounting standards acknowledged as such throughout the commercial world. When they start advising the clients how to create fake entries and how to show more expenditure than what is done and when they resort to dubious modes, they fail in their duty. Similarly, Company Secretaries are engaged by companies to ensure that the company abides by the legal provisions contained in the Companies Act and other related laws in relation to conduct of their business. They fill the necessary forms, take necessary steps in time. However, the services of Company Secretaries are also used by the companies to circumvent the provisions of company’s law. This conduct is again unethical conduct. It must be remembered that we keep blaming system for our own interest. The professionals engaged by their clients or employers are not supposed to misuse their professional knowledge for dubious purpose and when they abuse their professional knowledge at the instance of their clients, though they may get financial benefits for themselves and for their clients but in the long run they do harm their clients and to themselves by harming the society. Their clients become addicted in flouting law as they get all support of the professionals and ultimately this spreads in the society as a disease. This is what has happened in this country. All professionals for the sake of petty gains and because of their greed/two often keep their eyes closed to unlawful acts of their clients or help them in flouting law. Of course exceptions are everywhere. The result is that at all levels of our society, in all institutions, we have failed ourselves and as a nation we are at cross roads. There is large scale trust deficit in the society and law and order situation has worsened. People flout laws at will. Courts have become ineffective, executing and implementing agencies look helpless and the society suffers and the entire credit of this situation goes to the educated class for which the society became secondary and personal gains primary goal. They considered their loyalty to the clients was supreme and loyalty to the society had no meaning.

CS: How do you rate the disciplinary mechanism in the ICSI and the areas, if any, for further improvisation?

Jus.: The disciplinary mechanism in ICSI has not developed properly. There seems to be a fundamental lack of understanding as to what is a disciplinary proceeding and how it is to be conducted. I consider that training of about 12 hours centered on procedural aspect, evidence recording of orders, giving reports, appreciation of the materials etc. should be given to the members of the Disciplinary Committee and Disciplinary Board. If this training is given in the very beginning after taking charge, it shall ensure speedy disposal of all the disciplinary proceedings and shall result in quality reports.

CS: What is your advice for the young professionals?

Jus.: My only advice to efficient professionals is that they should not pay any lip service to the society. The earth and its resources, the culture is not their creation and is a gift of their forefathers to them. They should work in preserving and enhancing for the future generations.
AN ICSI E-INITIATIVE

Primer on Companies Act, 2013

The Institute of Company Secretaries of India has developed comprehensive ‘Primer on Companies Act, 2013’ in the form of 16 videos of about 30-35 minutes each on various aspects of the Companies Act, 2013 and made the same available on the web site of the MCA (www.mca.gov.in), Institute (www.icsi.edu) and YouTube at the link: http://www.youtube.com/user/icisicompanylaw2013.

These videos endeavoured to explain the fundamental provisions of law in a simple language as possible through interactive discussions. Some of the distinguished experts from government, regulators, industry, academia and professionals have participated as panelists and a leading advocate is the anchor in all episodes. The Primer covers the following:

<table>
<thead>
<tr>
<th>EPISODE NO.</th>
<th>THEME</th>
<th>DETAIL ED COVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Philosophy, Thrust and Principles</td>
<td>Subordinate Legislation, Self-Regulation, Time Bound Delivery, Efficiency</td>
</tr>
<tr>
<td>2</td>
<td>Novelties</td>
<td>One Person Company, Small Company, Dominant Company, Registered Valuers, Layers of Companies, E-governance, E-WC, CSR, Corporate Governance</td>
</tr>
<tr>
<td>3</td>
<td>Incorporation</td>
<td>Memorandum, Articles, Enforcement, Alterations of M&amp;A, Registered Office, Certification by Professionals</td>
</tr>
<tr>
<td>4</td>
<td>Regulatory Jurisdiction</td>
<td>Responsibilities of MCA and SEBI, Rules, Regulations, Corporate Governance</td>
</tr>
<tr>
<td>5</td>
<td>Fund Raising</td>
<td>Public Offer, Private Placement, Deposits, Charges, Dividend</td>
</tr>
<tr>
<td>6</td>
<td>Management and Administration</td>
<td>General Meetings, Voting, Voting, Resolutions</td>
</tr>
<tr>
<td>7</td>
<td>Disclosures and Transparency</td>
<td>Annual Return, Board’s Report, Report on AGM, Promoter Holding</td>
</tr>
<tr>
<td>8</td>
<td>Accounts and Audit</td>
<td>IFRS, Rotation of Auditors, Reconstitution of Accounts, Voluntary Reconstitution of Financial Statements, Internal Audit</td>
</tr>
<tr>
<td>9</td>
<td>Corporate Governance I</td>
<td>Accountability, Board Composition, Meetings, Various Committees, IDs</td>
</tr>
<tr>
<td>10</td>
<td>Corporate Governance II</td>
<td>Gender, Diversity, Vigil Mechanism, Remuneration, Corporate Social Responsibility</td>
</tr>
<tr>
<td>11</td>
<td>Corporate Governance III</td>
<td>Responsibilities and Challenges of Company Secretary’s Functions, Key Managerial Personnel, Secretary/Registrar, Secretarial Standards</td>
</tr>
<tr>
<td>12</td>
<td>Enforcement Actions I</td>
<td>Inspection, Inquiry, Investigation, SFO, Fraud, Mediation &amp; Conciliation</td>
</tr>
<tr>
<td>13</td>
<td>Enforcement Actions II</td>
<td>Single forum for approval of mergers and acquisitions, Simple and shorter merger process for two small cos or holding—subsidiary cos, Power to acquire shares of dissenting shareholders, Purchase of minority shareholding</td>
</tr>
<tr>
<td>14</td>
<td>Investor Protection</td>
<td>IEPF, Class Action, Exit opportunity, E-Voting, Dividend, Deposits, Fair valuation by registered valuer, Opposition and mismanagement</td>
</tr>
<tr>
<td>15</td>
<td>Winding up</td>
<td>Voluntary, By Tribunal, Liquidators, Unregistered Companies, Summary Procedure for Liquidation</td>
</tr>
<tr>
<td>16</td>
<td>Enforcement Actions III</td>
<td>Penalties, Special Courts, Adjudication, NCLT, NCLAT, Supreme Court, Compounding D</td>
</tr>
</tbody>
</table>

DVD version of this knowledge initiative was launched at the hands of Hon’ble Minister for Corporate Affairs (IC), Sh. Sachin Pilot, on the 7th of November, 2013 to coincide with the 61st National Convention of the Institute.

The Institute of Company Secretaries of India dedicates this initiative to the Nation. This is the first level MOOCs (Massive Open Online Courses) of ICSI.
THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

INVITATION OF APPLICATIONS FOR PANEL OF PAPER SETTERS AND / EXAMINERS FOR THE COMPANY SECRETARIES EXAMINATIONS

The Institute prepares and updates the panel of Paper Setters/Examiners at regular intervals for conduct of CS Examinations. In this regard the Institute invites applications from suitably qualified, competent and experienced persons having academic flair and willingness to undertake each confidential academic assignment in the following subjects of Company Secretaries examinations:

<table>
<thead>
<tr>
<th>Executive Programme</th>
<th>Professional Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Company Law</td>
<td>1 Advanced Company Law and Practice</td>
</tr>
<tr>
<td>2 Cost and Management Accounting</td>
<td>2 Secretarial Audit, Compliance Management and Due Diligence</td>
</tr>
<tr>
<td>3 Economic and Commercial Laws</td>
<td>3 Corporate Restructuring, Valuation and Insolvency</td>
</tr>
<tr>
<td>4 Tax Laws and Practice</td>
<td>4 Information Technology and Systems Audit</td>
</tr>
<tr>
<td>5 Company Accounts and Auditing Practices</td>
<td>5 Financial, Treasury and Forex Management</td>
</tr>
<tr>
<td>6 Capital Markets and Securities Laws</td>
<td>6 Ethics, Governance and Social Responsibility</td>
</tr>
<tr>
<td>7 Industrial Labour and General Laws</td>
<td>7 Advanced Tax Laws and Practice</td>
</tr>
<tr>
<td>8 Drafting, appearances and pleadings</td>
<td>9 Banking Law and Practice</td>
</tr>
<tr>
<td>9 Capital, Commodities and Money Market</td>
<td>10 Insurance Law and Practice</td>
</tr>
<tr>
<td>11 International Business – Law and Practice</td>
<td>12 Intellectual Property Rights – Law and Practice</td>
</tr>
</tbody>
</table>

QUALIFICATIONS:
A person applying for empanelment of his/her name as Paper Setter or Examiner should be holding professional qualification as member of the Institute of Company Secretaries of India or a Chartered Accountant of India or a CS of India at least five years and/or a Master’s Degree/Postgraduate Qualification with at least second class in the discipline of Law, Management, Finance, Accounting, Information Technology, etc., with five years experience either in an academic position or in practice or in employment in the respective field disciplinary having relevance to the subjects of examinations.

DESIRABLE EXPERIENCE:
Persons having adequate experience of teaching and as Head Examiner/Moderator/Paper Setter/Examiner in subjects of Law, Management, Finance, Accounting, Information Technology, etc. at graduate/postgraduate level or professional examinations or in writing book(s) or study material in the relevant subject(s) OR any other specialised graduate/postgraduate level course (s) with relevant work experience directly related to the above said subject(s) of examination(s) will be preferred.

SCALE OF HONORARUM FOR EVALUATION OF ANSWER BOOKS:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Stage of Examination</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Executive Programme</td>
<td>Rs.80/- per answer book,</td>
</tr>
<tr>
<td>2</td>
<td>Professional Programme</td>
<td>Rs.100/- per answer book,</td>
</tr>
</tbody>
</table>

HOW TO APPLY:
Candidates fulfilling the above conditions and not registered as a student of the Institute may send their details in the prescribed application form along with relevant certificates to the Joint Director (Examinations), The Institute of Company Secretaries of India, C-37, Institutional Area, Sector-62, Noida – 201309. The prescribed application form can be downloaded from the Institute’s website:

Announces

"16th Residential Programme of Coimbatore Chapter of SIHC of ICSI"

On the Theme

"Companies Act, 2013 – A New Avatar"

Background

A much awaited and much needed Act, which is designed to regulate the Indian Corporate sectors into entirely new a new dimension, conceived by many architectures over the period of time, has come into the hands of this generation. While many have their own role to play to the object which this novel law has been brought into being, corporate Secretaries, who has been promoted from the by to man in the law itself, is a leader with responsibility to propagate the spirit of the Act to all stakeholders.

In the process of sharpening the knowledge of the leader with acquaintances, the Coimbatore Chapter of SIHC of ICSI, as always, has organised its 16th Residential Programme on the theme of Companies Act 2013: A New Avatar.

Days & Date

21st, 22nd and 23rd February 2014

Venue

GEM PARK HOTELS & RESORTS, SHEDDOO ROAD DOTTY, TAMINGNAU

Scope & Coverage

Various facets of Companies Act, 2013 and draft rules with special reference to provisions regarding Shareholder democracy, Class Action Suits and its impacts on corporate functioning, KRMP, Secretarial Audit and Key Compliance, Accounts and Audit of Companies etc.

Speakers

Eminent speakers with practical exposure to the subject will address the participants

Target/Audience

Company Secretaries in employment and Practice, Chartered Accountants, Cost Accountants, Advocates, Bankers and other Professionals in Corporate-Governance function

Delegates Fee

(Inclusive of Service Tax @ 12.36%)

<table>
<thead>
<tr>
<th>Category</th>
<th>Fee</th>
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<tr>
<td>Members of ICSI</td>
<td>7,885/-</td>
</tr>
<tr>
<td>Others</td>
<td>9,899/-</td>
</tr>
<tr>
<td>Spouse/Children (Above 12 years)/students</td>
<td>5,843/-</td>
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<tr>
<td>Children (between 6 and 12 years)</td>
<td>2,627/-</td>
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<tr>
<td>Non-Residential</td>
<td>6,214/-</td>
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<tr>
<td>With rooms on single occupancy, for all categories</td>
<td>10,876/-</td>
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</tbody>
</table>

Registration:
The fees may be drawn by way of DD/Local Cheque payable at Coimbatore in favour of "Coimbatore Chapter of SIHC of ICSI" and sent to Chairman/Deputy Officer, The Institute of Company Secretaries of India, Coimbatore Chapter of SIHC of ICSI, 209 K.S. Complex, II Floor, Door No. 4 & 5, Santhol Road, Ramnagar, Coimbatore 641509 Ph: 0423-2327708; Mail us: coimbatore@icsi.co.in or icsi.csb.secretary@gmail.com
Company Secretaries Course

Complete Switchover to Online Registration from
1ST JANUARY 2014
Students to Register online at: www.icsi.edu

USE ONLINE SERVICES

click to

Register Online

Student can Register online at:
www.icsi.edu

STEPS FOR ONLINE REGISTRATION:

1. Click on "Online Services" tab at top of the ICSI website (www.icsi.edu)
2. Go to the ICSI website and click on "Student Registration"
3. Click on the checkbox "I agree to the terms of the above Barclays credit card agreement".
4. Fill the form and click on "Submit".
5. Pay the fee through credit card/ debit card/ net banking or through local branches.
6. After making payment students will get an e-mail containing their registration number.
7. For further details, students may contact the ICSI customer care on 011-23338855.
8. For any further information or clarification regarding online registration, please contact: Ms. Gargi S. Gupta, Administrative Officer at ICSI Head Office on 011-23338855 or email: iicsiinfo@icsi.edu.
## Chartered Secretary Advertising Tariff

(With Effect from 1st April 2012)

<table>
<thead>
<tr>
<th>BACK COVER (COLOURED)</th>
<th>COVER IV/VI (COLOURED)</th>
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<tr>
<td><strong>Non - Appointment</strong></td>
<td><strong>Non - Appointment</strong></td>
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<tr>
<td>Per Insertion</td>
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<tr>
<td>₹ 75,000</td>
<td>₹ 30,000</td>
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<td>4 Insertions</td>
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<td>₹ 2,70,000</td>
<td>₹ 1,80,000</td>
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<td>6 Insertions</td>
<td>6 Insertions</td>
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<td>₹ 3,90,000</td>
<td>₹ 2,64,000</td>
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<td>12 Insertions</td>
<td>12 Insertions</td>
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<tr>
<td>₹ 7,65,000</td>
<td>₹ 5,10,000</td>
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<table>
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<tr>
<th>FULL PAGE (COLOURED)</th>
<th>HALF PAGE (COLOURED)</th>
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<tbody>
<tr>
<td><strong>Non-Appointment</strong></td>
<td><strong>Appointment</strong></td>
</tr>
<tr>
<td>Per Insertion</td>
<td>Per Insertion</td>
</tr>
<tr>
<td>₹ 40,000</td>
<td>₹ 20,000</td>
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<tr>
<td>4 Insertions</td>
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<td>₹ 1,44,000</td>
<td>₹ 72,000</td>
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<td>6 Insertions</td>
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<tr>
<td>₹ 2,11,200</td>
<td>₹ 1,05,600</td>
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<tr>
<td>12 Insertions</td>
<td>12 Insertions</td>
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<tr>
<td>₹ 4,08,000</td>
<td>₹ 2,04,000</td>
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<thead>
<tr>
<th>PANEL (QTR PAGE) (COLOURED)</th>
<th>EXTRA BOX NO. CHARGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Insertion</td>
<td>For &quot;Situation Wanted&quot; ads,</td>
</tr>
<tr>
<td>₹ 10,000</td>
<td>₹ 50</td>
</tr>
<tr>
<td>(subject to availability of space)</td>
<td>For Others ₹ 100</td>
</tr>
</tbody>
</table>

### Mechanical Data
- Full Page = 18 x 24 cm
- Half Page = 9 x 26 cm or 12 x 12 cm
- Quarter Page = 9 x 12 cm

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

Advertisements published in the Institute's periodical every month and the advertisement requires should be sent in the form of typed, manuscript or art file (in .psd or .png format) before 20th of any month for inclusion in the next month's issue.

For further information contact to:

- The Editor,
- **Chartered Secretary**

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110003
- Tel: 011-45468224, 45468446, Fax: 011-45469724, 24659455
- Email: tass@icsi.edu
- Website: www.icsi.edu
C S QUIZ

ABC Limited granted a loan of Rs. 10 lacs to a relative of its Director. Can this loan be given? If yes, detail the procedure for making such a loan. If not, state the reasons therefor.

Conditions
1) Answers should not exceed one typed page in double space.
2) Last date for receipt of answers is 8th March, 2014.
3) Two best answers will be awarded Rs. 1000 each in cash and the names of the contributors and their replies will be published in the journal.
4) The envelope should be superscribed ‘Price Query February, 2014 Issue’ and addressed to:

Deputy Director (Publications)
The Institute of Company Secretaries of India, ICSI House, 22, Institutional Area, Lodhi Road, New Delhi-110003.

OBITUARIES

"Chartered Secretary" deeply regrets to record the sad demise of the following members

SHRI R V KOPPIKAR, FCS (25.05.1935 – 26.12.2013), a Fellow Member of the Institute from Mumbai.
SHRI K S VENKATESHWARAN, FCS (25.01.1922 – 12.02.2013), a Fellow Member of the Institute from Thane.
Dr VIJAYKUMAR K JAIN, FCS (31.03.1956 – 12.09.2013), a Fellow Member of the Institute from Nagpur.
SHRI P K KUTUMBALE, AGS (31.01.1935-14.11.2013), an Associate Member of the Institute from Indore.

May the Almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss. May the Departed souls rest in peace.

COMPUTER-BASED EXAMINATION FOR FOUNDATION PROGRAMME

JUNE, 2014

TIME-TABLE AND PROGRAMME

<table>
<thead>
<tr>
<th>Day and Date of Examination</th>
<th>Subjects</th>
<th>Batch</th>
<th>Examination Timings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saturday, 7th June, 2014</td>
<td>Paper-1</td>
<td>I</td>
<td>9.00 A.M. – 11.00 A.M.</td>
</tr>
<tr>
<td></td>
<td>Paper-2</td>
<td>II</td>
<td>12.00 Noon – 2.00 P.M.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IV</td>
<td>4.00 P.M. – 6.00 P.M.</td>
</tr>
<tr>
<td>Sunday, 8th June, 2014</td>
<td>Paper-3</td>
<td>I</td>
<td>9.00 A.M. – 11.00 A.M.</td>
</tr>
<tr>
<td></td>
<td>Paper-4</td>
<td>II</td>
<td>12.00 Noon – 2.00 P.M.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IV</td>
<td>4.00 P.M. – 6.00 P.M.</td>
</tr>
</tbody>
</table>
## COMPANY SECRETARIES EXAMINATIONS

### JUNE, 2014

**TIME-TABLE & PROGRAMME**

<table>
<thead>
<tr>
<th>Date and Day</th>
<th>Executive Programme (Old Syllabus)</th>
<th>Professional Programme (Old Syllabus)</th>
<th>Executive Programme (New Syllabus)</th>
<th>Professional Programme (New Syllabus)</th>
</tr>
</thead>
<tbody>
<tr>
<td>03.06.2014 Tuesday</td>
<td>Company Accounts, Cost and Management Accounting (Module-I)</td>
<td>Drafting, Appearances and Pleadings (Module-I)</td>
<td>Cost and Management Accounting (Module-I)</td>
<td>Secretarial Audit, Compliance Management and Due Diligence (Module – I)</td>
</tr>
<tr>
<td>04.06.2014 Wednesday</td>
<td>Tax Laws (Module-I)</td>
<td>Financial, Treasury and Forex Management (Module-II)</td>
<td>Economic and Commercial Laws (Module-I)</td>
<td>Corporate Restructuring, Valuation and Insolvency (Module – I)</td>
</tr>
<tr>
<td>05.06.2014 Thursday</td>
<td>NO EXAMINATION</td>
<td>NO EXAMINATION</td>
<td>NO EXAMINATION</td>
<td>Information Technology and System Audit (Module – II)</td>
</tr>
<tr>
<td>06.06.2014 Friday</td>
<td>Company Law (Module-II)</td>
<td>Strategic Management, Alliances and International Trade (Module-III)</td>
<td>Tax Laws and Practice (Module-I)</td>
<td>Financial, Treasury and Forex Management (Module – II)</td>
</tr>
<tr>
<td>07.06.2014 Saturday</td>
<td>Economic and Labour Laws (Module-II)</td>
<td>Advanced Tax Laws and Practice (Module-III)</td>
<td>Company Accounts and Auditing Practices (Module-II)</td>
<td>Ethics, Governance and Sustainability (Module – II)</td>
</tr>
<tr>
<td>08.06.2014 Sunday</td>
<td>NO EXAMINATION</td>
<td>NO EXAMINATION</td>
<td>NO EXAMINATION</td>
<td>Advanced Tax Laws and Practice (Module – III)</td>
</tr>
<tr>
<td>09.06.2014 Monday</td>
<td>Securities Laws and Compliances (Module-II)</td>
<td>Governance, Business Ethics and Sustainability (Module-IV)</td>
<td>Capital Markets and Securities Laws (Module-II)</td>
<td>Drafting, Appearances and Pleadings (Module – III)</td>
</tr>
<tr>
<td>10.06.2014 Tuesday</td>
<td>NO EXAMINATION</td>
<td>NO EXAMINATION</td>
<td>Industrial, Labour and General Laws (Module-II)</td>
<td>Elective 1 out of below 5 subjects (Module – III)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>(i) Banking Law and Practice</td>
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<td>(ii) Capital, Commodity and Money Market</td>
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<td></td>
<td>(iii) Insurance Law and Practice</td>
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<td>(iv) Intellectual Property Rights – Law and Practice</td>
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<td></td>
<td>(v) International Business – Laws and Practices</td>
</tr>
</tbody>
</table>

### ATTENTION MEMBERS

**PMQ COURSE IN CORPORATE GOVERNANCE EXAMINATION JUNE 2014**

1. The Institute is pleased to announce that the Part-I next examination of the Post Membership Qualification (PMQ) in ‘Corporate Governance’ will be held from Thursday, June 5, 2014 to Tuesday, June 10, 2014 at the centres where the company secretaries June 2014 examination would be held.

### TIME TABLE & PROGRAMME

<table>
<thead>
<tr>
<th>DATE AND DAY</th>
<th>GROUP</th>
<th>MORNING SESSION 09.00 A.M. To 12.00 Noon.</th>
</tr>
</thead>
<tbody>
<tr>
<td>05.06.2014 Thursday</td>
<td>I</td>
<td>Conceptual Framework of Corporate Governance</td>
</tr>
<tr>
<td>06.06.2014 Friday</td>
<td>I</td>
<td>Corporate and Board Management</td>
</tr>
<tr>
<td>07.06.2014 Saturday</td>
<td>I</td>
<td>Legal and Regulatory Framework of Corporate Governance</td>
</tr>
<tr>
<td>08.06.2014 Sunday</td>
<td>NO EXAMINATION</td>
<td></td>
</tr>
<tr>
<td>09.06.2014 Monday</td>
<td>II</td>
<td>Board Committees and Role of Professionals</td>
</tr>
<tr>
<td>10.06.2014 Tuesday</td>
<td>II</td>
<td>Corporate Governance — Codes and Practices</td>
</tr>
</tbody>
</table>

2. Members of the Institute registered for the PMQ Course in Corporate Governance on or before November 30, 2013 are eligible for appearing in the PMQ Course in Corporate Governance Examination to be held in June 2014.

3. The application forms (available in prospectus) for June 2014 examination from eligible candidates together with requisite examination fee @ Rs.1500/- per group by way of cash/crossed Demand Draft favouring "The Institute of Company Secretaries of India" payable at New Delhi may be submitted to the Institute by 25th April, 2014. The forms can, however, be accepted upto 5th May, 2014 along with a late fee of Rs.100/-.  

4. For further details please contact Ms. Banu Dandona, Assistant Director (Academics) at the Institute Head Quarters at New Delhi.
I AM THE FIRST WORD IN COMPLIANCE AND THE LAST WORD IN GOVERNANCE.

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

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