Does your board culture and composition need an adjustment? Are policies and procedures following the necessary governance best practices?

As part of our Governance Cloud ecosystem, Diligent Board Evaluations makes it easy for leaders to contribute their insights and perspectives to board self-assessments.

Board evaluations and reporting have never been so easy, up-to-date, and actionable. Shifting values and practices present an ideal time for a board to conduct its own self-assessment. By doing so, you can:

- Identify where your board is excelling
- Identify where your board can improve
- Ensure that your board is following best practices
- Gain insights from your board members
- Align your board with your organization's strategic goals
- Develop an action plan for improvement

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For more information, visit diligent.com/au
The Council

President
- Ranjeet Pandey

Vice President
- Ashish Garg

Members

(in alphabetical order)
- Dr. Ahalada Rao Vummenthala
- Anil Gupta (Govt. Nominee)
- Balasubramanian Narasimhan
- Chetan Babaldas Patel
- Deepak Kumar Khaitan
- Devendra Vasant Deshpande
- Gyaneshwar Kumar Singh (Govt. Nominee)
- Hitender Mehta
- Dr. (Ms.) Madhu Vij (Govt. Nominee)
- Manish Gupta
- Manoj Pandey (Govt. Nominee)
- Nagendra Dattathreya Rao
- Niraj Preet Singh Chawla
- Praveen Soni
- Ramasubramaniar C.
- S Santhanakrishnan (Govt. Nominee)
- Siddhartha Murarka
- Vineet K. Chaudhary

Officiating Secretary
- Ashok Kumar Dixit

From the President

Global Connect

Articles

Legal World

From the Government

News from the Institute

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

Edited, Printed & Published by

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Celebrations of the 51st Foundation Day of the Institute of Company Secretaries of India held at Vigyan Bhavan, New Delhi.

On the dais from Left: CS Ashish Garg, Injeti Srinivas (Secretary, Ministry of Corporate Affairs), Arjun Ram Meghwal (Hon’ble Minister of State for Parliamentary Affairs, Heavy Industries & Public Enterprises), Ram Nath Kovind (Hon’ble President of India), Anurag Singh Thakur (Hon’ble Minister of State for Finance and Corporate Affairs), CS Ranjeet Pandey and CS Ashok Kumar Dixit.

2-5. Address by Ram Nath Kovind (Hon’ble President of India), Anurag Singh Thakur (Hon’ble Minister of State for Finance and Corporate Affairs), Arjun Ram Meghwal (Hon’ble Minister of State for Parliamentary Affairs, Heavy Industries & Public Enterprises) and Injeti Srinivas (Secretary, Ministry of Corporate Affairs) at 51st Foundation Day Celebration of the Institute.

6. Group Photo - Hon’ble President of India with the Council Members and other ICSI Officials.

7. A glimpse of the audience during National Anthem.
Celebrations of the 51st Foundation Day of ICSI held on 5th October, 2019 at Vigyan Bhavan, New Delhi

8-9. ICSI conferred the Honorary Fellow membership to Arjun Ram Meghwal (Hon’ble Minister of State for Parliamentary Affairs, Heavy Industries & Public Enterprises) and Injeti Srinivas (Secretary, Ministry of Corporate Affairs) at 51st Foundation Day Celebration of the Institute.

10. CS Ranjeet Pandey presenting certificate of ‘ICSI-Shaheed Ki Beti’ to Anurag Singh Thakur (Hon’ble Minister of State for Finance and Corporate Affairs) during the 51st Foundation Day Celebration of the Institute.

11. CS Manish Gupta presenting certificate of ‘ICSI-Shaheed Ki Beti’ to Arjun Ram Meghwal (Hon’ble Minister of State for Parliamentary Affairs, Heavy Industries & Public Enterprises) during the 51st Foundation Day Celebration of the Institute.

12. CS (Dr.) Shyam Agrawal presenting certificate of ‘ICSI-Shaheed Ki Beti’ to Injeti Srinivas (Secretary, Ministry of Corporate Affairs) during the 51st Foundation Day Celebration of the Institute.

13. Address by CS Ranjeet Pandey at 51st Foundation Day Celebration of the Institute.

14. Group Photo – Anurag Singh Thakur (Hon’ble Minister of State for Finance and Corporate Affairs), Arjun Ram Meghwal (Hon’ble Minister of State for Parliamentary Affairs, Heavy Industries & Public Enterprises), Injeti Srinivas (Secretary, Ministry of Corporate Affairs) with the ICSI Council Members.
15. ICSI delegation led by CS Ranjeet Pandey met Om Birla (Speaker of the Lok Sabha). Also seen CS Manish Gupta, CS (Dr.) Shyam Agrawal, CS Praveen Soni and other office bearers.

16. Corporate Governance Summit 2019 – ‘Emerging trends in Corporate Governance’ Organised by IOD at Chennai. On the dais from Left: Dr. Raghavan Seetharaman (CEO, Doha Bank), M. S. Sundara Rajan, Banwarilal Purohit (Hon’ble Governor of Tamil Nadu), N. Muruganandam (Principal Secretary to Government) and CS Ashish Garg.

17. Ashok Gehlot (Hon’ble Chief Minister of Rajasthan) felicitating toppers of CS Professional (NS) Examination June, 2019.

18. Sanjay Dhotre (Hon’ble Minister of State for Human Resource Development, Electronics and Information Technology & Communications, Govt. of India) addressing at ICSI Teachers Conference on ‘Empowering Educators’ held at New Delhi. Sitting on dais from Left: CS Gurvinder Singh Sarin, CS Manish Gupta, CS Ashish Garg, Dr. Madhu VIJ and CS Ashok Kumar Dixit.

19. ICSI signed MOU with Eliezer Joldan Memorial College for setting up of ICSI Contact Centre at Leh, Ladakh. Group photo of Council members, Officiating Secretary and other office bearers.
20. CS Ranjeet Pandey, President, ICSI unanimously elected as Vice President of Corporate Secretaries International Association Limited (CSIA) for the year 2010.


22. CS Ranjeet Pandey congratulates CS Preeti Malhotra (Past President, ICSI) on appointment as Chairperson of Smart Entertainment. Also Seen CS Nagendra D. Rao, CS (Dr.) Shyam Agrawal and CS Ashish Garg.


24. Signature Award MOU Signed with IIM Sambalpur, Odisha by ICSI Bhubaneswar Chapter on 9th September 2019 at IIM, Sambalpur, Odisha. On the dais from Left: U C Mishra, Dr. S K Jena, Prof. Mahadeo Jaiswai (Director, IIM, Sambalpur, Odisha) and CS Ajay Kumar Majhi.

25. Hooghly Chapter felicitated the All India Rank Holders of Hooghly Region in CS Exam held in June, 2019.
FROM THE PRESIDENT

October 2019

Chartered Secretary

During the celebration of the 51st Foundation Day of the Institute of Company Secretaries of India, my alma mater, on the 5th of October, 2019 at Vigyan Bhawan, New Delhi, the presence of the First Citizen of the nation, Shri Ram Nath Kovind, the Hon’ble President of India, and the Ministers of State, Shri Anurag Singh Thakur, Minister of State, Ministry of Corporate Affairs, and Shri Arjun Ram Meghwal, Union Minister of State for Parliamentary Affairs, Heavy Industries and Public Enterprises, added further sparkle to the celebrations. The presence of dignitaries, their momentous speeches, and the administration of the Fitness Pledge; to me all this seemed like a full-fledged celebration of good health and a self-motivated outlook to opt for a healthy lifestyle. That coupled with appreciation from the Hon’ble President of India made the day a memorable one.

Dear Professional Colleagues,

The pictures clicked, the posts across social media, the press coverage, the words of appreciation and accolades showered upon afterwards, and all the words in thesaurus describing the feeling of elation would fall short if I were to express the emotions that have accompanied me from the celebration of the 51st Foundation Day of the Institute of Company Secretaries of India, my alma mater, on the 5th of October, 2019 at Vigyan Bhawan, New Delhi.

The celebration of the 51st Foundation Day in the benign and gracious presence of Shri Ram Nath Kovind, the Hon’ble President of India, have not only enthralled me to the core, but it is his words of praise, appreciation and expectations even, which have furthered and even heightened my pride of being a professional, a professional belonging to this Institute and professing this profession.

As professionals, any and every recognition gained under the laws of the land have always been a demonstration of trust and confirmation of faith instilled in the roles played and responsibilities dispensed off by Company Secretaries. Yet the words of the Hon’ble President that “Company Secretaries have played a seminal role in the development and growth of India; we are, indeed, proud of your contribution, hard work and success”, are a portrayal of the true intent of the shloka above.

Along with the First Citizen of the nation, the presence of two Ministers of State added further glitz and spark to the celebrations. Having Shri Anurag Singh Thakur, Minister of State, Ministry of Corporate Affairs and Shri Arjun Ram Meghwal, Union Minister of State for Parliamentary Affairs, Heavy Industries and Public Enterprises as our dignitaries for the day and their fine words of motivation not only enchanted us but what added to our delight was their sincere words of acknowledgment.

Though, as Company Secretaries, we usually refer to ourselves as a brigade of professionals, the words of Shri Injeti Srinivas, Secretary, Ministry of Corporate Affairs, on the occasion of the celebration of this phenomenal day that “Professionals are the Armed Forces of the Indian Corporate Sector”, has endowed us with greater zeal and passion to march ahead in the pursuance of our vision, mission and motto, and to serve in the achievement of the greater goal of nation building.

The day, the celebrations, the presence of dignitaries, their momentous speeches, not only made their way into the golden leaves of history of this Institute but shall forever be etched in our memories and hearts...

Fit India – Fit ICSI Walkathon

Where the celebrations at Vigyan Bhawan made for an event of fascination for the nation to see, the Institute of Company Secretaries of India had celebrated its Foundation Day on the day of its inception, i.e., 4th of October, 2019 with great fanfare and yet another commitment; commitment not only with the initiatives of the Government of India but towards our own self. Aligning the Foundation Day of ICSI with the recently launched Fit India Movement, the ICSI organised Pan India ‘Fit India-Fit ICSI’ Walkathons at all the Regional Councils and Chapter Offices of the Institute. The participation of members and students along with their peers, the presence of dignitaries to flag off the event, the administration of Fitness Pledge; to me all this seemed like a full-fledged celebration of good health and a self-motivated outlook to opt for a healthy lifestyle. That coupled with appreciation from the Hon’ble President of ICSI made the day a memorable one.

(Nobody declares a lion as the king of forest by doing rituals. By sheer might of his own, a lion achieves the status of lord of animal kingdom.)
India himself, affirms the belief that “it is persistence and efforts that which beget fruits of glorious success”.

Sankalp se Siddhi – Single Use Plastic Free ICSI
While celebrations of the likes of Foundation Day are a reiteration of the commitment towards our intended goals, the 51st Foundation Day of ICSI with its theme of India @ 75 – Sankalp se Siddhi was a day of commitment towards the greater good, towards building a sustainable nation and towards serving our society and all our stakeholders in an unprecedented manner.

The Government of India under the leadership of Shri Narendra Modi, Hon’ble Prime Minister of India has recently given the clarion call to build a New India by 2022 with a mass resolve to make dirt and filth free India. In pursuit of this vision, the Institute of Company Secretaries of India has stepped up to the responsibility and has intended to contribute to this national mission by launching ‘Single use Plastic Free ICSI’ initiative. I would like to see all the members, students and stakeholders of the Institute wholeheartedly playing their roles in rendering this initiative successful.

Self Governance – the road to excellence
Talking of excellence, and I would quote the famous American basketball coach, Rick Pitino, “Excellence is the unlimited ability to improve the quality of what you have to offer”. The ICSI in its attempt to excel in its own endeavours, activities, and its responsibilities, had launched two initiatives at the 20th National Conference for Practising Company Secretaries. The Unique Document Identification Number (UDIN) and the Employee Company Secretary Identification Number (eCSin), while initially having been made applicable on a voluntary basis, have been made mandatory by the Council of ICSI w.e.f. 1st October, 2019. We, at ICSI are confident that the same shall undeniably provide the benefit of verification of the authenticity of both documents and the professionals to the Regulatory Bodies and other stakeholders as well. Through this column, I would urge all the members to ensure adherence to the guidelines pertaining to the same in true letter and spirit, not as a mere compliance activity, rather as their ‘road to achieving professional excellence’.

Global Ties – Vasudhaiva Kutumbakam
अद्य निः: परं वैषय विश्वसताम | उद्देश्यतानां तु संस्कृतं कुतुम्बकम् ||
(This is mine and that is others, is the thought that narrow minded people have. Noble people think about the benefit of masses and consider entire world as a family.)

Having begun our journey with our focus entirely on our vision “to be global leader in promoting good corporate governance”, the past years have brought the realization that governance is more of a revolution; a revolution which needs to be made a mass movement, if we are to achieve the goals of becoming the next global super power; the goal of becoming a ‘New India’ by 2022. And we further intend to take this revolution to a global level through our presence and participation in the International bodies as well. The meeting with personas like Syed Akbaruddin, Permanent Representative of India to the United Nations, Sandeep Chakraborty, Consulate General of India at New York and Ms. Darla C. Stuckey, President & CEO, Society for Corporate Governance, USA to explore opportunities globally are a step in this direction.

It gives me great pleasure to share that the Council Meeting of the Corporate Secretaries International Association Limited (CSIA) was hosted by the ICSI and it is at this meeting wherein, the elections for the various Office Bearer posts were conducted. Being elected as the Vice President, CSIA for the year 2020 is indeed joyous for me, since while expanding the global presence; it has portrayed a heightened impact of the Institute in the Global arena.

As we strive to grow from strength to strength and forge deeper and meaningful relationships with our international counterparts, I feel extremely elated in reminiscing my recent visit and address at the Annual Conference of MACS, 2019. It was during this Conference that the Malaysian Association of Company Secretaries launched its Secretarial Practice Guide on meetings of the Board of Directors which has been developed by adopting the ICSI Secretarial Standard – I on Meetings of Board of Directors. It is in moments like these that realisations of the significance of the role played and initiatives undertaken by the Institute are reiterated.

Way Forward
“We have set a target to become a 5 trillion economy by 2025. For this goal to be achieved, we need each and every business stakeholder to not just contribute but give their best. Your role as Company Secretary remains most valuable in this endeavour.”

These words of Shri Kovind, Hon’ble President of India have confirmed the role, responsibility and accountability of the Company Secretaries in more ways than one. With the First Citizen of India emphasizing upon the ‘critical bearing’ of the activities performed by us professionals on India Inc., the need for ‘soft skills’ and ‘new age skills’ for Company Secretaries to perform their roles to the hilt in the ‘new business models’, the fact that along with opportunities, the expectations too have expanded horizons would not be an understatement.

While the above words may bring the realisation that the entire nation is gazing at us; yet at the same time, our focus is on expanding our horizons, challenging our limits, crossing our pre-defined boundaries. For each one of us as a part of this organisation, for each member, each student and stakeholder, I would reiterate my words from the Foundation Day:

“जिन्द्रानी की अस्तित्व उड़ान अभी बाकी हैं, जिन्द्रानी के कई ईंसान अभी बाकी हैं । अभी तो गाया है मृत्यु अंतर जीवित रहने, अभी तो सारा आत्मसत्य बाकी है।”
(While we might have achieved plenty of feats, but a long journey lies ahead.)

Happy Reading !!!

Yours Sincerely

CS Ranjeet Pandey
President, ICSI
ICSI delegation led by CS Ranjeet Pandey, President, ICSI with Syed Akbaruddin, Permanent representative of India to the United Nations.

ICSI delegation led by CS Ranjeet Pandey, President, ICSI met Sandeep Chakraborty, Consulate General of India at New York.

ICSI delegation led by CS Ranjeet Pandey, President, ICSI met Ms. Darla C. Stuckey, President & CEO, Society for Corporate Governance, USA.

Mr. Bode Ayeku, President, Institute of Chartered Secretaries & Administrators of Nigeria, visited ICSI House, New Delhi.

ICSI Members meet at Dubai to discuss Recent Updates on UAE Governance, Challenges and Solutions for Small & Medium Enterprises (SME) Companies.
Council Meeting of Corporate Secretaries International Association Limited (CSIA) at ICSI House, New Delhi.

ICSI-CSIA Conference on ‘Redefining Global Governance-Dawn of a New Era’ at Hotel Claridges, New Delhi.

ICSI delegation led by CS Ranjeet Pandey, President, ICSI met with Mr. Tang Chan Ming, President, MACS at Malaysian Company Secretaries Conference 2019.

MACS launched Secretarial Practice Guide on meetings of the Board of Directors by adopting ICSI Secretarial Standard (SS-1).
Recent Initiatives Taken by ICSI

Interaction with Dignitaries

Taking forward our pursuit for exploring opportunities for the profession and also for joint participation in flagship government initiatives, meetings with the following dignitaries were organised:

- Shri Kalyan Singh, Hon'ble Governor of Rajasthan
- Shri Injeti Srinivas, Secretary, Ministry of Corporate Affairs
- Shri Arjun Ram Meghwal, Minister of State for Parliament Affairs, Heavy Industries, Public Enterprises
- Shri Yogendra Garg, Principal Commissioner, Goods and Services Tax
- Shri Ajay Bhadoo, Joint Secretary, Office of the President of India

Pan-India Teachers’ Week Celebrations–Empowering Educators

With an aim to bring scholars, educators, and professionals to share developments in their respective fields and open the knowledge frontiers, ICSI Teachers Conferences on the theme “Empowering Educators” were organised by ICSI Regional Councils at New Delhi, Chennai, Kolkata and Mumbai and Chapters during the ICSI Teachers’ Week across India at more than 40 Locations. The ICSI Teachers Conferences witnessed large scale participation from Commerce/Management and Law Faculty members from various premier institutions, Colleges and Higher Secondary Schools. ICSI is creating many such interactive platforms to provide a new and different perspective and hone the skills of that segment of the society which in turn hones the entire society.

47th National Convention of Company Secretaries, 2019 – Super Early Bird Offer Extended

With a view to build the capacities of the professionals in the emerging trends of compliance, governance and related aspects, the Institute organises an annual congregation for all its members, students and related stakeholders under the aegis of National Convention of Company Secretaries. This year the 47th National Convention of Company Secretaries is scheduled to be organised during November 14-16, 2019 at JECC, Jaipur, Rajasthan on the theme Empowering New India: Reform, Perform, Transform. The super early bird registrations for the same have been extended till 15th October, 2019 and the information for the same is available at the Institute’s website and published elsewhere in this journal.

Online Quiz on Current Affairs & General Knowledge

The Institute is conducting Online Quiz on Current Affairs & General Knowledge for students for class 11th and 12th and those pursuing graduation from any stream. The Quiz will be conducted in three Rounds – Preliminary, Semi-Final and Final Round. Online Registration will commence on ICSI website www.icsi.edu from 15th October, 2019 till 31st October, 2019. Top three Students in each category will be shortlisted and 10 consolation prizes will also be given in each category.

Extension of Last Date for clearing Pre-Examination Test for CS Examinations – December, 2019

Pre-Examination Test is mandatory for students of Executive Programme and Professional Programme under New Syllabus (2017) to become eligible for enrolling for December, 2019 Session of Examinations. Considering the requests received from the students, it has been decided to extend the last date for clearing the Pre-Examination Test from 10th October, 2019 to 31st October, 2019. In view of the above, the students of Executive Programme and Professional Programme under New Syllabus (2017) shall be allowed to submit the examination form for December, 2019 Session pending completion of Pre-Examination Test. However, such students shall be required to complete the Pre-Examination Test by 31st October, 2019. In case any student fails to clear the Pre-Examination Test by 31st October, 2019 after enrolling for December, 2019 Session of Examinations, his/ her examination enrolment request shall be rejected without notice and only 50% of the examination fees shall be refunded.

Company Secretaries Benevolent Fund

The 43rd Annual General Meeting of the Members of the Company Secretaries Benevolent Fund (CSBF) was held on 6th September, 2019 at 5:00 PM in the Council Room of the Institute at Lodi Road, New Delhi under the chairmanship of CS Ranjeet Pandey, President, ICSI and ex-officio Chairman of the Managing Committee of CSBF. The Chairman informed the AGM that the quantum of financial assistance to the nominee of deceased life members up to the age of 60 years has been increased from Rs. 7.5 lakh to Rs. 10 lakh w.e.f. 6th September, 2019.

CSIA Council Meeting and ICSI-CSIA Conference

ICSI hosted the Council meeting of Corporate Secretaries International Association Limited (CSIA) on 9-10 September, 2019. CSIA is an international federation of professional bodies based at Hong Kong, representing fourteen Corporate Secretaries Institutions from Australia; Bangladesh; Brazil; Canada; Hong Kong; India; Kenya; London; Malaysia; Nigeria; Singapore; Southern Africa; USA; Zimbabwe and represents membership span of around 1,00,000 Corporate Secretaries. It creates platform for Governance Professionals to promote best practices in Corporate Secretarial, Corporate Governance and Compliance Services. ICSI is representing India in CSIA wherein CS Ranjeet Pandey, President, ICSI is Secretary, CSIA. At the meeting held on 10th September, 2019, CS Ranjeet Pandey, President, ICSI was unanimously elected as Vice-President of CSIA for the year 2020.

On 11th September, 2019, ICSI-CSIA conference was organized on the theme “Redefining Global Governance - Dawn of a New Era” at New Delhi. The Conference was hosted by NIRC-ICSI and was attended by more
than 150 Company Secretaries and Governance professionals from India and other Countries.

**Annual Conference of Malaysian Association of Company Secretaries**

On the invitation of Malaysian Association of Company Secretaries (MACS), ICSI representatives participated in Annual Conference of MACS 2019 held at One World Hotel, Bandar Utama, Petaling Jaya, Malaysia on 18-19 September, 2019 with the theme “Company Secretarship in the Digital Landscape- Challenges & Transformation”. CS Ranjeet Pandey, President, ICSI addressed the delegates in Plenary Session on “Cyber Risk” which was very much appreciated by the delegates. MACS launched Secretarial Practice Guide on meetings of the Board of Directors by adopting ICSI Secretarial Standard (SS-1).

**Meeting with President, Institute of Chartered Secretaries & Administrators of Nigeria**

Mr. Bode Ayeku, President, Institute of Chartered Secretaries & Administrators of Nigeria visited the ICSI Headquarters, New Delhi to discuss the Board Evaluation and Corporate Governance Evaluation in India as it is recently introduced in Nigeria, amongst other issues of mutual interest.

**Asia Sustainability Reporting Summit 2019**

ICSI representatives participated in Asia Sustainability Reporting Summit 2019 held on 4-5 September, 2019 at Singapore. The theme for the Summit ‘Sustainability Reporting: Is Mandatory Better’ reflected upon the growing trend of legislating ESG disclosures around the world. The Summit was focused on best practices in sustainability reporting and emerging topics.

**‘Student Company Secretary’ and ‘CS Foundation course’ e-bulletins, September, 2019**

The Student Company Secretary e-bulletin for Executive/Professional programme students of ICSI and CS Foundation course e-bulletin for Foundation programme students of ICSI have been released for the month of September, 2019. These bulletins provide necessary information on various topics, academic guidance, registration, class room teaching centres, information on special initiatives, examinations, etc. The monthly issue of the bulletins has also been disseminated to students through bulk mail, social media platform and are also uploaded on the Academic Corner of the Institute’s website at the link: https://www.icsi.edu/e-journals/

**Recording of Video lectures for Class Room Teaching**

Recording of Video lectures has been initiated for providing Class Room Teaching to Students on key Subjects/Important Topics pertaining to CS. Further, recording of the following topics has been completed in September 2019:

- Operating and Financial Leverage
- Capital Structure Theories
- Computation of Income under the Five Heads of Income
- Tax Laws- Direct Tax Part – Procedural Compliance
- Corporate Restructuring – Accounting, Stamp Duty and Taxation aspects
- Corporate Restructuring – Drafting of scheme of arrangement – legal framework and compliances
- An Overview of Income Tax Act, 1961

Recorded lectures will be uploaded at e-learning platform and made available at all Offices for their usage.

**Webinar of the ICSI Certificate Course on Certified CSR Professionals**

With the view to facilitate the candidates about the certificate course on Certified CSR Professionals, an introductory webinar was scheduled on Saturday, 7th September, 2019 from 11:00 am to 1:00 pm. The Webinar was bifurcated into two segments; the first being Introduction about the Course and the second pertaining to Technical session on CSR.

**ICSI Initiatives towards GST**

In standing shoulder to shoulder with the government towards directed implementation of GST, the Institute has been committed to building the capacity of its members, students and related stakeholders by advancing their understanding about GST and also by constantly apprising them with updates in GST through various initiatives. Some of the major initiatives in this direction are listed below:

- GST Newsletter – Initiated from April, 2017, 26 issues of the GST Newsletter have been published in so far, with September, 2019 issue being the latest.
- GST Educational Series – 467 Issues have been brought so far.

In addition to this, the Institute is regularly organising workshops, seminars and programmes on GST in order to keep its members & students updated on developments in GST.

**IT Initiatives**

The benefits of imbibing technology in every sphere of activity of the Institute have always been in the foresight leading to new and regular IT initiatives being taken by the Institute for both students and members. During the month of September, 2019 the following initiatives were undertaken:

- Implementation of Kerala Flood Cess in RAS Application for Kerala State Chapters.
- Creation of Registration Portals for:
  - National Conference on Investor Education, Awareness and Protection : Progress and Way Forward at Vigyan Bhawan, New Delhi on 22nd October, 2019
  - Members and Students of Professional Programme for 51st Foundation Day Celebration at Vigyan Bhawan, New Delhi on 5th October, 2019
  - 47th National Convention of Company Secretaries at JECC, Jaipur, Rajasthan on 14th to 16th November, 2019
I am happy to participate in the 51st Foundation Day celebrations of the Institute of Company Secretaries of India. On this august occasion, I extend warm greetings to all members and stakeholders of the Institute. In these five decades, your esteemed organisation and you as Company Secretaries have played a seminal role in the development and growth of India. We are, indeed, proud of your contribution, hard work and success.

The Foundation Day of any organisation is a very special day. It is that moment, that time when you reflect back on your work as an institution and renew your commitment for future action and ambition. In this journey, the 51st Foundation Day happens to be even more special.

Few days back, we celebrated the 150th Birth Anniversary of Mahatma Gandhi. Bapu’s life and legacy are ever relevant for us and for the humanity at large. His ideals and principles touch every aspect of our nation building. In whichever role we are, we have much to learn from him, to build a just and humane society. Needless to say, his teachings and ethics have high resonance in your area of work as well. You as Company Secretaries are the custodians of the interest of shareholders, investors and people at large. Gandhiji’s idea of trusteeship had a similar objective.

Ethical behaviour lies at the core of Corporate Governance in India and elsewhere. You must draw inspiration and encouragement from Bapu’s emphasis on “need” as opposed to “greed”, while pursuing economic activities and social work. You are the sentinels who ensure compliance of company laws and regulations. You are the minds who ensure that business and enterprise align their practices to the larger socio-economic objectives of the country. The motto of your Institute – “Satyam Vada, Dharmam Chara” that is “Speak the Truth and Abide by the Law” should always be at the centre of your thought and action.
Ladies and gentlemen,

We have a vision to raise the standards of living of our people. In this national effort, we all are working together to enhance our economic output. We have set a target to become a 5 trillion economy by 2025. For this goal to be achieved, we need each and every business stakeholder to not just contribute but give in their best. Your role as Company Secretary remains most valuable in this endeavour. You not only help in wealth creation but also see to it that the rule of law has been applied, in both letter and spirit. Your sincerity and hard work strengthens our economy and as much our democracy. Rule of law after all is a fundamental on which democracies grow and prosper.

In recent times, we have seen how some business enterprises have broken the trust of the people. Companies have either faltered or have come to a standstill. In the process, common people have had to suffer. As a Company Secretary, you play the role of Governance professional and an internal business partner. You must foster responsible business and balance economic objectives with larger socio-economic goals. You must ensure that the stakeholders understand the difference between profit and profiteering, and comply by laws. And you must deliberate on issues where we need to improve, so that mistakes or limitations of the past are adequately addressed.

The concept of Corporate Governance is complex but the principles on which it is based are clear and well marked. Transparency, accountability, integrity and fairness are its four pillars. You should responsibly determine how these principles are put into practice. India has drawn a blueprint to enhance its brand value as a destination for international business and investment. In this effort, how you implement company laws in a transparent manner has a critical bearing. Your decisions impact our economic reform agenda and our Ease of Doing Business efforts. You must keep the trust we have placed in you, once and always.

Ladies and Gentlemen,

The Institute of Company Secretaries of India has countrywide presence. Your regional offices and professionals have played a key role in bringing business uniformity in the country. Your Institute also has recognition in several other countries. As India’s economic weight increases, you will see greater acknowledgement of your work abroad. But this will not happen automatically. You will have to take the lead in forging partnerships and strategic tie-ups.

I am happy to learn that you have taken initiatives to support women empowerment, community development and youth mobilisation. Your "Shaheed ki Beti" programme for educating children of martyrs; fee waiver scheme for students of Jammu, Kashmir and Ladakh; support for Single Use Plastic Free Initiative; and pan-India Walkathon to strengthen Fit India Movement are well appreciated. Under Corporate Social Responsibility, you can make immense contribution to uplifting the weaker sections of the society and to protecting and preserving the environment. It gives you an opportunity to contribute towards nurturing our cultural traditions and heritage as well. You can also support community initiatives across a range of areas, from blood donation to organ donation and more.

Ladies and Gentlemen,

The Institute of Company Secretaries functions as a vast education network. You help in skilling thousands of youth every year. In your role as an educator, you have the responsibility to inculcate a high sense of ethics and commitment in our youth. We are living in a fast changing world. New business models and practices are being developed each day. Technology creation is also happening at a brisk pace. These changes must be reflected in your curriculum and in your teaching so that our Company Secretaries are best prepared to take on the dynamic world. Alongside technical knowledge, emphasis must also be placed on developing their soft skills and new-age skills. These, as you know, are most critical in running responsible businesses and successful ventures.

India is transforming itself at a fast pace. Our people are yearning for a better life. Our approach to fulfilling their dreams has been to promote good governance and ease of living, while we create greater economic opportunities. An efficient, fair and just corporate governance system forms a key component of our nation-building matrix. And you as company secretaries have a seminal responsibility to fulfil on this account. You have been entrusted with the task to implement company laws, and to connect our people in villages, towns and cities with Boardroom decisions. Your integrity and honesty determines our commitment to a just society. Our expectations from you are many, and you must stand up to them.

I wish you the very best in your endeavours ahead. And I wish the Institute of Company Secretaries of India years of achievement and success.

Thank you
The Institute of Company Secretaries of India celebrated its 51st Foundation Day on Saturday, 5th October, 2019 at Vigyan Bhawan, New Delhi in the luminary presence of Shri Ram Nath Kovind, Hon’ble President of India. The event was attended by a large congregation of Company Secretaries, Students, professionals and other distinguished dignitaries.

Shri Anurag Singh Thakur, Hon’ble Minister of State for Finance & Corporate Affairs, Shri Arjun Ram Meghwal, Hon’ble Minister of State for Parliamentary Affairs, Heavy Industries & Public Enterprises and Shri Injeti Srinivas, Secretary, Ministry of Corporate Affairs also graced the occasion.

Addressing the gathering, the Hon’ble President of India, Shri Ram Nath Kovind congratulated ICSI and the CS fraternity for its contribution, hard work and success in its journey of five decades.

Quoting the Father of the Nation, the Hon’ble President said that Company Secretaries are the custodians of the interest of Shareholders, Investors and People at large.

“Company Secretaries are the sentinels who ensure compliance of company laws and regulations ensuring that business and enterprise align their practices to larger socio-economic goals of the country by fostering responsible business and balanced economic objective. Transparency, accountability, integrity and fairness are the four pillars of Corporate Governance. Company Secretary are the professionals who responsibly put these principals into practice and to connect our people in villages, towns and cities with Board-room decisions for a just society”, Hon’ble President further added.

President congratulated Institute of Company Secretaries of India on its vast education network skilling thousands of youth every year and taking various initiatives for women empowerment community development, youth mobilization and corporate social responsibility.

Shri Anurag Singh Thakur, Hon’ble Minister of State for Finance & Corporate Affairs, while congratulating the ICSI said, “The motto of the Institute “Satyam vada, dharma chara” speaks volumes of the values ingrained in the Institute and the conduct of each and every member of the Institute”.

He further appreciated the Institute for its constant participation in the rule making and policy making initiatives of the Ministry and pursuing the task of corporate governance with full fervour.

On this historic moment, the Institute conferred the Honorary Fellow Membership on Shri Arjun Ram Meghwal and Shri Injeti Srinivas. The Institute of Company Secretaries of India has stepped up to the responsibility and is intending to contribute its bit through the ‘Single use Plastic Free ICSI’ initiative. This initiative shall be a step towards clean and green ICSI.

Shri Arjun Ram Meghwal, Union Minister of State for Parliamentary Affairs and Heavy Industries & Public Enterprises, congratulated the Institute on this Historic Moment and the journey of the ICSI over the past 50 years. He further added that each and every past and present leader and member has played an immense role in building the ICSI of today. He also appreciated the ICSI and its members for their involvement in the Fit India Movement initiative of the nation through the “Fit India-Fit ICSI Walkathon”.

Shri Injeti Srinivas, Secretary, Ministry of Corporate Affairs; on being conferred the Honorary Fellow Membership said that the Company Secretaries are not just doing job rather they are doing service to the nation. He emphasized that “Professionals are the Armed Forces of the Indian Corporate Sector”.

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Fit India – Fit ICSI Walkathon
(October 4, 2019)
Pan India Celebrations
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(October 4, 2019)
Pan India Celebrations
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(October 4, 2019)
Pan India Celebrations
THE INSTITUTE OF COMPANY SECRETARIES OF INDIA
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

COMPANY SECRETARIES BENEVOLENT FUND

What exactly is CSBF?
The Company Secretaries Benevolent Fund (CSBF) is a Society registered under the Societies Registration Act, 1860 and is recognized under Section 12A of the Income Tax Act, 1961.
The CSBF was established in the year 1976 by the ICSI, for creating a security umbrella for the Company Secretaries and/or their dependent family members in distress.

Is it the right time to enrol in CSBF?
CSBF is the protection you and your family need to survive the many ups and downs in life, be it a serious illness or a road accident which derails your plans for the future.

Is it a requirement?
Yes, as your dependents need the protection. Your dependents be it your parents, your spouse, or your children will have to bear the brunt of paying off your home/education personal loans and even for managing day-to-day expenses without your contribution.
If you do not want to leave behind such a situation in your absence, enrol in CSBF today.

Advantages of enrolling into CSBF

1. To ensure that your immediate family has some financial support in the event of your unfortunate demise
2. To finance your children’s education and other needs
3. To ensure that you have extra resource during serious illness or accident

The amount of ₹ 7,50,000 (in the case of death of a member under the age of 60 years) has been increased to ₹ 10,00,000
The subscription amount is being increased from ₹ 10,000 to ₹ 12,500 soon

Become a proud Member of CSBF by making a one-time online subscription of ₹ 10,000/- (to be changed soon) through Institute’s web portal (www.icsi.edu) along with Form ‘A’ available at link https://www.icsi.edu/csbf/home duly filled and signed.

Decide Now! Decide Wise!

Connect with ICSI www.icsi.edu | Online Helpdesk: http://support.icsi.edu
The Institute of Company Secretary of India (ICSI), with an objective to provide a common platform to the CS Trainees and Trainers organised an exclusive CS Trainee Drive (II)-2019 on 5th September, 2019 at ICSI House, Noida.

The Placement Cell invited applications through an online registration facility from the students who recently passed their Executive Programme & Professional programme. A similar online registration facility was also developed for the organisations who were interested in hiring the trainees.

The event was successfully organised in terms of bridging the gap between Corporates, Firms and aspiring Students as the drive witnessed an overwhelming response from students and organisations.

Corporate bigwigs along with eminent Practising Company Secretary Firms participated in the CS Trainee Drive (II). The aspiring trainees were given multiple opportunities to face interviews with different companies.

A total of 36 Companies and PCS Firms participated in the Drive wherein out of the 89 appearing CS Students, 82 trainees were shortlisted.

The Drive culminated on a promising note. More such CS Trainee Drives will be organised by the Institute in future to facilitate, address concerns & provide solutions by bringing together CS Students looking for training opportunities and the Organisations providing training on a common platform.
Employee Company Secretary Identification Number (eCSin)

In an attempt to monitor the appointment and cessation of employment of a member of the ICSI as a Company Secretary or in any position other than as a Company Secretary, ICSI has rolled out a novel initiative in the form of Employee Company Secretary Identification Number (eCSin).

Key Highlights
- Random system generated alphanumeric number
- Generated at the time of appointment as well as at the time of demitting office as CS
- One CS can have only one active eCSin at any given point of time
- To be quoted on the consent letter and resignation/cessation letter attached with form DIR-12

Benefits
- Greater transparency
- Better governance
- Verification of authenticity of employment

Generating eCSin
- Create login ID on ecsin.icsi.edu
- No supporting documents required
- Shared on registered email ID of the Member or through electronic mode only

Applicability
- Mandatory for members entering into employment w.e.f. 1st October, 2019
- Members already holding employment shall mandatorily be required to generate eCSIN not later than 31st December, 2019

Any non-compliance with eCSin Guidelines shall render the members liable for action under the Company Secretaries Act, 1980 read with First Schedule and Second Schedule to the Company Secretaries Act, 1980.

THE INSTITUTE OF Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)
Unique Document Identification Number (UDIN)

In an attempt to strengthen the governance framework, the ICSI has rolled out a novel initiative in the form of Unique Document Identification Number (UDIN) to serve the following purposes:

(i) Prevent counterfeiting of attestations/certifications
(ii) Ensure compliance w.r.t. ceiling on the number of attestations/certifications
(iii) Enable stakeholders and regulators to verify genuinity of documents signed or certified by Company Secretaries in Practice
(iv) Provide ease of maintaining Register of Attestations/Certifications services online
(v) Auto pre-filling of Form D for related fields

UDIN can be generated by logging onto udn.icsi.edu and will be quoted in the Certificate, Report and documents along with the Certificate of Practice number.

Key Highlights

Prevent falsification → Prevent fraud → Generate trust

The ICSI UDIN will be mandatory for prescribed documents signed or certified by a Practising Members w.e.f. 1st October, 2019

Any non-compliance with UDIN Guidelines shall render the members liable for action under the Company Secretaries Act, 1980 read with First Schedule and Second Schedule to the Company Secretaries Act, 1980.

THE INSTITUTE OF Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)
47th NATIONAL CONVENTION OF COMPANY SECRETARIES

Empowering new india - Reform, Perform, Transform

November 14-16, 2019 | Jaipur Exhibition and Convention Centre, Jaipur, Rajasthan
"Don't limit your challenges. Challenge your limits."

Dear Professional Colleague,

The celebration of the 51st Foundation Day of the Institute of Company Secretaries of India (ICSI) in the benign presence of Shri Ram Nath Kovind, Hon’ble President of India, has indeed expanded the limits and horizons of professional pursuits not only for the Institute but for each of its members, students and stakeholders.

Although each and every event of the ICSI holds equal significance and calls for equitable effort on the part of Team-ICSI in organising the same, yet the National Convention of Company Secretaries has time and again placed itself at the helm of the event pyramid of ICSI for reasons plentiful; the first and foremost being its age-old legacy.

So, if the Institute takes pride in standing tall for half a century, the National Convention, too, with its stepping foot into the 47th Edition, portrays a lot about the year-on-year discussions, foresighted deliberations, and memorable celebrations. It touches my heart to the core to reminisce my own memories made during the years, gaining friendships of a lifetime and lessons to smoothen my professional journey, not to mention the new waft of zeal to keep me going the year through.

The year 2019 has not only marked the celebration of 150th Birth Anniversary of the Father of the Nation, Mahatma Gandhi, but has also provided us with the agenda for India @ 75, the road ahead to accelerate and achieve the vision for the dawn of a new nation, a new India.

Taking this 'legacy' forward, it is an honour to witness the National Convention of Company Secretaries move into its 47th year. And to align the biggest event of ICSI with the intent of the Government of India led by Prime Minister Shri Narendra Modi, the theme for the event has been kept as Empowering New India: Reform, Perform, Transform. Scheduled to be organised in the heart of the Pink City, Jaipur in the state of Rajasthan, a state which itself holds strong to its history and is equally proud of it, the 47th National Convention shall akin to its predecessor events, definitely be an event of grandeur and glitz.

On behalf of the Council of the ICSI and of my own accord, I invite you to the land of Rajwadas and relish their hospitality while taking along cues to march ahead on your professional paths with passion and unprecedented fervour to succeed.

Padhaaro Mhare Des !!!

CS Ranjeet Pandey
President
The Institute of Company Secretaries of India
Empowering new India - Reform, Perform, Transform

“We have a new resolve, a new resolution, a new enthusiasm, a new vitality to take the country to new and greater heights.”
~ Shri Narendra Modi, Hon'ble Prime Minister of India

The Indian economic as well as corporate scenario can be termed as one of the most dynamic arenas globally. Marked by a series of events of heavy legislation to leniency, spanning over the past seven decades, the Indian economics have been an area of debate, deliberation and discussion not only amongst politico but academia the world over. What has been most intriguing is the rise and fall, the dawn and dusk of entities and corporations in fleeting moments. From a dominating public sector to opening doors and avenues for private sector, to becoming a global economy, the Indian scenario has witnessed it all...

With new agendas being chalked out for India @ 75 and visions being envisioned for the New India of 2022, as an Institute having its vision, mission, goals, activities and initiatives focussed at not only promoting good governance but partnering with the Government in achieving their agendas, it is imperative that a collaborative effort is initiated to chalk out a road map for good governance in the New India of 2022.

The National Convention of Company Secretaries, with its history almost as old as the Institute itself, has carved a niche in the form of perfect podium to both confabulate as well formally deliberate upon the various aspects and issues concerning the professionals, the profession, the nation at large and the global scenarios in totality. With the said thought of endorsing and promoting the government initiatives aimed at reforming and transforming the Indian scenario governing the present and future initiatives of the ICSI, it only seems fit to accord the theme 'Empowering New India: Reform, Perform, Transform' to the 47th National Convention of Company Secretaries.

The sub-themes for the Technical Sessions to be held across the span of this 3-day Convention have also been chalked out to encompass all the aspects of the theme in the professional context as well as the ultimate goal of promoting good governance:

- **Company Secretaries 2020 vis-à-vis Global Governance Standards: Need for Upskilling and transformation**
- **Start-ups : Modern catalysts of growth and employment**
- **Artificial Intelligence, Blockchain, IoT, Big Data Analytics and Business Informatics**
- **Governance Challenges, Opportunities and Responsibilities: Doing the right things**
- **NCLT: Harmonising Diverse Practices and Expectations from Professionals**

**Souvenir-Cum-Backgrounder**

To commemorate this magnanimous event, a Souvenir containing well researched articles on the abovementioned theme and sub-themes, programme details, messages of good wishes and other interesting features is being brought out.
## Tentative Programme Schedule

### Day-1: Thursday, November 14, 2019

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:30 AM - 12:30 PM</td>
<td>Delegate Registration</td>
</tr>
<tr>
<td>12:30 PM - 02:00 PM</td>
<td>Lunch</td>
</tr>
<tr>
<td>02:00 PM - 03:30 PM</td>
<td>Inaugural Session</td>
</tr>
<tr>
<td>03:30 PM - 04:00 PM</td>
<td>Tea / Coffee Break</td>
</tr>
<tr>
<td>04:00 PM - 05:30 PM</td>
<td>Technical Session-I</td>
</tr>
<tr>
<td>05:30 PM - 06:15 PM</td>
<td>Special Session</td>
</tr>
<tr>
<td>07:30 PM ONWARDS</td>
<td>Cultural Evening &amp; Networking Dinner</td>
</tr>
</tbody>
</table>

### Day-2: Friday, November 15, 2019

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>06:00 AM - 08:00 AM</td>
<td>Yoga Session</td>
</tr>
<tr>
<td>10:00 AM - 11:30 AM</td>
<td>Technical Session-II</td>
</tr>
<tr>
<td>11:30 AM - 12 Noon</td>
<td>Tea / Coffee Break</td>
</tr>
<tr>
<td>12 Noon - 01:30 PM</td>
<td>Interactive Session with ICSI Members</td>
</tr>
<tr>
<td>01:30 PM - 02:30 PM</td>
<td>Lunch</td>
</tr>
<tr>
<td>02:30 PM - 04:00 PM</td>
<td>Panel Discussion</td>
</tr>
<tr>
<td>04:00 PM - 04:30 PM</td>
<td>Tea / Coffee Break</td>
</tr>
<tr>
<td>04:30 PM - 05:30 PM</td>
<td>Technical Session-III</td>
</tr>
<tr>
<td>05:30 PM - 06:00 PM</td>
<td>B2B Session</td>
</tr>
<tr>
<td>07:30 PM ONWARDS</td>
<td>Cultural Evening and Networking Dinner</td>
</tr>
</tbody>
</table>

### Day-3: Saturday, November 16, 2019

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:30 AM - 11:00 AM</td>
<td>Technical Session-IV</td>
</tr>
<tr>
<td>11:00 AM - 11:30 AM</td>
<td>Tea / Coffee Break</td>
</tr>
<tr>
<td>11:30 AM - 1:00 PM</td>
<td>Technical Session-V</td>
</tr>
<tr>
<td>01:00 PM</td>
<td>Valedictory Session</td>
</tr>
<tr>
<td>02:00 PM</td>
<td>Lunch</td>
</tr>
</tbody>
</table>
**Speakers**
- Eminent persons from the Government, Regulators and Industry, including Professional and Management Experts

**Participants**
- Company Secretaries, Chartered Accountants, Cost and Management Accountants
- Directors and other Senior Management Executives in Corporate and Service Sector
- Professionals and Academicians from Secretarial, Legal and Management disciplines

### DELEGATE REGISTRATION FEE*

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Super Early Bird Offer (Discounted Fee to be paid from 01.10.19 to 15.10.19)</th>
<th>Early Bird Offer (to be paid from 16.10.19 to 10.11.19)</th>
<th>Delegate Fee (to be paid on or after 11.11.19 including on the spot registration)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of ICSI / ICAI / ICAI-Cost</td>
<td>Rs. 6500/-</td>
<td>Rs. 8000/-</td>
<td>Rs. 9000/-</td>
</tr>
<tr>
<td>Practising Company Secretary</td>
<td>Rs. 6000/-</td>
<td>Rs. 7500/-</td>
<td>Rs. 8500/-</td>
</tr>
<tr>
<td>Accompanying Spouse/ Child / Sr. Member (60 Years and above)</td>
<td>Rs. 5500/-</td>
<td>Rs. 7000/-</td>
<td>Rs. 8000/-</td>
</tr>
<tr>
<td>Student of ICSI</td>
<td>Rs. 4500/-</td>
<td>Rs. 6000/-</td>
<td>Rs. 7000/-</td>
</tr>
<tr>
<td>Non-Member/Guest</td>
<td>Rs. 7000/-</td>
<td>Rs. 8500/-</td>
<td>Rs. 9500/-</td>
</tr>
<tr>
<td>Foreign Delegate</td>
<td>USD 150</td>
<td>USD 200</td>
<td>USD 250</td>
</tr>
</tbody>
</table>

*Inclusive of GST @ 18% on Non-Residential Basis (GST is not applicable for Foreign Delegates)

The above fee includes Lunch (3), Dinner (2), Morning / Evening Tea, Coffee, High Tea, Conference Kit and Backgrounder. The Delegate Fee is payable in advance and is not refundable once the nomination is accepted.

### DELEGATE REGISTRATION PROCEDURE

- Delegates are requested to register for the Convention by visiting the link [https://tinyurl.com/y39dweuw](https://tinyurl.com/y39dweuw)
- Registration for the Convention shall be through Online Mode only.
- Please note that payments are not accepted through demand draft, cheque, cash, electronic transfer, etc.
HOW TO REACH JAIPUR

Jaipur is well connected to almost every corner of India via different means of public transport including air, rail and road.

By Air

The Jaipur Airport is situated at Sanganer, 7 km (domestic terminal) and 10 km (international terminal) from the main city. It connects the city to all the major parts of India as well as some of the major overseas countries. It has the facility of daily domestic flights to Delhi, Jodhpur, Udaipur, Aurangabad, Hyderabad, Goa, Kolkata, Chennai, Ahmedabad, Mumbai, Bangalore, Indore and Pune. Also, it has the facility of international flights through which it connects directly to Sharjah, Muscat and Dubai. Flights to Singapore and Bangkok are also available via Delhi. Furthermore, it offers the chartered service to London and Dublin.

By Train

Jaipur is well connected to almost every part of India through the means of Indian Railways. There are several trains which connect this city to Delhi, Mumbai, Ahmedabad, Agra, Kota, Alwar, Jodhpur, Alwar, Ajmer, Kota, Chittorgarh, Bikaner, Udaipur, Barmer, Jammu, Bikaner, Jaisalmer, Kolkata, Ludhiana, Pathankot, Haridwar, Indore, Gwalior, Bhopal, Jabalpur, Roorkee, and Kanpur. In addition to this, long-distance trains arrives from several other cities including Patna, Ranchi, Lucknow, Allahabad, Vadodara, Banaras, Surat, Bilaspur, Nagpur, Raipur, Puri, Bhubaneswar, Bangalore, Chennai, Hyderabad, Mysore, Mangalore, Goa, Kochi, and Kozhikode. There are three main railway junctions including Jaipur, the main station; Gandhinagar and Durgapara. Every train stops at Jaipur junction and a few of the trains stop at Gandhinagar and Durgapara.

By Road

The pink city is linked with all the major cities of India through the network are available of National Highways 8, 11 and 12 to name a few. There’s also a very good bus service between Jaipur and Delhi provided by Rajasthan State Road Transport Corporation (RSRTC) with the buses at about every half an hour to and from both sides. Both-AC and AC Volvo buses. There are some express buses which connect various cities and towns of Rajasthan such as Bundi, Kota, etc. to Jaipur. This city is also connected to Mumbai via Ajmer, Ahmedabad, Udaipur and Vadodara and is also well linked to Agra via bus.
Hotel Booking for Residential Delegates

- All delegates may kindly note that November is peak season in Rajasthan. Therefore, air tickets, train tickets and Hotel rooms will get fully booked very fast. It is expected that delegates who are waiting for last minute planning may face difficulty in getting confirmed reservations in flight/train and hotels.

- In view of the above, all delegates are advised to plan their travel itinerary at the earliest and book their flight/train tickets urgently. Delegates are also advised to book hotel rooms urgently, at the earliest by 15th October, 2019. After that delegates may face the availability crisis of confirmed room reservations.

- After several rounds of negotiations, ICSI has obtained best rates from some hotels and blocked the rooms on concessional rates for delegates of National Convention. Delegates are requested to avail this opportunity at the earliest. Otherwise delegates may get rooms at very higher price due to peak season.

- For booking rooms in hotels, delegates are required to firstly get themselves registered for the convention by paying the requisite fees at online services portal of the ICSI since while booking the rooms, delegate registration number is compulsorily required to be mentioned on hotel room booking application form.

- For booking of rooms in hotel, delegates may select the hotel as per their choice from the list of hotels given in the below mentioned table. They may download the room booking form from the link given against the hotel's name. They are required to fill-up details in the form and after that scanned copy of this form is required to be sent by e-mail to respective hotel.

- All payments related to stay of delegate in Hotel is required to be settled by the delegate with the hotel concerned directly.

- All delegates may kindly note that hotel rooms shall be booked on full room basis. If any delegate wants to share his room with any other delegate, in such case he is advised to decide his room partner in advance and should give details of accompanying guest in the booking form itself. Payment should be settled by any one of them and later on they may share the total amount at personal level amongst them.

- Arrangements for airport transfers and pick up and drop of delegates between hotel and convention venue by bus will be made by ICSI at fixed intervals.

- Hotels have been requested to allow delegates for early check-in, if some of them are reaching before check-in time due to different flight timings, but this facility is subject to availability of rooms at that point of time. Lunch is also being arranged to be served from 12.00 noon onwards at Convention venue to facilitate such delegates who are reaching Jaipur before check-in timing of their respective hotels.
<table>
<thead>
<tr>
<th>Si No.</th>
<th>Name &amp; Address of Hotel</th>
<th>Star category</th>
<th>Distance from Convention Venue (JECC)</th>
<th>Distance from Airport</th>
<th>Distance from Jaipur Railway station</th>
<th>Room tariff (per room per night) including breakfast + Wi-Fi + Taxes</th>
<th>Name of contact person &amp; telephone no.</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Hotel Clarks Amer Jawahar Lai Nehru Marg, Jaipur</td>
<td>5-Star</td>
<td>10 Km.</td>
<td>2.5 Km.</td>
<td>13 Km.</td>
<td>5900 (Single) 6490 (Double occupancy)</td>
<td>Mr. P.D Sharma 9351655920 <a href="mailto:resv@clarksamer.com">resv@clarksamer.com</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mr. Sunil Sharma 8696395000 <a href="mailto:exe.mgr@clarksamer.com">exe.mgr@clarksamer.com</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Hotel Royal Orchid Tonk Road, Durgapura Jaipur</td>
<td>4-Star</td>
<td>8.5 Km.</td>
<td>2.5 Km.</td>
<td>13 Km.</td>
<td>5900 (Single) 6490 (Double occupancy)</td>
<td>Mr. Atul Sharma 8003299912 <a href="mailto:sales.hroj@royalorchidhotels.com">sales.hroj@royalorchidhotels.com</a></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Clarion Bella Casa 1, Ashram Marg, Tonk Road, Jaipur</td>
<td>4-Star</td>
<td>8.5 Km.</td>
<td>2.5 Km.</td>
<td>13 Km.</td>
<td>4500 (Single) 4500 (Double occupancy)</td>
<td>Mr. Ankur Grewal 0141-6668444 8766038001 <a href="mailto:fom@clarionbellacasa.com">fom@clarionbellacasa.com</a></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Hotel Marigold IT 20, EPIP, Near JECC, Sitapura Industrial Area, Tonk Road, Jaipur</td>
<td>4-Star</td>
<td>0.5 Km.</td>
<td>12 Km.</td>
<td>21 Km.</td>
<td>4130 (Single) 4720 (Double occupancy)</td>
<td>Mr. Abhishek 766507810 <a href="mailto:Sharmasales@hotelmarigoldjaipur.com">Sharmasales@hotelmarigoldjaipur.com</a></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>The Fern 3, Airport Plaza, Tonk Road, Jaipur 9</td>
<td>3-Star</td>
<td>8.5 Km.</td>
<td>2.5 Km.</td>
<td>13 Km.</td>
<td>3500 (Single) 4000 (Double occupancy)</td>
<td>Mr. Navratna Mahalawat 001992831 <a href="mailto:salesmgr@fernhoteljaipur.com">salesmgr@fernhoteljaipur.com</a></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Hotel Grand Décor H-935, Phase - 3, Near T &amp; T Motors, Sitapura, Tonk Road, Jaipur</td>
<td>3-Star</td>
<td>3 Km.</td>
<td>13 Km.</td>
<td>23 Km.</td>
<td>3200 (Single) 3200 (Double occupancy)</td>
<td>Mr. Kuldeep Yadav 7412030910 <a href="mailto:reservations@hotelgranddecor.com">reservations@hotelgranddecor.com</a></td>
<td></td>
</tr>
</tbody>
</table>

**Tourist Attractions at Jaipur**

- Amber Fort
- Central Museum
- Birla Mandir
- Nahargarh Fort
- Shri Salasar Balaji Temple
- City Palace
- Hawa Mahal
- Jantar Mantar
- Jal Mahal
- Khatushyam Ji Temple
## SPONSORSHIP/ADVERTISEMENT TARIFF

<table>
<thead>
<tr>
<th>No.</th>
<th>Details</th>
<th>Rs.</th>
<th>delegates</th>
</tr>
</thead>
</table>
| 1.  | **Principal Sponsor**  
- One Special Full Page Advertisement in Souvenir  
- Delegate fee (non-residential) exemption  
- Display at Convention Backdrop  
- Special Acknowledgement | 20,00,000 | 15 delegates |
| 2.  | **Co-Sponsor**  
- One Special Full Page Advertisement in Souvenir  
- Delegate fee (non-residential) exemption  
- Display at Convention Backdrop  
- Special Acknowledgement | 12,00,000 | 10 Delegates |
| 3.  | **Sponsorship for Bags / Dinner Sponsor**  
- One Special Full Page advertisement in Souvenir  
- Delegate fee (non-residential) exemption  
- Display at the Convention site/Dinner site  
- Special Acknowledgement | 10,00,000 | 8 delegates |
| 4.  | **Platinum Sponsor / Lunch Sponsor**  
- One Special Full Page advertisement in Souvenir  
- Delegate fee (non-residential) exemption  
- Display at Convention Site/Lunch site  
- Special Acknowledgement | 8,00,000 | 6 delegates |
| 5.  | **Diamond Sponsor / Tea Sponsor**  
- One Special Full Page advertisement in Souvenir  
- Delegate fee (non-residential) exemption  
- Display at Convention Site /Tea site  
- Special Acknowledgement | 5,00,000 | 3 delegates |
| 6.  | **Golden Sponsor**  
- One Special Full Page advertisement in Souvenir  
- Delegate fee (non-residential) exemption  
- Display at the Convention Site  
- Special Acknowledgement | 4,00,000 | 2 delegates |
<table>
<thead>
<tr>
<th>No.</th>
<th>Details</th>
<th>Rs.</th>
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<tbody>
<tr>
<td>7.</td>
<td><strong>Silver Sponsor</strong></td>
<td>2,00,000</td>
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<tr>
<td></td>
<td>- One Special Full Page advertisement in Souvenir</td>
<td></td>
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<tr>
<td></td>
<td>- Delegate fee (non-residential) exemption</td>
<td>1 delegate</td>
</tr>
<tr>
<td></td>
<td>- Display at Convention Site</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Special Acknowledgement</td>
<td></td>
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<tr>
<td>8.</td>
<td><strong>Souvenir Sponsor</strong></td>
<td>5,00,000</td>
</tr>
<tr>
<td></td>
<td>- Logo on the Souvenir Cover Page</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- One Special Full Page advertisement in Souvenir</td>
<td></td>
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<tr>
<td></td>
<td>- Delegate fee (non-residential) exemption</td>
<td>1 delegate</td>
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<tr>
<td></td>
<td>- Display at Convention Site</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Special Acknowledgement</td>
<td></td>
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<tr>
<td>9.</td>
<td><strong>Cultural Programme Sponsor</strong></td>
<td>5,00,000</td>
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<tr>
<td></td>
<td>- One Special Full Page advertisement in Souvenir</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Delegate fee (non-residential) exemption</td>
<td>1 delegate</td>
</tr>
<tr>
<td></td>
<td>- Display at Convention Site &amp; Cultural Programme Site</td>
<td></td>
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<tr>
<td></td>
<td>- Special Acknowledgement</td>
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</tr>
<tr>
<td>10.</td>
<td><strong>Advertisements in Souvenir</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Back Cover</td>
<td>1,00,000</td>
</tr>
<tr>
<td></td>
<td>- Third Cover</td>
<td>75,000</td>
</tr>
<tr>
<td></td>
<td>- Second Cover</td>
<td>75,000</td>
</tr>
<tr>
<td></td>
<td>- Special Full Page (coloured printing)</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>- Full Page (B/W)</td>
<td>30,000</td>
</tr>
<tr>
<td></td>
<td>- Half Page (coloured printing)</td>
<td>30,000</td>
</tr>
<tr>
<td></td>
<td>- Half Page (B/W)</td>
<td>15,000</td>
</tr>
<tr>
<td>12.</td>
<td><strong>Banner</strong></td>
<td></td>
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<tr>
<td></td>
<td>(I) 8' x 3' + Spl. Full Page Advertisement (Colour)</td>
<td>1,00,000</td>
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<tr>
<td></td>
<td>(II) 8' x 3'</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>(III) 6' x 3’</td>
<td>35,000</td>
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<tr>
<td>13.</td>
<td><strong>STALLS</strong></td>
<td>75,000</td>
</tr>
<tr>
<td></td>
<td>3m’ x 3m’ Stall</td>
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<tr>
<td>14.</td>
<td><strong>Distribution of Publicity Material, literature, Pen/Pad etc.</strong></td>
<td>1,00,000</td>
</tr>
<tr>
<td>15.</td>
<td><strong>Sponsorship of Pen/ Pad for Convention Delegates</strong></td>
<td>1,50,000</td>
</tr>
<tr>
<td>16.</td>
<td><strong>Miscellaneous</strong></td>
<td></td>
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<td></td>
<td>- For any member who procures advertisements above Rs.4,00,000-</td>
<td></td>
</tr>
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<td></td>
<td>Delegate Fee (non-residential) exemption for 2 delegates</td>
<td></td>
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<tr>
<td></td>
<td>- For any member who procures advertisements above Rs.2,00,000 -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delegate Fee (non-residential) exemption for 1 delegate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 10% Incentive to the Chapter for procuring any of above sponsorships / advertisements</td>
<td></td>
</tr>
</tbody>
</table>

**For sponsorship/advertisement query contact:** Ms. Preeti Kaushik Banerjee (Director)  
**E-mail:** preeti.banerjee@icsi.edu  
**Tel.:** 011-45341087/1022
47th National Convention of Company Secretaries
Sponsorship / Advertisement Form

The Secretary
The Institute of Company Secretaries of India
ICSI House, 22, Institutional Area
Lodi Road, New Delhi - 110 003

Dear Sir,

Kindly accept Principal / Co-sponsorship / Sponsorship for Bags / Sponsorship for Dinner / Platinum Sponsorship/ Lunch Sponsorship/Diamond Sponsorship/ Tea Sponsorship / Golden Sponsorship/ Silver Sponsorship /Souvenir Sponsorship/ Cultural Programme Sponsorship / Back Cover Advertisement / 2nd Cover Advertisement /3rd Cover Advertisement/ Special Full Page (Colour) Advertisement/ Full Page (B/W)Advertisement/ Half page (Colour) Advertisement / Half Page (B/W) Advertisement for the Proposed Souvenir/ Banner (8’x3’+Special Full Page Colour Advertisement in Souvenir)/ 8’x3’ Banner / 6’x3’ Banner / Distribution of Publicity material, Literature, Pen / Pad etc., /Sponsorship of Pen, Pad for Convention Delegates/ booking of Stall on the occasion of 47th National Convention of Company Secretaries to be held from Thursday, November 14, 2019 to Saturday, November 16, 2019 at Jaipur Exhibition and Convention Centre, Jaipur, Rajasthan on the theme 'Empowering New India-Reform, Perform, Transform'.

We are forwarding herewith bank draft / Cheque / NEFT Mandate for Rs.______________ in favour of "The Institute of Company Secretaries of India" payable at New Delhi.

The Advertisement Matter / Art Work /Logo/ CD is / are enclosed / being sent separately.

Yours sincerely,

(Signature)
Sponsoring Authority

Date ________________
Name of Organisation ____________________________
Address _______________________________________
__________________________________________
Pincode ________________
Contact Person ____________________________
Designation ____________________________
Email ID ____________________________
Tel. / Mobile no. ____________________________
Announces for the 1st Time

ONLINE CURRENT AFFAIRS AND GENERAL KNOWLEDGE

Preliminary Round - Online Mode
16th November, 2019

Semi - Final Round - Online Mode
23rd November, 2019

Final Round - Online Mode
30th November, 2019

Prizes for Final Round Winners of both categories

First Prize: Cash Award of Rs.50,000/-
Second Prize: Cash Award of Rs.25,000/-
Third Prize: Cash Award of Rs.10,000/-
Special Appreciation Award: Cash Award of Rs.5,000/- (To one topper of each State and UT)
10 Consolation Prizes: Cash Award of Rs.1,000/- + Commendation Certificate

2019
(Anytime, Anywhere Pattern)
Participation Fee Rs.100/- per student in the following Categories:

Category I - Class 11th & 12th of any stream
Category II - 1st, 2nd, 3rd, 4th & 5th year of graduation of any stream*

*(Maximum age limit: 25 Years)

Existing Students of ICSI are not eligible to participate
Employees of ICSI and their wards & spouse are not eligible to participate

ONLINE REGISTRATION link opens from 15th October, 2019 at 10.00 am and closes on 31st October 2019 at 05.00 pm
To register click on this link: http://bit.ly/AllIndiaICSIQuiz

For details visit: www.icsi.edu
Articles

Man versus Machines! An end game for routine compliance?

Bijoy Pulipra

When the Ministry of Corporate Affairs had introduced the MCA-21 e-filing project in 2006 there were lot of discussions and apprehensions about the manner in which the same shall impact the profession of Company Secretaries. Many were of opinion that the importance of professionals will gradually fade away due to the introduction of e-forms as the stakeholders will be able to file the same from their end without help of a professional. However, when looking back, post MCA 21, there happened a huge leap for the profession and the opportunities had increased dramatically and the recognition of the profession got manifold. Presently, in the era of intelligent machines which can overpower a normal human mind through properly coded algorithms, the profession seems to face a new threat- loss of jobs and automation of secretarial documentations! The article analyses the areas of practice that can be affected with the introduction of Artificial intelligence (AI) enabled systems and also explores the areas in which the same can augment the quality of the profession to next level. The introduction of AI and technology into the compliance segment may wipe out the clerical content of the profession such as filing of e-forms, preparation of meeting related documents, maintenance of statutory registers, preparation of documents having repetitive nature etc. and may negatively impact the regular certification of e-forms, certification of documents etc. But the dawn of AI driven technology will pour great opportunities for company secretaries across industrial segments especially in technology sector. This is expected to help the Company Secretaries to sharpen their knowledge and skills and equip themselves to remain competitive and competent in their areas of practice. The profession may tilt more towards advisory, consultation and representation services from the present compliance regime as the compliance and routine secretarial functions can easily be simulated by an AI driven platform. The Company Secretaries have to equip themselves to cope-up with the intense transformations that are happening in the technology sector and sharpen their skills and knowledge to swim across the tide.

Fast changing Regulations and Compliances regime- Challenges for Professionals

Narendra Singh and Prativa Jena

Fast changing amendments in the Companies Act, 2013, Rules made thereunder, SEBI Regulations; and introduction of Insolvency & Bankruptcy Code and GST Laws continues to be focus area of compliances for the professionals. Overseeing the observance of the compliances of the company’s Codes, Policies and Procedures are additional area where professional continues investing their substantial time. Frequent amendment in the law though for “Ease of doing Business” and improvement in ethical and governance standards of Corporates, continues posing humongous challenge for professionals. In this article, the authors intend to elaborate the challenges being faced by the professionals to ensure prompt and defect free compliance of the fast changing laws and expectation from the regulators.

Compliance or Client: The Tough Decisions

Aditya Ambastha

There is no dearth of issues and challenges in life – be it professional or personal. With the ever-evolving industry and laws, new issues and challenges come up, particularly in the professional life. Statutory/Regulatory authorities requiring one thing while the client requiring almost the exact opposite. Such is the situation of a modern-day professional who has to make a tough decision of choosing between Compliance or Client. With the recent cases of mismanagement in corporates and actions being taken against professionals associated with such corporates, it has become all the more important for professionals to discharge their duties with utmost care and diligence. Gone are the days where one can get away with negligence in professional work. This article attempts to get the thoughts of the readers flowing as regards to making tough decisions in life such as choosing between Compliance or Client.

Comply and Impress! Data Revolution is here!

Iyshwarya Ragukumar

The information era has created an evolution in the way data is perceived. Thanks to the digital revolution, data is now supreme! The post Liberalisation, Privatisation, Globalisation period in India has seen tremendous changes in the functioning of the Government machineries, considering the interest shown in investing in the Country by international corporations. The Indian Government as part of multiple Trade Treaties entered into and being a member of International Trade Bodies, has brought about digitization in almost all the sectors. The core of economy being corporate entities, many Business-to-Government reportings have become digitised and the data collected is considered as authentic database by the Government. Various sectoral regulators and Government departments now work closely with each other through active sharing of information, an internationally proven mechanism for efficient governance. The veracity of the information so procured by the Government is tested only through authentications or certifications by professionals. Professionals are looked up to by the Regulators and Corporates alike, as the third party authenticator. Be it Statutory Auditors or Secretarial Auditors, the onus placed on the professionals by both Regulators and Corporates is high. This being the case, under various circumstances, Company Secretaries are exposed to a wide range of data on a regular basis. It is essential that the weight of the responsibility entrusted upon Company Secretaries is regularly analysed and emphasised. There are numerous mechanisms employed by the Regulators to test and validate the professional judgement exercised by the professionals in cases of conflict. Company Secretaries being Governance Professionals are in an extremely coveted position to implement the Government’s prime mandates in the Corporate sector. This article is an attempt to draw an overall picture of the importance of the data shared with Regulators and is an emphasis on the opportunity for Company Secretaries to ‘Comply and Impress’!

Compounding of Offences – The Concept

Henry Richard

The concept of compounding of offences was originally enacted in section 345 of The Criminal Procedure Code 1898 and the same was reiterated in section 320 of The Criminal Procedure Code 1973.
the recommendations of the Uday Kotak Committee have been the quality of disclosures and governance in listed entities of all sizes. Periodic and event-based have brought in a lot of improvement in the LODR Regulations. The compliances being continuous, ongoing, compliances fall under the SEBI Listing Regulations also referred to as Shailashri Bhaskar SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Decoding the Banning of Unregulated Deposit Schemes Act, 2019

Abdullah Fakih and Hardik Mehta

The Banning of Unregulated Deposit Schemes Act, 2019 (the Act) was recently enacted to inter alia ban unregulated deposit schemes and to protect the interest of depositors from such fraudulent schemes. This article summarizes the regulatory framework envisaged under the Act including key definitions viz., “deposits”, “deposit taker”, “regulated deposit schemes”, “unregulated deposit schemes” etc., operational provisions, offences and penalties prescribed under the Act. It also examines some practical issues under the Act where genuine business transactions could unintendently trigger its applicability. Deposits accepted in the “ordinary course of business” have been carved out from the purview of the Act. However, since the term “ordinary course of business” has not been statutorily defined, it is open to interpretation. This article also examines some of the factors which could be considered in order to decide whether an activity which is carried on by the deposit taker is in its “ordinary course of business”. Given that it is a new piece of legislation, there are bound to be some teething troubles and some interpretational clarity may still be required.

Compliance Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Shailashri Bhaskar

Listed entities are subject to a lot of compliances from time to time under the various regulations of SEBI. Majority of the compliances fall under the SEBI Listing Regulations also referred to as the LODR Regulations. The compliances being continuous, ongoing, periodic and event based have brought in a lot of improvement in the quality of disclosures and governance in listed entities of all sizes. The standard of these compliances have been raised further since the recommendations of the Uday Kotak Committee have been implemented in a phased manner since October 2018. This has cast an obligation on the companies to opt for more disciplined approach and has increased the information flow to the various stakeholders involved. This article throws light on the various compliances that have to be complied with by a listed entity whose specified securities are listed on the recognized stock exchanges.

Struck off Companies with Immovable Properties & Assets Analysis of Solutions and Appeal provisions

Asish Mohan

Strike off provisions provides tremendous powers to the Registrar of Companies to clean up the system by removing the Inactive Companies. Though Registrar has been provided with powers of strike off, he has to certainly follow the procedures provided therein especially with regard to sending and publishing notices as required under law. Does his responsibility end by just following the law to the extent that many Companies which may have genuine business interest and assets get dissolved by such an action? There is no doubt that the Companies Act, 2013 provides for an appeal to the National Company Law Tribunal and if the Tribunal or the Appellate Tribunal feels justified, can restore the Company. What happens to Companies which are not restored on appeal and have assets or cases where the shareholders are not interested in restoring the Company, but also have assets? The law clearly provides a way out and these Companies can be wound up by the Tribunal and ultimately be dissolved by setting aside the Strike off order. The article is an attempt to find out the statutory position with regard to the same as well an analysis of the appeal provisions under Section 252 in terms of the difference in appeal and relief that can be sought on account of Compulsory Strike off under 248(1) and Voluntary Strike off under 248(2).

Whether shares with Differential Voting Rights can sensationalise the Corporate World?

M. G. Subramaniam and Suraj Subraman

In a cohesive business environment, we have different investors who cater to the ever-changing business requirements, in the form of contributing to share capital, technological excellence, innovation, profitability, debts etc. In view of this, investors globally, can be classified as Active investors and Passive investors. Considering these investors, even the market has factored different kinds of scrips as A / B / C class awarding different returns. In view of the ever-changing business inescapability, the law taking cognizance of such investors is attempting to offer support through DVRs. This article attempts to bring forth the importance of shares having Differential Voting Rights, the striking amendments and how it can support the investors and business empires.

POSH, a double-edged sword, in the hands of Employers?

K. Jaya Bharathi and Vinodini P. Rao

This article has emerged with the objective to bring awareness about the importance of POSH Act in every sector in India and attempts to highlight the duties of an employer and the Internal Complaints Committee that is to be constituted for safeguarding the woman’s interest and for timely redressal of grievances at workplace. The Constitution of India has clearly stated the fundamental rights of a woman to equality under Articles 14 and 15 and her right to life and to live with dignity under Article 21 of the Constitution and right to practice any profession. Hence, it becomes the duty of every organization to not violate the basic right of women. Further the article discusses some
instances where the employer fails to comply with the POSH provisions, face the stringent legal consequences etc. Recently, Companies (Accounts) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have included mandatory disclosure to be made by the applicable entities in their Annual Report/ other periodical, with the details of complaints, complaints received, disposed and unresolved. While the initial part the article talks about the key role of any employer; the latter part outlines the consequences of non-compliances of POSH Act with the help of few case laws.

Overarching obligations of professionals under Securities Market Laws

Dr. S N Ghosh and Keyur Shah

The role of professionals in the Securities market is evolving in a dynamic manner in the sense that he needs to balance the compliance obligations of the client vis a vis the business expectations of the client. It becomes more complex for professionals in-house as in their capacity as KMP, they are directly under obligation to the regulators and at the same time responsible to the corporate. The compliance professionals have to apply their own mind and not rely totally on external counsel or expert advice. Of late, the regulatory actions against professionals and KMP’s serve as a significant warning and highlight the need for both the external consultant as well as the KMP’s to be on high alert. The authors have through various examples highlighted the need for the professionals to exercise care, caution and pay serious attention to the ever-changing dynamics in the regulatory framework of the securities market.

Legal World

- **LMJ 10:10:2019** Relief under section 633 available against the offences committed under the companies Act, 1956 only and not against any offences committed under other enactments. [SC]
- **LW 72:10:2019** As long as the dispute remained pending adjudication, it was not justified on the part of the respondents to initiate recovery proceedings invoking the procedure under the Land Revenue Act without awaiting the outcome of the arbitral proceedings. [SC]
- **LW 73:10:2019** We hold that the CJM is equally competent to deal with the application moved by the secured creditor under Section 14 of the SARFAESI Act. [SC]
- **LW 74:10:2019** The Commission is of the prima facie opinion that the new differentiated India specific warranty policy of Intel in regard to its Boxed Micro-Processors is in contravention of Section 4 (2) (a) (i) of the Act and also prima facie results in limiting or restricting the market for Boxed Micro-processors for Desktop and Laptop PCs in the territory of India as well as results in denial of market access to parallel importers. [CCI]
- **LW 75:10:2019** The right of termination for convenience exercised by ONGC for the first time in thirty years of the existence of such clause in the CHA was not invoked capriciously and/or frequently in order to make illegitimate gains at the expense of the other contracting party, and therefore it is not abuse of the dominance. [CCI]
- **LW 76:10:2019** It is settled law that the acquittal by a Criminal Court does not preclude a Departmental Inquiry against the delinquent officer. The Disciplinary Authority is not bound by the judgment of the Criminal Court if the evidence that is produced in the Departmental Inquiry is different from that produced during the criminal trial. [SC]

LW 77:10:2019 To grant the private respondents the benefit of pay revision, retrospectively, and that to be taken into account for grant of future pension would be a bounty which cannot be given to these private respondents. [SC]

LW 78:10:2019 Where no discretion was conferred by the Statute upon the Appellate Authority to grant relief against requirement of pre-deposit, no waiver of this condition could be granted by the appellate authority. [SC]

From the Government

- Companies (Appointment and Qualification of Directors) 4th Amendment Rules 2019
- Companies (Registration Offices and Fees) 5th Amendment Rules 2019
- Relaxation of additional fees and extension of last date of filing of Form BEN-2 and BEN-1 under the Companies Act, 2013
- Constitution of the Company Law Committee
- National Financial Reporting Authority (NFRA) Amendment Rules 2019 Dated 05.09.2019
- Review of investment norms for mutual funds for investment in Debt and Money Market Instruments
- Position Limits in Interest Rate Derivatives (IRD)
- Valuation of money market and debt securities
- Risk management framework for liquid and overnight funds and norms governing investment in short term deposits
- Additional commodities as Eligible Liquid Assets for Commodity Derivatives Segment
- Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957

Other Highlights

- **MEMBERS RESTORED DURING THE MONTH OF AUGUST 2019**
- **CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF AUGUST 2019**
- **ATTENTION!**
- **MANDATORY PEER REVIEW FOR CERTIFICATIONS AND AUDIT SERVICES**
- **RESTORATION OF CERTIFICATE OF PRACTICE**
- **ADVISORY FOR MEMBERS OF ICSI**
- **MEMBERS WHO HAVE NOT PAID**
- **RESTORATION OF MEMBERSHIP**
- **ATTENTION! MEMBERS**
- **OBITUARIES**
- **ANNOUNCEMENT**
- **PEER REVIEW**
- **ICSI TEACHERS WEEK CELEBRATIONS ACROSS INDIA – A REPORT**
ARTICLES

- MAN VERSUS MACHINES! AN END GAME FOR ROUTINE COMPLIANCE?
- FAST CHANGING REGULATIONS AND COMPLIANCES REGIME: CHALLENGES FOR PROFESSIONALS
- COMPLIANCE OR CLIENT: THE TOUGH DECISIONS
- COMPLY AND IMPRESS! DATA REVOLUTION IS HERE!
- COMPOUNDING OF OFFENCES – THE CONCEPT
- DECODING THE BANNING OF UNREGULATED DEPOSIT SCHEMES ACT, 2019
- COMPLIANCE REQUIREMENTS UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015
- STRUCK OFF COMPANIES WITH IMMOVABLE PROPERTIES & ASSETS- ANALYSIS OF SOLUTIONS AND APPEAL PROVISIONS
- WHETHER SHARES WITH DIFFERENTIAL VOTING RIGHTS CAN SENSATIONALISE THE CORPORATE WORLD?
- POSH, A DOUBLE-EDGED SWORD, IN THE HANDS OF EMPLOYERS?
- OVERARCHING OBLIGATIONS OF PROFESSIONALS UNDER SECURITIES MARKET LAWS
Articles in Chartered Secretary

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2. The article must be original contribution of the author.
3. The article must be an exclusive contribution for the Journal.
4. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
7. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of company secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
8. The copyright of the articles, if published in the Journal, shall vest with the Institute.
9. The Institute/the Editor of the Journal has the sole discretion to accept/reject an article for publication in the Journal or to publish it with modification and editing, as it considers appropriate.
10. The article shall be accompanied by a summary in 150 words and mailed to nitin.jain@icsi.edu
11. The article shall be accompanied by a ‘Declaration-cum-Undertaking’ from the author(s) as under:

Declaration-cum-Undertaking

1. I, Shri/Ms./Dr./Professor........................... declare that I have read and understood the Guidelines for Authors.
2. I affirm that:
   a. the article titled“...........” is my original contribution and no portion of it has been adopted from any other source;
   b. this article is an exclusive contribution for Chartered Secretary and has not been/nor would be sent elsewhere for publication;
   c. the copyright in respect of this article, if published in Chartered Secretary, shall vest with the Institute.
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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
Man versus Machines! An end game for routine compliance?

Many of the recent steps taken by the Ministry of Corporate Affairs such as KYC of directors and companies, MSME 1, DPT 3 one time return etc. are part of a data mining exercise. The data collected as validated information is being used to create a database of its stakeholders. The vast database may eventually lead to full automation of the compliance matters and most of the compliance formalities in future including the efilings can be initiated by the clients directly. This may lead to self-disclosures and self-certifications and may finally put an end to the era of certification.

Artificial Intelligence – Adding Brains to Machines

Artificial intelligence (AI) is nothing but empowering machines through defined processes for creating replica of something which is having a repetitive or specific pattern. The machines can be trained using algorithms to behave like human mind and thereby enable them to read through vast and huge data mines available in cloud servers and pull out the most accurate information which are specific for the task assigned to them. The machines can compare, analyze and prepare the documents with high level of precision within minimum time limits and dare the real humans in all sense. AI trained machines can do research out of vast information available in various sources and validate the same in much swifter manner than humans. Machines which are trained with suitable algorithms can easily recognize images, texts, sounds and emotions and respond to the same in a sensible and intelligent manner. Using the said ability machines are now capable enough to read the documents and enter the captured data into software for accounting and other similar purposes.

Challenges and Pitfalls

Artificial intelligence had positively impacted many major sectors such as healthcare, business, education and finance. There are some negative impacts in those sectors due to the introduction of AI and the most noticeable factor is loss of job opportunities. One of the major area of practice for company secretaries is preparation, certification and filing of various statutory documents with various authorities such as Ministry of Corporate Affairs, Reserve Bank of India etc. The preparation of the minutes of various meetings, resolutions, notices of meetings, preparation of eforms, drafting of legal letters, petitions, advisory on routine legal matters etc., most of which are tasks with a repetitive pattern. The said tasks can be mimicked by algorithm driven machines with ease and the same can touch the raw nerve of the profession of company secretaries in practice. The AI enabled robotic automation software can even assist the board of directors in clarifying their doubts and guide them in more accurate manner about various due dates and related compliance. Virtual personal assistants such as Alexa and Siri can change the way the board communicate and collect the required information.

Areas of Practice that can be Affected by AI

There are certain areas of practice which can be drastically affected by the flood of Artificially intelligent machines. Such areas are forming part of the major areas of practice of most of the company secretaries. Understanding the pitfalls in advance will help to take precautionary measures and march ahead with confidence in a manner so to say that closing one door means opening ten new doors.

Formation of companies: The documentation for formation of a company is highly repetitive in nature and the content of advisory or the requirement of application of human mind is very less in that. A simple automation of the whole process can help the stakeholders to complete the process without any professional help. A speech recognition machine or a chat-bot can intelligently answer the queries of the stakeholders and guide them to complete the process with comfort. The stakeholders will be able to understand the nuisances of forming a company from...
Company Secretary is the conscience keeper of the company. The records and documents are to be prepared in a specific format and in accordance with the provisions of the law. The data required for preparation of the documents are now traced out of the documents such as minutes, resolutions, agreements etc. The retrieval of such information can be effectively carried out by an AI enabled machine. Many of the present day records and registers may become redundant during the course of time.

Preparation of notices and minutes: The notices and minutes are legal documents which are being generated due to legal compulsion. Most of the items of the notices and minutes other than business specific topics are derived out of the provisions of applicable laws. The information required for preparation of such documents can be traced out by the machine from various sources and present the same in more accurate manner. Contents of the minutes of certain items such as opening of bank accounts, authorization to act, disclosure of interest etc. are very predicable in nature and easily be prepared by an intelligent machine.

Preparation and certification of eforms and reports: The data for filling the eforms are being generated out of internal documents of a company such as minutes, notices, resolutions, financial statements etc. Most of the entries in the eforms are mere repetition of data already deployed in another document such as financial statements, board reports, minutes etc. Even now the database of the Ministry can automatically retrieve the validated data and fill majority portion of eforms on clicking the pre-fill button. The machines with ability to read and recognize the images can trace the required data from hard copies of the pages to fill the eforms in much quicker and accurate manner. As the machines are following a specific pattern to fill the data into the eforms the chance of errors will be very minimal and the requirement for certification of such documents would become a redundant one.

Maintenance of records and statutory documents: Company Secretary is the conscience keeper of the company. The records and documents are to be prepared in a specific format and in accordance with the provisions of the law. The data required for preparation of the documents are now traced out of the documents such as minutes, resolutions, agreements etc. The retrieval of such information can be effectively carried out by an AI enabled machine. Many of the present day records and registers may become redundant during the course of time. For example, the register of directors, register of charges etc. of a company can easily be retrieved from the master data maintained by Ministry of Corporate Affairs. A trained machine can pull out that information from various sources and update the registers and records on real time basis in an error free manner. So with the flow of time, there will be no requirement of the professional assistance to maintain such documents.

Conducting of Board meetings, committee meetings, general meetings and other meetings: The role of a company secretary in conducting and convening of the meetings includes issuance of notices, preparation of detailed agenda notes, making necessary arrangements for convening the meetings, advising the management on various aspects of the items to be placed, conducting the meetings, preparation of minutes etc. All the above aspects are highly procedural and being followed mainly due to the compulsion of law. The machines can read, analyze, process the legal documents and automatically prepare the documentations with very minimum human interference. A majority of the tasks related to convening and conducting the meeting can be played by an automated robotic system in an accurate manner. Automated robotic machines can provide real time assistance and guidance to board of directors with high level of precision while maintaining the confidentiality.

Corporate Governance Services: Corporate Governance is all about timely disclosures and maintaining transparency in operations and management of an organization. Most of the governance and disclosure norms are derived out of the requirement posted by law and in specific format. As most of the disclosures are linked to provisions of statute and having specific format it can be imitated by an intelligent machine. An AI enabled machine can take out information required for preparation of the documents such as directors report, corporate governance report, management discussion and analysis report etc. from various internal and external documents and databases.

Drafting of petitions and legal documents: Petitions which are to be filed before Courts and Tribunals have to be in specific format. The petitions for procedural matters and compliance issues such as condonation of delay, adjudication etc. are nothing but documentations in specific format with limited inputs. By providing the issue related limited information to a machine it can draft the petitions in more accurate and legal manner. AI powered machines can improve the efficiency of document analysis and identify the most relevant particulars of a matter.
The opportunities for a company secretary in the area of advisory and consultation is immense. With the advent of new areas of practice such as insolvency and bankruptcy code, cross boarder insolvency, increase cross boarder investments etc., the scope of advisory has been spiraled up. AI is capable of conducting research based on particulars of the matter by identifying the most relevant cases and other statutory provisions and give the output in more precise and faster manner than a human mind can provide.

Due diligence and data verification: Due diligence is one of the most prominent areas of practice that can be taken over by smart machines. Due diligence is nothing but verification of compliance level of the organization and identifying the pitfalls before taking major policy decisions such as investment, disinvestment, takeover, merger etc. The due diligence is also being conducted by the management as a measure of internal exercise to correct the deviations, if any. During the process of diligence, the available data and the documents are cross verified with standard parameters to identify the deviations and variations. Details available with external agencies are also retrieved to understand the level of compliance in a deeper manner. As the due diligence report is a very important management information document based on which major decisions are being taken, accuracy and timeliness of the said information is also very crucial. Any omission or delay can result in substantial pecuniary damage to the stakeholders and third parties. Machines equipped with AI software can perform that job in more accurate, faster and efficient manner as the analysis and variance are data oriented and having a specific pattern. AI machines can automatically take out information from external websites, make comparative study with similar industrial data across various regions, ascertain even minor deviations from standard protocols and produce a far superior document than a human mind can produce.

Contract review and management: A major portion of CS practice consist of preparation, review and analysis of contracts and agreements such as routine business agreements, investment agreements, shareholder agreements, settlement agreements, cross boarder and multi-national contracts etc. The agreements which are mandated by statute such as listing agreement have a specific pattern and the AI machines enable even common man to prepare such agreements based on the statutory requirements. Software can provide AI enabled tools to its stakeholders to prepare the contracts in much swifter and accurate manner.

**AI- A PREDATOR OR LIBERATOR?**

As per the report published by Delloite1, more than 1,00,000 legal roles will be automated by 2036. The Deloitte Insight report, which predicts profound reforms across the legal profession within the next 10 years, finds that 39% of jobs (114,000) in the legal sector stand to be automated in the longer term as the profession feels the impact of more "radical changes." Though the said report is posing a direct threat to many legal professionals who are in the conventional roads of practice it throws up huge opportunities to those who are willing to see unlimited potential of AI. The AI can be seen as an opportunity rather than a threat as it is capable to give a gigantic thrust to the profession of Company Secretaries and lift the profession to the next level of growth.

**AI- AN OCEAN OF OPPORTUNITIES FOR CS**

A Company Secretary is a blue-eyed professional who is having 360-degree vision of a corporate person. He is the one who can understand the business, finance, legal, secretarial and governance aspects of an organization than any other professional. Artificial intelligence is being implemented through programming of software and enabling the machines to identify, learn, analyze and respond to a given situation under specific circumstances. Though the software can be designed and developed only by a trained software professional, the inputs for making the algorithms can be provided only by an expert who is highly proficient and possessing in-depth knowledge in all aspects of the core area. Developing software codes to equip the AI powered machines to respond to a particular situation requires high quality and validated data. As the statutes are constantly getting updated and requires interpretations based on various situations, the software codes are to be frequently revised and revamped according to such changes. This opens up an ocean of opportunities to company secretaries who can take a lead role in advising the team of software companies to enable them to create AI tools. As the chartered accountants plays lead role in designing and developing the financial modules of enterprise business solutions such as SAP, the company secretaries can play a vital role in equipping the AI tools related to governance and compliance aspects.

**VALUE CREATION THROUGH AI**

A company secretary is a highly skilled multi-dimensional professional with comprehensive knowledge in the designated areas of practice. Though there is superiority for a company secretary on professional aspects, the huge downpour of AI into the legal profession can gradually erode the importance of CS as a compliance officer. However, AI being a double edged sword, can be termed as a predator or as a liberator. The AI can be effectively implemented at practitioner’s end to equip them with most relevant and accurate information and thereby add value and quality to their services. With the intercession of AI in professional services, the CS will be able to stand out

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1. Developing legal talent -Stepping into the future law firm-A report on influence of AI in legal profession published by Deloitte , UK
of the crowd and speak out in a clear and loud manner. AI can dramatically turn-around various areas of practice and thereby create huge potential to the profession in long run.

**Representation services:** In order to represent the client before various forums such as National Company Law Tribunals, authorities under Ministry of Corporate Affairs, GST authorities, Tax tribunals and various other forums such as Enforcement Directorate, Reserve Bank of India etc., the professionals require to be armored with latest and most relevant information. By putting AI enabled mechanisms at work, a professional will be able to explore the best available data from diverse platforms and present it before such forums with high level of confidence. This will enhance the image of the profession among the industrialists and corporates.

**Advisory and consultation:** The opportunities for a company secretary in the area of advisory and consultation is immense. With the advent of new areas of practice such as insolvency and bankruptcy code, cross border insolvency, increase cross border investments etc., the scope of advisory has been spiraled up. Company secretaries can function as an Insolvency professional after complying with the regulations of Insolvency and Bankruptcy Code of India and can also play an active role as a consultant or advisor of the stakeholders under the IBC, appear before adjudicating authority in connection with the Corporate Insolvency Resolution Process, liquidation etc. At present, with massive judicial intervention, developing jurisprudence and highly proactive parliamentary systems the retrieval of accurate and most relevant information and forming an opinion based on the same is a challenge for the professionals. Placing the AI enabled systems in place will help the professionals in data retrieval, collection, analysis and dissemination of the most perfect material and the same shall soon become a new norm for the professional excellency.

**Valuation:** The valuation of financial assets is one of the emerging area of practice for company secretaries. The preparation of valuation report, unlike of previous valuation regime, attaches a lot of responsibilities with the office of valuer and the report demands for comprehensive data about the industry, detailed analysis of the business, information about the peer industries, statistical data, analysis of historical information etc. Under the present situation, the retrieval of such massive data with accuracy and further analysis of the same demands a lot of physical and mental effort from the end of the valuer. With the introduction of AI enabled systems, pulling out of analytical

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**Arbitration and conciliation:** Arbitration is another area which is being opened up for company secretaries. Stepping into the shoes of an arbitrator will be difficult for a professional unless he is fully equipped with all relevant and material information, judicial pronouncements, precedents, case laws, procedures etc. AI will help the professional to get familiarized with the new terrain of practice with ease and help to equip themselves with all latest information on procedures and practices.

**Contracts and legal documents:** Preparation of contracts and legal documents requires most relevant and updated information. Legal world is the most happening place in entire governance regime and getting updated with the avalanche of information is the most difficult aspect when comes to preparation of legal documents. Retrieval of the most relevant and recent updates on legislations will be easier for professionals with the introduction of AI systems into the practicing regime.

**Financial Market Services:** Company Secretaries are involved in financial market services and actively participates in loan syndication, document preparation, scrutiny of documents, liaison with banks and financial institutions etc. and the AI can enhance the quality of such services in a greater manner.

**QUALITY PAR EXCELLENCE.**

The new age is predominantly technology driven and the same is throwing up opportunities across segments. Technology influences our thought process, behavior patterns, habits, inter-personal relationships etc. in a superior manner. The incursion of technology into the CS profession can be seen as an opportunity as well as a threat. To cope up with the swift changes in the corporate and technological environment and sharpen the skills to face those challenges are the need of the hour. Equipping ourselves to step up our quality par excellence will help us from getting extinct due to redundancy. The curriculum of the CS course may be timely revised to equip the students to enter the scene with ease and thereby grab the first rows in the first instance itself. The members are also to be equipped through continuous training programmes to understand the nuances of the techno-savvy environment and thereby become market leaders in the short run.
Fast changing Regulations and Compliances regime- Challenges for Professionals

The advent of technological development; and fast changing compliance regime has thrusted enormous opportunities for professionals. This has also created challenges from being completely updated with the latest amendments to timely compliances. Stakeholders’ activism; and information & assistance to provide speedy response to the matters raised by the whistle blower and regulatory bodies thrusts additional challenges for professionals.

"If we’re growing, we’re always going to be out of our comfort zone." - John Maxwell

The above quote aptly fits to the professionals handling compliance and governance functions.

In order to meet rapid changing national and international economic environment, accelerate growth of economy; and to provide greater autonomy of operation to corporate entities, a need was felt for new legal framework that would be compact, with clear interpretation, and able to respond in a timely and appropriate manner. With this background, The Companies Act, 2013 (“the Act”) was enacted and become effective (in Part) from 12th September, 2013. During these last 6 years, Ministry of Corporate Affairs (MCA) swiftly issued Circulars/Notifications, removal of difficulties orders and further Amendments in the Companies Acts etc. From time to time which imbibed better culture of continuous adoption of better corporate governance and disclosures practices by corporates. Amendments in Securities and Exchange Board of India (SEBI) Regulations (‘SEBI Regulations’); introduction of Insolvency and Bankruptcy Code (‘IBC’) and Good and Services Tax Act (‘GST Laws’) have additionally ensured India continued achieving newer heights in “Ease of Doing Business in India”.

In this article, the authors intend to elaborate challenges being faced by the professionals to ensure compliances of fast changing laws and expectation of professionals from the Regulators to ensure prompt and defect free compliances as deliberated below:-

I AMENDMENTS IN THE COMPANIES ACT, SEBI REGULATIONS, IBC AND GST LAWS

Amendments in the Companies Act and SEBI Regulations revolve primarily around either for better compliance, disclosure and governance practice or for ease of doing business in India. Post enactment of the Companies Act, MCA, time and again, acted swiftly and ensured that Corporates do not find hardship and issued various rules, circulars, notifications, removal of difficulties orders, further amendment to the Companies Act, etc. At the same time, SEBI introduced Listing Regulations in place of erstwhile Listing Agreement; and new Insider Trading Regulations, Takeover Code, ICDR Regulations, etc.

All the above ensured ease in compliances for professionals and better disclosure and governance practices. In fact, some of the new unique requirements introduced by the Regulators during last 5-6 years such as transfer of unclaimed shares to IEPF, mandatory dematerialisation of securities, reporting of dues to MSME, KYC of Directors’ DIN, implementation of SEBI’s Kotak Committee Report¹, amendment in Insider

¹ Report of the Committee on Corporate Governance dated 5th October, 2017
In India, 92% of family businesses allow family members to work in the business. When it comes to spouses/partners, three-fourths allow them to own shares and two-thirds allow them to work in the business. Women average only 15% on the Board and 13% on management teams in Indian family businesses, compared to 21% on the Board and 24% in management teams across the globe.

Trading Regulations, IBC and GST Laws etc. have enhanced compliance and disclosures practices multi-fold.

Nonetheless, amendments introduced by the Regulators are at frequent pace which sometime becomes difficult for professionals to keep a track. Hence, it would be apt if, to the extent possible, the:

- amendments in laws are introduced by the Regulatory Bodies on a given particular day of the month;
- timeline to ensure compliance for new requirement be made effective from the beginning of forthcoming quarter or half year or year, as the case may be;
- while issuing notification of amendment(s), the entire amended section/ regulation/ clause is notified; and not notified only with the words such as “after the word(s) ...” or “before ...” etc.
- after notifying amendment, entire amended law/regulation is published by the Regulators at least once in a year.

Last but not the least, though the professionals aspire to complete the filing of requisite forms/returns with the Regulatory bodies well before the due date, nonetheless, sometime due to professional exigencies it flung to last date. Hence, if last date of filing of such Form/ Returns falls due on holiday, then the date of compliances should ideally be extended to next working day. Section 10 of the General Clauses Act, 1897 is as under:

“10. Computation of time
(1) Where, by any (Central Act) or regulation made after the commencement of this Act, any act or proceeding is directed to allowed to be done or taken in any Court or office on a certain day or within a prescribed period, then, if the Court or office is closed on that day or that day or the last day of the prescribed period, the act or proceeding shall be considered as done or taken in due time if it is done or taken on the next day afterwards on which the Court or office is open.
Provided that nothing is this section shall apply to any act or proceeding to which the (Indian Limitation Act, 1877 (15 of 1877), applies.

This section applies also to all (Central Acts) and Regulations made on or after the fourteenth day of January 1887.”

The due date for the most forms that are to be filed with MCA is 30 days. For example, if 30th day is holiday, then the Form should be accepted on 31st day without additional fees. For such matter, MCA should modify the system to accept the Forms/ Return on 31st day without additional fees.

II MANDATORY DESPATCH OF ANNUAL REPORT AND NOTICE OF MEETINGS

Under the leadership of Hon’ble Prime Minister, the focus of the Government of the day continues to be on Digital India.

Post demonetisation, the momentum of digital transactions has increased substantially.

Further, the companies are required to mandatorily make all their statutory filings with MCA, Stock Exchanges, tax authorities and regulatory bodies etc. electronically. This has reduced the printing of physical papers substantially, thus conserving the environment to a large extent.

Nonetheless, the Act mandates the companies to send printed copy of Annual Report and notice of general meeting to its members physically who have not registered their e-mail IDs with the Company/ Registrar and Share Transfer Agent (‘RTA’)/ Depository Participants (‘DP’). As per the recent trend, the listed companies still have about 25%-30% shareholders who have not registered their e-mail ID with the Company/ RTA/ DP.

Printing of Annual Report and notices of meetings is not only a financial burden on the Company but also huge burden on environment.

Assuming if a listed company has about 1 lac shareholders, then such company is required to print and send about 25,000 copies of Annual Report etc. to its such shareholders physically. Many large listed entities have more than 2 lacs shareholders. Further, there are substantial numbers of copies of such communication returns to the Company/ RTA as undelivered. Additionally, if despatch of such communication is done through courier, then except at metro cities, either the delivery take place very late or substantial number of it does not get delivered at all.

In view of the above, (i) to protect the environment; (ii) reduce the financial burden of printing of Annual Report; and (iii) faster dissemination of information, MCA should mandate that listed companies to send Annual Report and notice of general meetings electronically only.

Nonetheless, shareholder(s) who have not registered their e-mail IDs to receive the communication from company electronically; and other interested shareholders requiring printed copy of such information, may write to the Company to seek copy of Annual
Disclosures, particularly the price sensitive information are required to be disseminated to BSE and NSE concurrently. At the same time, outcome of Board meetings relating to price sensitive information need to be submitted within half an hour. Printing, scanning and creation of readable format of such disclosures and thereafter uploading of the same in two different platform requires reasonable time.

Report and notice of general meeting. It may also be mandated that companies will provide such information to the shareholders within seven days of receipt of such request. Additionally, such shareholders should also be mandated to compulsorily register their e-mail IDs with the Company/ RTA / Depository Participant.

III UNRELATED CHAIRMAN AND THE MD OR CEO

Regulations 17(1B)2 of SEBI Listing Regulations states that with effect from 1st April, 2020, the top 500 listed entities to ensure that the Chairperson of the Board to be

- be a non-executive director;
- not related to the Managing Director or the Chief Executive Officer.

Nonetheless, the requirement shall not be applicable to the listed entities which do not have any identifiable promoters as per the shareholding pattern filed with stock exchanges.

In India, the promoters driven or owned corporates have grown leaps and bound in last 6-7 decades. This primarily demonstrates the stewardship, effort, leadership and requisite funding etc. deployed by the Promoters over a period of time to grow their companies. In India, 92% of family businesses allow family members to work in the business. When it comes to spouses/partners, three-fourths allow them to own shares and two-thirds allow them to work in the business. Women average only 15% on the Board and 13% on management teams in Indian family businesses, compared to 21% on the Board and 24% in management teams across the globe. When it comes to the next gen, 73% of family businesses in India (compared to 65% globally) have them working in the business and 60% (compared to 57% globally) plan to pass on management and/ or ownership to the next gen.3

In view of the above, it would not be fair to enforce such requirement by giving less than 2 years’ time. Rather, it would be apt if either the word ‘related’ is removed from the said requirement or timeline to ensure compliance is extended by couple of years to enable the Promoters to find apt alternative for smooth transition.

IV UNIFORM PLATFORM OF NSE AND BSE

Most listed entities are listed on both the premier Stock Exchanges in India i.e. National Stock Exchange of India Ltd. (“NSE”) and BSE Ltd. The listed entities are required to upload numerous compliances requirement and periodic disclosures in the respective platform of NSE and BSE simultaneously as both the Stock Exchanges have different platform to upload the disclosures which lead to time gap in dissemination of the same.

Disclosures, particularly the price sensitive information are required to be disseminated to BSE and NSE concurrently. At the same time, outcome of Board meetings relating to price sensitive information need to be submitted within half an hour. Printing, scanning and creation of readable format of such disclosures and thereafter uploading of the same in two different platform requires reasonable time. Sometimes, this leads to time gap between submissions of disclosures.

In view of this, it would be apt if both the bourses develop a common platform for simultaneous dissemination of information which will not only create ease for professionals but also information would be available in both platforms concurrently and that can be done by them with the help of software.

V DOING AWAY WITH PUBLICATION REQUIREMENT

Pursuant to the relevant provisions of the Act read with applicable Rules, notices pertaining to (i) general meeting wherein voting through electronic means is provided; and (ii) conducting business through postal ballot; are required to be published in atleast one vernacular newspaper in the principal vernacular language of the districts in which registered office of the company is situated and having a wide circulation in that district and atleast in English language in an English newspaper.

The newspaper notices contain many details such as statement that the business may be transacted through voting by electronic means, date and time of commencement/ end of remote e-voting and many other details. Due to this, the content of the notice runs into about one-fourth page of the newspaper.

It is suggested if the requirement of publication of such notices is done away with as the newspaper is having life of only one day and all such information, in more details, is already sent/ available with the Shareholders. Above all, these information are also available on the website of the Companies, relevant

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2 Inserted by the SEBI (Listings Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 w.e.f. 1.4.2020.

3 PwC India Family Business Survey 2019
Depository; and Stock Exchanges where security of the Company is listed, therefore, publication in the newspaper is needless financial burden on the companies and wastage of the natural resources.

VI SECRETARIAL AUDIT FOR PRIVATE COMPANIES

Section 204 of the Act mandates secretarial audit for all the listed and bigger public companies, criteria for which are listing; paid-up capital or turnover beyond certain prescribed threshold.

Regulation 24A of SEBI Listing Regulations, requires every material unlisted entities (whether public or private) to annex secretarial audit report with its annual report effective year ended 31st March, 2019. In line with this requirement, it would be apt if requirement of secretarial audit is made mandatory for such private companies also whose paid-up share capital or turnover or borrowing exceeds prescribed threshold. The rationale for such recommendation is on the principle that as secretarial audit is an independent assurance to the management and its stakeholders and improves compliances of the company, it can rarely be criteria whether the company is public or private.

Further, to create a level playing field and ensure that one PCS or firm of PCS does not conduct secretarial audit of particular company for longer period, it would be apt if rotation of secretarial auditors is also made mandatory.

This may also be in line with the requirement laid down in section 139 of the Act. Mandatory rotation of auditors is primarily to address a potential conflict of interest between company and its auditor. Such requirement of rotation would enhance compliance, governance and disclosure practices of the company.

VII E-VOTING PERIOD

Pursuant to Rule 20 of the Companies (Management and Administration), Rules, 2014, every listed company and company having not less than 1,000 shareholders have to provide to its members facility to exercise their right to vote on resolution(s) proposed to be considered at a general meeting by electronic means (‘e-voting’). Such e-voting is required to remain open for not less than 3 days.

This makes opening of e-voting facility for shareholders mandatory only for a period of 3 days. Some companies extends e-voting facility for its shareholders for a period of 5-6 days. As the period of 3 days; or 5-6 days for e-voting appears to be very less as there is a possibility that Shareholder(s) may not have internet connectivity during these 5-6 days for the reasons beyond the control of shareholders (e.g. flood, riot’s, natural calamities etc.).

In view of this, it would be apt if the e-voting period for resolution(s) proposed to be considered at a general meeting is made mandatory for atleast 21 days and this period of 21 days may end a day prior to the date of general meeting. This is expected to enhance participation of Shareholders in the e-voting process of the Company as it provides more flexibility to shareholders for e-voting. Additionally, this becomes operationally more convenient for the shareholders also as they need not to remember the e-voting period of the companies as the notice of general meeting is delivered to them much before the commencement of e-voting period.

To create a level playing field and ensure that one PCS or firm of PCS does not conduct secretarial audit of particular company for longer period, it would be apt if rotation of secretarial auditors is also made mandatory.

VIII SMALL SHAREHOLDERS’ DIRECTOR

Pursuant to Section 151 of the Act, a listed company may have one director elected by small shareholders which is required to be acted upon notice of not less than one thousand small shareholders or one-tenth of the total number of such small shareholders, whichever is lower.

For example company “A” have 20,000 small shareholders whereas company ‘B’ have 1,50,000 small shareholders. In both company ‘A’ and company ‘B’, 1,000 small shareholders of respective companies may serve the notice to have small shareholders’ director elected. This place company ‘A’ and company ‘B’ on unequal footing.

In view of this and to remove unequal treatment, it is suggested to amend the requirement stating that “a listed company, may upon notice of not less than 1,000 small shareholders or one-tenth of the total number of such small shareholders, whichever is higher, have a small shareholders’ director elected by the small shareholders.”

CONCLUSION

“After climbing a great hill, one only finds that there are many more hills to climb”- Nelson Mandela

During last one decade, professionals continued to invest their substantial time in developing robust mechanism to ensure compliances, adoption of better corporate governance practices, secretarial audit, drafting policies, spreading awareness amongst employees about insider trading regulations, Code of Conduct and whistle blower mechanism etc. Early detection of fraud and reporting thereof, prompt redressal of stakeholder grievances, extending assistance in speedy response to regulators, investigation into whistle blower’s concern and dissemination of quality disclosures etc. would attract greater focus of the professionals.

Above all, with the advent of fast technological development which includes usage of artificial intelligence; fast changing regulatory regime, disclosures practices and keeping abreast with the latest amendments in laws would also engage attention of professionals in the time to come.
Compliance or Client: The Tough Decisions

In the modern era, with the ever-increasing demands of the corporate industry, the issues and challenges facing modern day professionals are also increasing with many finding it quite difficult to face such challenges head-on and overcome them. Issues and challenges are a part of life and facing them with utmost determination defines and shapes the character of an individual. This article discusses about choosing between Compliance or Client which is considered to be a tough decision to be made by a professional and attempts to provide an insight into making such tough decisions a bit uncomplicated.

Modern Day Professionals often find themselves in a situation which demands a tough decision to be made – A state of not knowing what to decide; A state of uncertainty, hesitation or puzzlement. One classic example is to decide between ‘Compliance or Client’ wherein, if one chooses the former, he may end up losing the latter and vice-versa. What comes first? – is it the Client? OR is it Compliance? One may argue that Client comes first for the reason that if there is no Client, there is no question of Compliance. Counterargument could be that if there is Compliance, there is Client. – A typical ‘Chicken and Egg’ situation. Client does come first in the dictionary but that should not be an influence in real life.

Compliance, in common parlance means the act of working in accordance with the set of laws. One should not even give a thought on compromising compliance as the cost of non-compliance is much higher than the cost of compliance. Workarounds, even though possible by letter, should be avoided as it essentially defeats the intention of the law and the lawmaker. One cannot and should not hide behind the error of a draftsman. ‘Lost in Transliteration’ is quite a thing these days!

Client, on the other hand simply wants to run his business in the quickest, easiest and the most profitable manner. Workarounds are typically quicker and easier and one might be tempted to go for it in order to impress the client and possibly maintain the relationship. In a situation calling for choosing either “Compliance” or “Client”, professionals may simply consider the following before making a decision –

<table>
<thead>
<tr>
<th>choosing ‘Compliance’</th>
<th>choosing ‘Client’</th>
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<tr>
<td>No need to worry about consequences</td>
<td>Need to worry about consequences</td>
</tr>
<tr>
<td>More satisfaction, less tension</td>
<td>Less satisfaction, more tension</td>
</tr>
<tr>
<td>Self-belief and inner peace</td>
<td>Self-doubt and disbelief</td>
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The list can go on and on.

Here is where ICSI’s mission (in which all members play equal role) “to develop high calibre professionals facilitating good corporate governance” is to be remembered and taken into consideration as workarounds cannot be said to facilitate good corporate governance. Even remembering ICSI’s motto – “सच्चता वद दर्षर च स्पक्ष्यं महानम्। सच्चता वदयनं तु संज्ञायांनां।।” Speak the truth, abide by the law” will provide a guidance in making a decision. Such situations often test the character of a professional i.e. the mental and moral qualities distinctive to an individual, and more importantly their honesty and integrity.

In the words of Thomas Jefferson – “Honesty is the first chapter in the book of wisdom.”

One must constantly work towards achieving the highest possible level of compliance. Compliance not only in letter but also in spirit. As much as it is important to do the right thing, it is equally important to do it in the right manner. For instance, providing food to a person in desperate need is a right thing to do, but, stealing from someone and providing it to the needy cannot be said that a right thing has been done in the right manner. Good Governance or Good Corporate Governance is a key factor in the rise and fall of any business. Choosing client over compliance is like a vicious circle; for once, a decision is made to satisfy/impress the client, the same will be expected over and over again. As the word of mouth spreads quicker than fire, opportunities available to the professional in the future may also compel him to choose client over compliance. Soon, this may become a way of work which will invariably lead an inexorable end. One must remember that law is here for a purpose and there is no escape. According to A Dictionary of Basic Legal Terms, law is “the regime that orders human activities and relations through systematic application of the force of politically organized society, or through social pressure, backed by force, in such a society.”

Laws are enacted based on historical trends after considering the interests of all stakeholders involved and are also evolving with changing trends. It is commonly understood that the purpose of law is to promote justice. According to Bastiat, the purpose of law is to prevent injustice. It is there to prevent harm, not to encourage or mandate good. One might wonder what harm or injustice can be caused due to workarounds? Well, defeating the intention of the law by hiding behind an
Choosing client over compliance is like a vicious circle; for once, a decision is made to satisfy/impress the client, the same will be expected each and every time. As the word of mouth spreads quicker than fire, opportunities available to the professional in the future may also compel him to choose client over compliance. Soon, this may become a way of work which will invariably lead an inexorable end. One must remember that law is here for a purpose and there is no escape.

Compliance almost always seems unnecessarily complex and too much at the start, however, over time, it finds its place and following the process becomes automatic – almost subconscious. It should not be seen as a burden but as a way of conducting business responsibly. Compliance is long term – benefits of which are endless and timeless. Professionals should be the flag-bearers of governance. If there is governance, there is compliance but *vice-versa* may not be true. Efforts should always be taken by professionals to persuade the client to choose the path of compliance. This can only be done if the professional himself firmly believes in following the path of compliance. Generally, professionals are the ones who provide ‘solutions’ to clients and also vouch for a change in overall governance culture. Efforts taken by the professionals will help not only the client but also the overall industry culture. Even if the mindset of a single client shifts towards compliance due to the efforts of the professional, it is a job well done. It is important to also understand the point of view of the client as well, what could be the reason that is compelling him in the first place to avoid following the law in letter and spirit? Maybe, the reasons could be genuine difficulties in following it, here it is the professional who needs to explain to the client and possibly make him understand that genuine difficulties can always be raised at appropriate levels for consideration and request for necessary clarification(s)/ amendment(s), as required. Once, people start to appreciate being compliant and work consciously towards it, a new era will begin. A shift in the mindset from ‘getting things done’ to ‘getting things done in the right manner’ is the need of the hour. What cannot be done directly cannot be done indirectly as well. Similarly, the general consensus that, what is not proscribed is prescribed directly cannot be done indirectly as well. Similarly, the general consensus that, what is not proscribed is prescribed *i.e.* if it is not prohibited by law, it can be done also needs a re-visit. This shift in mindset is by no means unachievable, it only requires constant and tireless collective effort to be put into it – Easier said than done though!

Compliance may be divided into Statutory/ Regulatory Compliance and Internal Compliance. The former is what is prescribed while the latter is what one develops over time to *inter-alia* achieve the former. Internal Compliance may be kept stricter than the prescribed ones so that the Statutory/ Regulatory Compliance will automatically be taken care of by following internal compliance. Being well governed in itself will reduce the risk of non-compliance and the further risk of penalties etc., for such non-compliance. With the recent wave of Start-ups all over the world including in India, which are essentially by young entrepreneurs, professionals must take the opportunity to inculcate the culture of good governance and the importance of compliance in them. Compliance in letter as well as in spirit; as they are the ones who will define the
governance culture of the industry in future. This is because they are new in the industry and their mind is an absolute clear slate as regards compliance and governance. Whatever is inculcated in them at the very beginning, will most likely be carried by them forever and has a good chance of being passed-on to the future generations. A seed will be sowed, benefits of which will be reaped in the future.

As discussed at the beginning, choosing compliance over client may lead to the professional losing a client and this fear of losing a client could very well compel one to compromise compliance. A client may be lost but there will be many more waiting to be connected with someone who is firm on compliance. Why does one fear to lose a client? Basic answer to that is loss of client means loss of business which in-turn means loss of income and which in-turn can have numerous further effects in life; in short, loss of client leads to a ripple effect, the impact of which might be overwhelming. Tough decisions are a part and parcel of life – professional as well as personal. Everyone has to make some or the other tough decision in life. Youngsters face a tough decision of selecting a career path – should it be Commerce, Science, Arts or any other field. Some think it through all by themselves, some speak to elders for their guidance while some just go with their heart. It is all about the mindset and selecting the path about which one feels confident enough and has an interest in. Changing the career path midway is also a tough decision to make, it can be regarded as being tougher than selecting the path in the first place itself as selecting a new path means making a fresh start altogether. After putting-in all the time and efforts into one field and switching fields later on demands quite some courage but it is a decision which will help the individual be happier and satisfied with how things are going around him.

Compliance or Client can be regarded as similar to the frequently discussed topic of Subsance or Form in the context of Corporate Governance. Should one choose the substance or the form is a tough decision for some while it may be not so tough for others. This can primarily be attributed to the mindset of an individual. However, there should not be a question of choosing substance or form as both of them have an equally important part to play in Corporate Governance. Almost everything every time finally boils down to the mindset. If the mind is in a good place, decisions will definitely be a lot easier to make. Choosing Compliance over Client is not enough. Level of compliance is also to be taken into consideration. Compliance may be treated as ‘apparent compliance’ or ‘absolute compliance’. Apparent compliance is what the client is looking for whereas absolute compliance is what the professional should be emphasizing on. Choosing compliance at the level of apparent compliance essentially means choosing client under the veil of choosing compliance. This will only provide a perfunctory sense of satisfaction to the professional of having chosen compliance over client but the reality is the complete opposite.

Whenever one is faced with a tough decision to be made, one must think through it and avoid making a decision in a hasty manner. One may consider asking the following 05 questions before making a tough decision:
1) Will I regret my decision in the future?
2) Is it really worth it?
3) Do I really need to do this?
4) What am I gaining out of it?
5) Is it in sync with my ethics and values?

Answers to these questions should ideally solve the puzzle and make the decision much easier to make. Although, each question is equally important, the question on ethics and values can be given additional weightage as one can simply answer the said question, avoid the first four, and still be able to solve the puzzle.

CONCLUSION

“In the end you should always do the right thing even if it is hard.” – Nicholas Sparks

To do the right thing, in the first place, one needs to decide between what is right and what is wrong. What may be the right thing for one may not be the right thing for the other as right or wrong can be subjective and can also depend on the perspective of an individual. In other words, the conscience of an individual which influences one's behaviour has to be in the right place. Doing a wrong thing firmly believing it to be the correct thing cannot possibly justify the fact of having done a wrong thing. As discussed earlier in the analogy of Substance or Form that both are equally important to achieve Corporate Governance, similarly, in the context of Compliance or Client, there should not be a question of choosing between the two as both play an equally important part and the professional should wholeheartedly attempt to maintain synchronization between both; and by doing so the professional can be rest assured that he has put-in his contribution towards achieving the greater good.

Changing the career path midway is also a tough decision to make, it can be regarded as being tougher than selecting the path in the first place itself as selecting a new path means making a fresh start altogether. After putting-in all the time and efforts into one field and switching fields later on demands quite some courage but it is a decision which will help the individual be happier and satisfied with how things are going around him.
Comply and Impress! Data Revolution is here!

The increasing number of compliances that a Company is required to comply with, puts in our mind, the question ‘Why’! In this article, the author explores as to how the data collected through such compliances are being used by various Regulators.

INTRODUCTION

We live in an information era which has made ‘Data’ the Mantra internationally! In this article, an attempt is made to connect the dots of usage and exchange of data, received through reporting made by Corporates by the Regulators and how critical it is to go for an efficient data management strategy both as professionals in practice and professionals in employment. Our motto should not only be to comply but also to impress the Regulators by our efficient work.

The 21st century has witnessed such an explosive rise in the number of ways in which information is being used, that it is widely referred to as ‘the information age’. It is believed that by 2020, the global volume of digital data creates is expected to reach 44 zettabytes. Depending on the sensitivity of the data and the possibility of misuse of widely available/easily accessible digital data, many countries have enforced ‘Data Protection Laws’. Currently, there are a variety of laws in India which contain provisions dealing with the processing of data, which includes personal data as well as sensitive personal data. In the Indian scenario, laws are still evolving when it is comes to legislations on personal data whereas the Regulators having access to digital data of Corporates which is enabled through electronic filings have been keen on sharing the data among themselves to ensure proper adherence to laws by Corporates and to detect any on-goings of a fraud or wilful misconduct.

Company Secretaries in practice and in employment are exposed to humungous amount of data from the Corporates and it becomes essential that the data is used wisely and expeditiously. Almost all reporting to the Government are mandated to be carried out in electronic filing mode. Increasingly, some of the critical data collected through these electronic filings are required to be in ‘Machine Readable Format’ which enables the Government to process and use the data for various purposes. Any contradiction or inconsistency with the previously filed data is going to alert the Regulator by default. As compliance officers and certifying professionals, Regulators expect professionals to provide satisfactory explanation for the inconsistency. The reasons for such inconsistencies could be as juvenile as a typographical error but only if the Regulators are satisfied with the reason specified, the matter can be closed before proceedings are initiated by the Regulator. It becomes very important to understand what the Government and the Regulators are looking at, to ensure efficient monitoring.

EVOLUTION

India, after its liberalization and privatization post the 1990s has always tried to move to a ‘Minimum Government and Maximum Governance’ model and has been frequently developing the policies with regard to this. The licensing system was done away with. Gradually, the bottlenecks resulting from redundant licensing practices were being identified and the licensing was reduced to a great extent. Various regulatory bodies were formed post privatization to ensure efficient monitoring of the same. The reforms in India deregulated domestic business and reduced tariffs thus integrating India into the global economy. Independent sector regulation is a relatively new development in India post Liberalisation Privatisation Globalisation (LPG) regime. Various regulatory authorities have been set up to produce competitive outcomes, that is, to foster greater efficiency in resource allocation and consumer welfare by promoting competition.

Globalisation led to increase in formation of Companies. Government was forced to think on the lines of digitization due to the humungous data pile up. Computerization was given main importance post LPG regime in all departments, where the usages of computers were encouraged. However, post 2011, the digitization and modernization took place where the data collected is being transformed into information and intelligence. The trend indicating the rise in number of companies incorporated post digitization is evident from the following diagram.

As Regulators become more technologically advanced, they are able to quickly digest, analyse and compare the information

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provided. It is no secret that the Regulators want filings to be carried out in a machine-readable format. They have a fool-proof data strategy. Previously that strategy was to use historical data to understand market events after they have occurred. This is changing with the modernization of the Government machinery where internationally acclaimed strategies being adapted in line with various Trade Conventions and International Trade Bodies that India is a member in.

In India, continuous changes are taking place in the business and economic environment of the Country. Changes are also continually being made in the economic governance system. These include changes in government policies/measure; amendment of existing legislations or enactment of new ones, such as the new competition law; establishment of sector regulatory bodies in utility sector such as electricity, petroleum and natural gas. All such measures are designed to ensure that markets function well in the new economic policy regime and yield desired results.

The Planning Commission, Government of India has developed an approach paper on ensuring regulatory coherence and consistency among different sectors of the economy which would serve as an important guide for regulatory reform. The Government is building infrastructure to create a data pool/data warehouse to enable efficient sharing of information.

Aim of changes in regulatory structure is for the industry to have a sustainable growth. A lot of changes that are happening like the introduction of Companies Act 2013, Goods and Services Tax etc. have been done keeping in mind the global business climate and to put India on par with the global ecosystem.

**DATA SHARING**

With the inherent need to digitize, the Government introduced the National e-Governance Plan (NeGP) in 2006. NeGP was formulated by the Ministry of Electronics and Information Technology (MeitY) and Department of Administrative Reforms and Public Grievances (DARPG). The Government approved the National e-Governance Plan, consisting of 27 ‘Mission Mode Projects’. The mission of the Mission Mode Projects was to simplify the processes and to ensure better management of data. The MCA21 project was the first Mission Mode Project to go live in 2006. The project successfully enabled paperless working mode. The technologically advanced digitally encrypted Digital Signature Certificates were also put to use under the MCA21 project and was the only authentication method for the electronically filed documents. Further, various other Mission Mode Projects saw the light of the day with electronic filing facility introduced in Income Tax filings. The Government wanting to put the data to an intelligent use came up with the National Data Sharing and Accessibility Policy to guide the Departments to frame their own Data Dissemination Policies. Every Ministry has its own policy making wing for Data Dissemination for socio economic policy making and for usage of information as a data mine and create intelligence/analysis.

Electronic filing of Income Tax and the introduction of electronic filing for Labour Law compliances where the Companies had been allotted Unique Labour Identification Number to file returns online were made in line with this. The Ministry of

2 [https://meity.gov.in/content/mission-mode-projects](https://meity.gov.in/content/mission-mode-projects)
3 [https://meity.gov.in/content/mca21](https://meity.gov.in/content/mca21)
4 [https://meity.gov.in/content/income-tax-it](https://meity.gov.in/content/income-tax-it)
5 [https://shramsuvidha.gov.in/knowyourlin.action](https://shramsuvidha.gov.in/knowyourlin.action)

As Regulators become more technologically advanced, they are able to quickly digest, analyse and compare the information provided. It is no secret that the Regulators want filings to be carried out in a machine-readable format. They have a fool-proof data strategy. Previously that strategy was to use historical data to understand market events after they have occurred.

Environment, Forest and Climate Change has made the filings for obtaining the Consent Order online and the approval orders can now be downloaded from the website.

**EFFECT OF INITIATIVES**

Such reforms post the LPG era has led to transformation in the way Regulators approach data. Let us try to explore how the Regulators whom Corporates interact with on a daily basis have evolved due to the policy changes.

**MINISTRY OF CORPORATE AFFAIRS (MCA)**

Before the introduction of MCA21 that was based on manual work and physical interaction, the stakeholder or his representative had to appear in person either to do a statutory filing or to refer the public records of a company maintained in the registry. This could be done only on working days and used to cause immense problems during the seasonal peaks, when it used to be excessively crowded. Payments were accepted in the Registrar of Companies office cash counter and higher amounts could be paid only at one select branch of Punjab National Bank in the city in which the office of the Registrar was located. Sometimes it took as much as three to six months to process some types of the documents, given the sheer volumes of document that were filed.

Consequently, there was no time left for the Regulator to focus on value based, core tasks that centred on new company incorporation, according approvals and carrying out compliance monitoring tasks, including scrutiny and inspections.

In the year 2002, the Ministry of Corporate Affairs (then known as the Department of Company Affairs) faced the problem of providing services to nearly 7.5 lakh corporate entities. Vast amounts of paperwork were to be processed. This was to be expected because with globalization and interest shown by...
foreign companies in India, the number of documents being handled was constantly increasing. This led to the development and introduction of MCA21, the electronic filing platform which required forms to be filled online and authenticated through encrypted Digital Signature Certificates.

Further to monitor companies with more exposure to Public, Extensible Business Reporting Language (XBRL) was introduced in 2011, which was made applicable to certain companies to permit easy processing of data contained in the statutory reports filed by the Companies and help erect a structure to facilitate easier, speedier and transparent implementation of Companies Act. Alerts are being generated by MCA21 system to the Regulator based on the reports generated in case of any discrepancies in filings made in XBRL mode.

With plethora of information available, there is a proven consistent exchange of information between various departments, predominantly between Ministries, SEBI, Departments of Government of India and State Governments with MCA. In fact, MCA had formed a Committee to frame a Data Dissemination Policy whereby the MCA 21 data has been effectively shared with Department of Public Enterprise (DPE), Department of Economic Affairs (DEA), Department of Statistics & Information Management (DSIM) – RBI, Central Statistics Office (CSO) Central Board of Direct Taxes, Central Board of Excise and Customs, Enforcement Directorate. Extensive data sharing is done for larger public companies however since the framework/infrastructure is already set, it is a matter of time by which this platform would, in due course of time, be used for active sharing of information of other Companies also.

MCA has also launched a new website called www.mcacdm.nic.in; In MCA’s view, being a transactional system, MCA21 could not deliver the full utilization of this large electronic information repository and therefore needed a forward linkage to explore the potential of data mining and implementing business analytics and intelligence system.

Hence, with the objective of disseminating corporate sector data in a structured manner, the Corporate Data Management System was envisaged to create an in-house data mining and analytics facility by transforming the present transactional system into a ‘Data Warehouse’.

CENTRAL BOARD OF DIRECT TAXES (CBDT)
The Central Board of Direct Taxes (CBDT) in 2014 made the electronic filing of income tax return compulsory. This led to a lot of changes in the way data is handled by the Board. Data received are accumulated and co-related internally by the Board, resulting in a flurry of review assessments by the Board. The following scenario stands to prove that the Board has actively been pursuing different modes of information exchange with other regulators: The Central Board of Direct Taxes (CBDT) wants firms availing presumptive taxation facility and also certain companies (not subjected to tax audit) to furnish GST-related payments information in their income tax returns. This has been specified in the new set of income tax return forms notified by the CBDT for Assessment Year 2018-19. For Assessment Year 2019-20, companies have to also give additional details relating to issue and allotment of securities since incorporation with respect to all members who are shareholders of the company as at the end of the financial year.

CENTRAL BOARD OF EXCISE AND CUSTOMS (CBEC)
CBEC’s Indian Customs Electronic Data Interchange System (ICES) application serves as the interface for providing Customs transactional data to agencies such as Directorate General of Foreign Trade (DGFT), Directorate General of Commercial Intelligence and Statistics (DGCI&S), Reserve Bank of India (RBI) and Department of Economic Affairs.

One of the benefits of implementation of the Goods & Services Tax is in formalization of economy and consequently the information flow that will eventually augment direct tax collections. Under the Goods & Services Tax, there will be seamless flow and availability of a common set of data to both the Centre and States, making direct tax collections more effective.

Data to external entities is shared using either of the following modes:

- On official or government email ids
- Secure file transfer protocol (SFTP) - particularly in cases where the data file size is large and cannot be sent as simple mail attachments
- Over Virtual Private Network (VPN) to identified trusted external users for pre-agreed reports

USAGE OF DATA

INTRA MINISTERIAL USAGE OF DATA
Based on the data existing with the Department, the data is put into effective use as the real time data is accessible by them within the Department. If a certain expense exemption is not allowed an automatic flagging of the specific un-allowed return can happen at the examination stage; Companies have received notices from the Regional Director, Ministry of Corporate Affairs based on the findings made with Registrar of Companies for share application money pending allotment. There is a significant reduction in reaction time resulting in immediate issue of show cause notices and initiation of investigation and prosecution; Recently there has been a reformative decision taken by the Ministry of Corporate Affairs in identifying and striking off of shell companies and disabling the DIN of Directors of Companies which had not filed their returns for a period of 3 years. They could easily populate the data between themselves and issue notices, thanks to digitization.

INTER-MINISTERIAL USAGE OF DATA
Taking inspiration from the Government of India to curb the existence of shell companies, money laundering in the country and to prevent misuse of corporate structure by shell companies for illegal purposes, the Ministry of Corporate Affairs and Central Board of Direct Taxes (CBDT) have executed a formal Memorandum of Understanding (MoU) for data exchange, on 6th September, 2017. The MoU was envisaged to facilitate the sharing of data and information between CBDT and MCA on an automatic and regular basis. This was done to ensure that both MCA and CBDT have PAN-PIN (Corporate Identity Number) and PAN-DIN (Director Identity Number) linking for regulatory purposes.

This inter-ministerial data exchange works mutually beneficial to both departments as the CBDT gets data of the Companies
At their inception stage itself. In addition to regular exchange of data, CBDT and MCA will also exchange with each other, on request, any information available in their respective databases, for the purpose of carrying out scrutiny, inspection, investigation and prosecution.

Further, there is an exponential rise in the requirement of data that is being sought by the Departments. Department of Public Enterprise, apart from common financial parameters from Balance Sheet and Profit and Loss statement of central public sector company, it requires reports on state-wise distribution of gross value of fixed asset and number of employees by each such enterprise. DPE informed that category-wise breakup of employees, their breakup of salary & remuneration, employment status with respect to new recruitment and attrition, etc. is also required by the DPE for promoting inclusive growth in the Indian economy.

CBEC’s ICEGATE platform (Indian Customs Electronic Commerce/Electronic Data Interchange) which now serves as an interface for providing Customs transactional data to agencies such as DGFT, DGCI&S, RBI, DEA, etc. 

INTRODUCTION OF UDIN BY ICSI AND ICAI

All the information collected and shared among regulators would make sense only if it is certified or authenticated by a third party and thus the Regulators have entrusted this responsibility on the Company Secretaries and Chartered Accountants. Considering the gravity of the efforts put by Central Government to enable data mining, it is imperative that the risk of malpractice by professionals is eliminated.

The Institute of Chartered Accountants of India introduced the concept of Unique Document Identification Number (UDIN) and made it mandatory for Practising Chartered Accountants to generate the UDIN for their every signature in that capacity.

Ever aware and pliant to the changing needs of time, the Institute of Company Secretaries of India also introduced this for Practising Company Secretaries in the month of July 2019 to pursue heightened sense of self-governance and strengthen the profession of practice. All specified certificates, reports and other documents certified by a Practising Company Secretary are to be mandatorily coupled with the generation of UDIN with effect from 1st October 2019.

It is interesting to note that Authorities, Regulators, Banks and others are allowed access to the UDIN portal to verify the UDIN of a particular document without any registration.

SUGGESTIONS TO PROFESSIONALS FOR EFFECTIVE DATA SHARING WITH REGULATORS

Keeping in mind the intention of the Government and various Regulatory Bodies, it is essential that the professionals have an effective data management and dissemination strategy.

The Government is adapting to change, so the strategy is to better comply rather than being surprised at a point of no return. Data taken from various sources for fulfilling a reporting or disclosure requirement should first be validated by professionals as to whether the source from which the data is shared is a reliable one. Proper mechanism should exist to store such correspondence that might take place at the time of data collection. It is suggested to have a fool proof plan to pool data into one place; it becomes necessary to assign responsibility to designated people to access/maintain centralized data warehouse. Various modes like checklists, multiple levels of verifications can be adapted to ensure the correctness of the information. Declarations can be sought from the source of data so that the onus of the correctness of the data is on the provider. The impact of the data to be reported / disclosed is to be analysed, not just from the angle of Company Law but also from various other statutes so that consistent information is shared to all Regulators. Extreme care has to be ensured before the electronic forms are uploaded to avoid any unintentional mistakes.

Government Departments can no longer be considered as alien units as they have entwined, interlinked systems which are independently co-dependent that make a surveillance ecosystem.

10 https://www.icegate.gov.in/about_icegate.html
Compounding of offences – The Concept

The concept of compounding of offences was originally enacted in section 345 of The Criminal Procedure Code 1898 and the same was reiterated in section 320 of The Criminal Procedure Code 1973. This concept was brought into the Companies Act 1956 through The Companies (Amendment) Act 1988 based on the recommendations of Sachar Committee. However, this concept was substantially modified in the Companies Act through the said Amendment Act which rendered the original concept lose its features to the detriment of the stakeholders, in particular the shareholders. The author has highlighted the relevant provisions of the Companies Act vis-à-vis the original concept as enacted in the Criminal Procedure Code and brought out the differences in this article. This discrepancy between the Companies Act 1956 and the Criminal Procedure Code has continued in the Companies Act 2013. The author has emphasised the need for suitable amendment in section 441 of the Companies Act 2013.

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GENESIS

The concept of “Compounding of Offences” was originally enacted in section 345 of The Criminal Procedure Code 1898 and the same was reiterated in section 320 of The Criminal Procedure Code 1973. This concept is defined in The Criminal Procedure Code 1973 (Hereinafter referred to as the Code). Section 320 of the Code states that “... Composition is an arrangement whereby there is settlement of the differences between the injured party and the person against whom the complaint is made...”. Section 320 of the Code is a comprehensive code in itself concerning the matter of compounding of offences. Black’s Law Dictionary states that “Compounding of offence” means to settle a matter by a money payment in lieu of other liability and it is admission of guilt…” Section 320 of the Code lays down the ingredients of composition of offences which are discussed in the following paragraphs.

Firstly, there should be an offence which is the precondition for compounding. Section 2 (n) of the Code states that an “offence” means any act or omission made punishable by any law for the time being in force and includes any act in respect of which a complaint may be made under section 20 of the Cattle Trespass Act 1871. Section 3 (38) of the General Clauses Act 1897 states that “offence” shall mean any act or omission made punishable by any law for the time being in force. Both these definitions convey the same meaning. The essential criterion for an offence is that it should be punishable by virtue of some penal provision in the law. If the law prescribes certain things to be done without prescribing any penalty, non-compliance of such provision would not constitute an offence but at best can be termed only as an irregularity.

Secondly, there should be an arrangement between the injured party and the accused (the person against whom the complaint is made) whereby the differences between them are settled. The Calcutta High Court has observed in the matter of Murray’s case (1894-21 ILR) that “... compounding of an offence signified that the person against whom the offence has been committed has received some gratification, not necessarily of a pecuniary character, to act as an inducement of his desiring to abstain from a prosecution...”. If both the parties agree that there has been compromise, then the court has to dispose of the case in terms of the compromise.

Thirdly, the request for compounding of an offence can be made only by the injured party who directly suffered the consequence of the offence. The request for compounding can be either in writing or made orally. The accused cannot approach the court for relief by way of composition of offence.

Fourthly, sub-section (8) of section 320 of the Code provides that the composition of an offence under this section shall have the effect of acquittal of the accused.

Fifthly, the request or the application for compounding an offence under section 320 of the Code should be made before the same court where the proceedings are going on.

Sixthly, the offences vis-à-vis compounding under section 320 of the Code are categorised into three, namely:

(i) Offences which are compoundable. There are 21 offences under the Indian Penal Code which are compoundable. Such offenses are section 298 (wounding the feelings), section 323/324 (causing hurt), section341/342 (wrongfully
confining a person), section 447 (criminal trespass), section 491 (criminal breach of contract of service), section 497 (adultery), section 500 (defamation) etc.

(ii) Offences which are compoundable with the permission of the court. There are 36 offences under the Indian Penal Code which are compoundable with the permission of the court. Such offences are section 325 (voluntarily causing grievous hurt), section 343 (wrongfully confining a person for three days or more), section 354 (assault on woman), section 379 (theft of value less than rupees 2000), section 403 (dishonest misappropriation of property), section 408 (criminal breach of trust), section 417 (cheating), section 243 (counterfeiting a trade mark) etc.

(iii) Offences other than those mentioned in sub-paragraphs (i) and (ii) are not compoundable.

COMPOUNDING OF OFFENSES UNDER ECONOMIC LEGISLATION

In respect of offences under several Economic Legislation such as the Negotiable Instruments Act, The Companies Act and the like, a question arose whether such offences could be compounded under section 320 of the Code. Several High Courts in India have held different views. In the matter of K.V. Antony Vs Sherafudin (1996/CrlJ 135), the Division Bench of the Kerala High Court held that “…. Any offence coming under a special enactment cannot be compounded under section 320 of the Code. However, in a case where a special enactment provides for compounding of offences, it can certainly be done (as per the procedure laid down in that special legislation) …”.

However, in the case of Naimesh P Pandya Vs State of Gujarat (1988/CrlJ/4424), the Gujarat High Court granted permission to compound an offence punishable under section 138 of The Negotiable Instruments Act. So also, in the case of M Ranga swamaiyah Vs R Shettappa (2002/CrlJ/4792), the Karnataka High Court held that the offence under section 138 of The Negotiable Instruments Act is compoundable.

The Supreme Court of India held in the matter of Siva Sankaran V State of Kerala (2002/8 SCC 164) that in the absence of any prescription for compounding of offence under The Negotiable Instruments Act, the offence under section 138 of the said Act is not compoundable. In the case of O P Dholakia Vs State of Haryana, the Supreme Court did not compound the offence under section 138 of The Negotiable Instruments Act but set aside the conviction order of the lower court because the accused paid off the full amount due to the complainant to his satisfaction. The Supreme Court reiterated that, if the special legislation contains a provision for compounding, then the offence can be compounded as per the procedure given therein.

Thus, the offences under the Companies Act could not be compounded under section 320 of the Code. The only remedy then available was under section 633 of the Companies Act 1956 by way of relief from the High Court in the event of prosecution or apprehended prosecution against the Officer of the Company for negligence, default, breach of duty, misfeasance or breach of trust committed by such an officer of the Company. However, the remedy of compounding of offences under the Companies Act was introduced in The Companies Act 1956 through The Companies (Amendment) Act 1988.

COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT

The concept of “Compounding of Offences” was brought into The Companies Act 1956 through The Companies (Amendment) Act 1988 which came into force in the year 1991. The new section 621A was introduced based on the recommendations of the Sachar Committee. The Expert Committee observed that “…. leniency is required in the administration of the provision of the Companies Act, particularly the penalty provision, because a large number of defaults are of technical nature and arise out of ignorance on account of bewildering complexity of the provisions…”.

Section 621A of The Companies Act 1956 was comprehensive and contained the entire law on compounding of specified offences committed under the several provisions of the Companies Act 1956. The salient features contained in the section are briefly stated below.

(i) Two Authorities were designated as Compounding Authorities. The First Authority was the Regional Director under the Ministry of Corporate Affairs who was empowered to compound offences punishable with fine up to Rupees 5000. Later, this amount was enhanced to Rupees 50000 by the Companies (Amendment) Act 2000. The next Authority was the Company Law Board who could compound all other offences punishable with fine.

(ii) The compoundable offences were classified into two categories similar to section 320 of the Criminal Procedure Code 1973. The first category included offences which are punishable with fine only. The second category included offences punishable with imprisonment or fine which can be compounded only with the permission of the court.

(iii) The offences punishable with imprisonment only or punishable with imprisonment and fine cannot be compounded under section 621A of the Act.

(iv) The offences mentioned in clause (ii) above can be
Under the Criminal Procedure Code, the Court does not proceed to compound the offence if the Injured Party’s loss or injury has not been adequately addressed or compensated or made good to the satisfaction of the Injured Party. Whereas in the case of compounding of offences under section 441 of the Act, the matters relating to the loss or detriment suffered by the Injured Party are not addressed and not even assessed.

(v) Compounding of offences would not be permitted, if similar offence was compounded within the preceding three years.
(vi) Compounding application shall be submitted in the prescribed form to the Registrar of Companies having jurisdiction over the Company.
(vii) If an offence is compounded before institution of prosecution, the same shall be brought to the notice of the Registrar by the Company and no prosecution shall be instituted in relation to such offence either by the Registrar or Shareholder or any other person who is authorised under the Act to institute prosecution.
(viii) If an offence is compounded after institution of prosecution, the Company shall intimate the same to the Registrar, who shall bring it to the notice of the Court and the accused shall be discharged.
(ix) If the offence relates to non-filing of certain documents with the Registrar, the Compounding Authority may give order to the Company to file such documents. If the Company fails to comply, the officer or concerned employee of the Company shall be punishable with imprisonment up to six months or with fine not exceeding five thousand Rupees.

The above provisions relating to compounding of offences under the Companies Act, 1956 was in force till 31st May 2016 and thereafter the new provisions under the Companies Act 2013 became operative.

COMPANIES ACT 2013

The Companies Act 2013 incorporated the provisions relating to compounding of offences under section 441 of the said Act which came into force with effect from 1st June 2016. This new section included all the provisions relating to compounding of offences as found in section 621A of the erstwhile Companies Act 1956. However, certain modification and additions were made. Such modification/addition are discussed below.

(i) The stipulation in the erstwhile Companies Act 1956 that the Regional Director (One of the Compounding Authority) shall function under the supervision and control of the then Company Law Board has been removed. There is no provision in the new section 441 to the effect that the Regional Director shall function under the control and supervision of the National Company Law Tribunal which has replaced the then Company Law Board.
(ii) Initially when the new section came into force, it provided that the offences punishable with fine only could be compounded and the offences punishable with imprisonment or fine could be compounded with the permission of the Special Court. Subsequently, this provision was modified by the Companies (Amendment) Act 2017 to provide that all offences under the Companies Act 2013 which are punishable with fine only or imprisonment or fine could be compounded and the permission of the court would not be required. This amendment came into force with effect from 9th February 2018.
(iii) An additional condition limiting the compounding option was introduced to the effect that no offence under the Act could be compounded if investigation against the affairs of the Company has been initiated or pending.
(iv) The fine for non-compliance of the order of the Compounding Authority has been enhanced to rupees one lakh.

THE CONCEPT OF COMPOUNDING UNDER COMPANIES ACT VIS-À-VIS THE CRIMINAL PROCEDURE CODE

The concept of “Compounding of Offences” was originally enacted in section 345 of the Criminal Procedure Code 1898 which was reiterated in section 320 of the Criminal Procedure Code 1973. This concept was brought into the Companies Act 1956 through the Companies (Amendment) Act 1988 with certain modifications/changes. These are discussed below.

Firstly, under the Criminal procedure Code, an offence can be compounded only if there is an arrangement or agreement between the Accused and the Injured Party. In section 441
of the Companies Act 2013, no such condition is found. This condition is definitely of great importance in cases where the interest of the stakeholder is involved. If we take the case of section 74 or 73 and 76 (where the Company is Accused) relating to Public Deposits, the compounding of such offences would directly hit the interest of the dealer who is the **Injured Party**. Similarly, in the case of offences under section 92 (Filing of Annual Return), section 134 (Preparation and Circulation of Financial Statements), section 137 (Filing of Financial Statements) etc., compounding of such offences would directly hit the interest of stakeholders, primarily the shareholders, investors and creditors who are the **Injured Parties**. There are several such offences under the Companies Act 2013 where any compounding of such offences would directly hit the stakeholder's interest but they do not have any part or role in the entire compounding process under section 441 of the Act.

**Secondly**, under the Criminal Procedure Code, the entire compounding process is initiated by the **Injured Party**. No proceedings for compounding under the Code can be started without the consent of the Injured Party. Whereas, under the Companies Act 2013, the compounding process is initiated by the **Accused**. In the entire compounding process under section 441 of the Act, the Accused plays a significant role keeping the Injured Party completely out of the process.

**Thirdly**, under the Criminal Procedure Code, the Court does not proceed to compound the offence if the Injured Party's loss or injury has not been adequately addressed or compensated or made good to the satisfaction of the Injured Party. Whereas in the case of compounding of offences under section 441 of the Act, the matters relating to the loss or detriment suffered by the Injured Party are not addressed and not even assessed.

**Fourthly**, under the Criminal Procedure Code, the legal right of the Injured Party to initiate prosecution against the Accused is intact as the compounding process is initiated by the Injured Party during the proceedings. Whereas, clause (c) of sub section (3) of section 441 of the Act provides that if the offence committed by the Company or the Director or Officer of the Company has been compounded, no prosecution can be instituted/initiated by the Shareholder or any other person authorised under the Act against the Company or its Directors or its Officers. Thus, the legal remedy of initiating prosecution in the appropriate Court against the wrong doer by the Injured Party for the offences committed by the wrong doer under the Companies Act 2013 has been vanquished or taken away by section 441 (3) (c) of the Act. Such a provision is definitely detrimental to the interest of the Stakeholders who are the Injured Parties as a consequence of an offence committed by the Company or the Directors or Officers under the provisions of the Companies Act 2013.

**Fifthly**, under the Criminal Procedure Code, the application for compounding is made to the Court having jurisdiction in the matter before which the prosecution proceedings are in progress against the Accused. Whereas, under the new section 441 of the Act, even if any prosecution proceedings are pending in any court against the Accused, the offence committed by the Accused under the Companies Act 2013 could be compounded by the Compounding Authority under the Act without the involvement or knowledge of the Court before which the proceedings are pending. Section 441 (3) (d) of the Act *only requires* that after the offence in respect of which prosecution is pending, has been compounded by the Compounding Authority, the same shall be brought to the notice of the Court and thereafter the Accused shall be discharged.

**Sixthly**, under the Criminal Procedure Code, if an offence has been compounded, the parties lose the right of appeal against the compounding order of the court. It was held in the matter of S V Bage Vs State of Karnataka (1992) that “...a person having agreed to the composition of an offence is not entitled to challenge the said proceedings by filing an appeal...” Whereas under section 441 of the Companies Act 2013 there are several cases in which appeal has been filed before the National Company Law Appellate Tribunal against the compounding orders of the National Company Law Tribunal under the said section.

**CONCLUSION**

A very objective analysis of the differences in the concept of compounding of offences under the Criminal Procedure Code and that under the Companies Act would reveal that there are certain positive and supportive features found in the Criminal Procedure Code which adequately take care of the interest of the Injured Party and puts the Accused in his right place. It is felt that such positive features found in section 320 of the Criminal Procedure Code 1973 should be suitably brought into section 441 of the Companies Act 2013. Therefore, the provisions of section 441 of the Act will require to be re-visited through an amendment and thereby the positive features of the concept of compounding under the Criminal Procedure Code as explained in the preceding paragraphs are incorporated in the present Companies Act 2013. This will adequately protect and safeguard the interest of the Injured Parties who are the several stakeholders in the Corporate Sector. In the long run, this would eventually pave the way for Good Corporate Governance in India.

**REFERENCES:**

1. K V Antony Vs Sherafudin (1956/Cr L J/135)
2. Murray’s case (1894 – 21 ILR)
6. O P Dholakia Vs State of Haryana and Another ( SLP(CrL) No.2964/1999)
7. S V Rage Vs State of Karnataka (1992)
Decoding the Banning of Unregulated Deposit Schemes Act, 2019

The Banning of Unregulated Deposit Schemes Act, 2019 (BUDS Act) provides for a mechanism to ban unregulated deposit schemes and to protect the interests of depositors. BUDS is a central legislation and has introduced several new measures such as classification of deposits into “regulated” and “unregulated” and banned all types of illicit/unregulated deposits. It makes corresponding amendment in other laws, including the Reserve Bank of India Act, 1934, the Securities and Exchange Board of India Act, 1992 and the Multi-State Co-operative Societies Act, 2002. In this article, the authors have made an attempt to analyze some of the key provisions of the BUDS Act.

Subsequently in the Budget session of the Parliament, the Banning of Unregulated Deposit Schemes Bill, 2019 was introduced to repeal the BUDS Ordinance. The Bill was passed by Lok Sabha on 24 July 2019 and by Rajya Sabha on 29 July 2019. Further, the Bill received Presidential assent and was notified in official gazette on 31 July 2019.

The BUDS Act provides for a comprehensive mechanism to ban unregulated deposit schemes, other than deposits taken in the “ordinary course of business”. Under the BUDS Act, making, soliciting, inviting or accepting deposits pursuant to an unregulated deposit scheme is a punishable offence.

“DEPOSIT” UNDER BUDS ACT

“Deposit” has been defined under the BUDS Act to mean an amount of money received by way of an advance or loan or in any other form, by any deposit taker with a promise to return whether after a specified period or otherwise, either in cash or in kind or in the form of a specified service, with or without any benefit in the form of interest, bonus, profit or in any other form, but does not include any amount received:
• as loan from a scheduled bank or a co-operative bank or any other banking company;
• as loan or financial assistance from the Public Financial Institutions or any Non-Banking Financial Company (NBFC) registered with the RBI;
• from the appropriate Government or from any other source whose repayment is guaranteed by the appropriate Government, or from a statutory authority constituted under an Act of Parliament or a State Legislature
• from foreign Governments, foreign body corporate, foreign citizen, person resident outside India etc.
• as capital contributions by partners of any partnership firm or a limited liability partnership;
• by an individual as loan from his relatives;
• by any firm as loan from the relatives of any of its partners;
• as credit by a buyer from a seller on the sale of any property (whether movable or immovable);
• by an asset reconstruction company which is registered with the RBI;
• by a political party;
• periodic payment made by the members of the self-help groups;
• for such purpose and within such ceilings as may be prescribed by the State Government;
• in the course of, or for the purpose of, business and bearing a genuine connection to such business, including—
  (i) payment, advance or part payment for the supply or hire of goods or provision of services and is repayable in the event the goods or services are not in fact sold,
The BUDS Act provides for a comprehensive mechanism to ban unregulated deposit schemes, other than deposits taken in the “ordinary course of business”. Under the BUDS Act, making, soliciting, inviting or accepting deposits pursuant to an unregulated deposit scheme is a punishable offence.

The following person / entities will be considered as deposit taker under BUDS Act -
- any individual or group of individuals;
- a proprietorship concern;
- a partnership firm (whether registered or not);
- a limited liability partnership registered under the Limited Liability Partnership Act, 2008;
- a company;
- an association of persons;
- a trust (being a private trust governed under the provisions of the Indian Trusts Act, 1882 or a public trust, whether registered or not);
- a co-operative society or a multi-state co-operative society;
or
- any other arrangement of whatsoever nature, receiving or soliciting deposits, but does not include—
  - a Corporation incorporated under an Act of Parliament or a State Legislature;
  - a banking company, a corresponding new bank, the State Bank of India, a subsidiary bank, a regional rural bank, a co-operative bank or a Multi-State co-operative bank as defined in the Banking Regulation Act, 1949.

However, if the amounts received under (i) to (iv) above become refundable, such amounts shall be deemed to be deposits on the expiry of fifteen days from the date on which they become due for refund.

The second proviso to the above clause also mentions that where the said amounts become refundable, due to the deposit taker not obtaining necessary permission or approval under the relevant law, wherever required, to deal in the goods or properties or services for which money is taken, such amounts shall be deemed to be deposits.

WHO IS A “DEPOSIT TAKER”? 

The following person / entities will be considered as deposit taker under BUDS Act -
- any individual or group of individuals;
- a proprietorship concern;
- a partnership firm (whether registered or not);
- a limited liability partnership registered under the Limited Liability Partnership Act, 2008;
- a company;
- an association of persons;
- a trust (being a private trust governed under the provisions of the Indian Trusts Act, 1882 or a public trust, whether registered or not);
- a co-operative society or a multi-state co-operative society;
or
- any other arrangement of whatsoever nature, receiving or soliciting deposits, but does not include—
  - a Corporation incorporated under an Act of Parliament or a State Legislature;
  - a banking company, a corresponding new bank, the State Bank of India, a subsidiary bank, a regional rural bank, a co-operative bank or a Multi-State co-operative bank as defined in the Banking Regulation Act, 1949.

Hired or otherwise provided;
(ii) advance received in connection with consideration of an immovable property under an agreement or arrangement subject to the condition that such advance is adjusted against such immovable property as specified in terms of the agreement or arrangement;
(iii) security or dealership deposited for the performance of the contract for supply of goods or provision of services; or
(iv) an advance under the long-term projects for supply of capital goods except those specified in (ii) above.
Since the above deposit schemes are regulated by the respective regulators, they are not prohibited under the BUDS Act.

**UNREGULATED DEPOSIT SCHEME (UDS)**

Section 2(17) of the BUDS Act defines “Unregulated Deposit Scheme” as a Scheme or an arrangement under which deposits are accepted or solicited by any deposit taker by way of business and which is not a Regulated Deposit Scheme, as specified in the First Schedule to the BUDS Act.

It may be noted that both acceptance as well as solicitation of deposits by deposit taker and which is not regulated is covered.

Section 6 of the BUDS Act deems a prize chit or a money circulation scheme banned under the provisions of the Prize Chits and Money Circulation Scheme (Banning) Act, 1978, to be an UDS.

**BANNING OF UNREGULATED DEPOSIT SCHEMES**

Section 3 of the BUDS Act bans every UDS as well as promotion and solicitation of UDS. Accordingly, any scheme / arrangement which falls within the ambit of “Deposit” and which is not a Regulated Deposit Scheme under the BUDS Act, shall be considered as UDS and is therefore banned.

Section 4 of BUDS Act states every deposit taker who has accepted deposits pursuant to a Regulated Deposit Scheme, shall not commit any fraudulent default in the repayment or return of deposit on maturity or in rendering any specified service promised against such deposit. It casts responsibility on the deposit taker to make timely payments for deposits accepted.

Section 5 of BUDS Act prohibits every person from making any statement, promise or forecast which is false, deceptive or misleading in material facts or deliberately concealing any material facts, to induce another person to invest in, or become a member or participant of any UDS.

**DEPOSITS TAKEN IN THE “ORDINARY COURSE OF BUSINESS”**

A significant change in the BUDS Act vis-à-vis the BUDS Ordinance is the addition in the preamble to the BUDS Act and also in section 41 that deposits taken in the “ordinary course of business” are outside the purview of the BUDS Act. As discussed earlier in this Article, section 2(4) of the BUDS Act also carves out an exception for “any amount received in the course of, or for the purpose of, business and bearing a genuine connection to such business…. from being considered as “deposit”.

The term “in the course of business or for the purpose of business or having genuine connection with the business” may be reckoned in light of activities which are in the company’s “ordinary course of business”.

The term “in ordinary course of business” has not been defined in the BUDS Act, but finds a place in the Companies Act, 2013 (2013 Act) in the context of related party transactions. However, even the 2013 Act does not define the said term. It would, therefore, have to be viewed contextually depending on the facts and circumstances of each case.

The meaning of the expression “in the ordinary course of business” in dictionaries is ‘part of doing regular business; the regular or customary condition or course of things; as things usually happen’. Black’s Law Dictionary defines “ordinary course of business” as the ‘normal routine in managing trade or business’. In common parlance, the term would include transactions which are entered into in the normal course of the business pursuant to or for promoting or in furtherance of the company’s business objectives, in accordance with the charter documents of the company.

In order to decide whether an activity which is carried on by the deposit taker is in its “ordinary course of business”, the following factors could be considered:

- Whether the activity is covered in the company’s objects clause of the Memorandum of Association
- Whether the activity is in furtherance of the business
- Whether the activity is normal or otherwise routine for the particular business (i.e. activities like advertising, staff training, etc.)
- Whether the activity is repetitive/frequent
- Whether the income, if any, earned from such activity/transaction is treated as business income in the company’s books of account
- Whether the transactions are common in the particular industry
- Whether there is any historical practice to conduct such activities business
- Revenue generated by the activity
- Resources committed to the activity

A transaction proposed to be disclosed as part of other income or other expenses, exceptional or extraordinary would generally have to be assessed on a case to case basis as to whether they could be considered to be in the ordinary course of business.

It is thus a moot point as to which transactions can be can be considered to be in the “ordinary course of business”, which would call for exercise of discretion and judgment.

**PRACTICAL ISSUES UNDER THE BUDS ACT**

While the BUDS Act has codified several instances of what constitutes a “deposit” and what does not, given below are some instances of transactions which could still require deliberation.

1. **Personal loan received by an individual from a friend**
   The definition of “deposits” under the BUDS Act exempts
amounts received by an individual by way of loan from his “relatives” (as defined under section 2(77) of 2013 Act). However, there is no specific carve-out for personal loans from persons other than “relatives”. In this regard, the Finance Ministry has clarified that borrowing of money by individuals from their relatives or friends for marriage, medical emergency, business needs or any other personal reasons, will not attract the penal provisions under the BUDS Act.

2. Loan received by a partnership firm from its partners

The definition of “deposits” under the BUDS Act exempts amounts received by a firm by way of loan from “relatives” of any of its partners. However, there is no specific carve-out for loans advanced to the firm by partners themselves. It could be argued that such loans are taken by firms from partners in the “ordinary course of business” or bear a genuine connection to the business and hence, should be outside the purview of the BUDS Act.

3. Granting of loan by holding company to subsidiary company / group company

Loan granted by a holding company to its subsidiary company or group companies would be governed by the provisions of the 2013 Act and rules framed thereunder. Accordingly, these should not attract the provisions of the BUDS Act.

4. Loan given by a Company to LLP

Loans given by a company to another company is regulated under the applicable provisions of the Companies Act, 2013 read with the rules made thereunder. However, the LLP Act, 2008, does not contain specific provisions pertaining to such loans. In light of this, could a loan given by a company to a LLP be regarded as ‘unregulated”? What if they are granted in the ordinary course of business or they bear a genuine business connection?

OPERATIONAL PROVISIONS UNDER THE BUDS ACT

The BUDS Act contains provisions to operationalize it, some of which are summarized as under:

- The Central Government shall appoint a Competent Authority and constitute Designated Courts to take cognizance against persons for violation of the provisions of the BUDS Act.
- A central database containing information of deposit takers in India to be maintained by the authority notified by the Central Government.
- Deposit takers which commence or carry on business as such on or after 31 July 2019 shall intimate the authority set up by Central Government about their business in the form and manner and within the time to be prescribed.
- Powers granted to Competent Authority to pass orders of provisional attachment of the properties of the defaulters under the BUDS Act and the same will be confirmed by the Designated Court.

OFFENCES AND PENALTIES

The BUDS Act provides for severe punishment to deposit takers who solicit or accept unregulated deposits with imprisonment terms ranging from one year up to ten years and pecuniary fines ranging from INR 2 lakh to INR 25 crore (INR 50 crore for repeat offenders) for offences specified under the Act. It also has provisions for disgorgement or repayment of deposits in cases where such schemes nonetheless manage to raise deposits in contravention of the Act.

ISSUES AND CHALLENGES UNDER THE BUDS ACT FOR PROFESSIONALS

The enactment of the BUDS Act has given plenty of food for thought to modern-day professionals, particularly in terms of assessing financial transactions of corporates as to whether the same could trigger the provisions of the Act. While there are clear carve outs given for regulated deposit schemes discussed above, one would have to carefully evaluate if a transaction does not seem to squarely fall within any of the regulated deposit schemes.

CONCLUSION

The BUDS Act has ushered in a new regime for regulation of Unregulated Deposit Schemes. By providing for stringent consequences in cases of contravention, it seeks to protect the interests of the common man, who has been time and again duped of his hard-earned savings by Ponzi schemes.

The introduction of section 41 in the BUDS Act has, in our view, watered down the provisions of the BUDS Act as there is no statutory definition of “ordinary course of business” and there is scope for misuse of this genuine exception by unscrupulous elements.

Some clarity may also be required regarding the applicability of the BUDS Act to deposits accepted before 31 July 2019.

REFERENCES:

1. The Banning of Unregulated Deposit Schemes Act, 2019
2. Companies Act, 2013
3. Guidance Note issued by the ICSI on Related Party Transactions (March 2019)
4. FAQ issued by the ICAI on Banning of Unregulated Deposit Schemes Ordinance, 2019 (May 2019)
ARTICLE

Compliance Requirements Under The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The SEBI (LODR) Regulations, 2015 also called as the Listing Regulations, effective from December 01, 2015 and amended to a great extent in May 2018 cast a continuous set of compliance obligations on listed entities. The compliances can be classified as one time compliances, continuous and ongoing compliances or compliances on a particular date every quarter / half year / yearly basis. Non-compliance of these compliances could attract penalties from the stock exchanges and SEBI. In this article, the various compliances for an entity whose specified securities are listed on the stock exchanges are highlighted.

I CONTINUOUS AND ONGOING COMPLIANCES

The compliances which are applicable to a listed entity whose specified securities are listed either on the Main Board of a recognized stock exchange or on the SME Exchange are as under. For clarity, Specified Security would mean either equity shares or such other instruments which are convertible into equity shares at a later date.

1. COMPLY WITH THE PRINCIPLES

The principles that are applicable to all listed entities mainly deal with the flow of information to the stakeholders, quality of corporate governance and the responsibility of the Board of Directors. The Regulations while emphasizing the fact that any information which is not relevant or not disclosed on a timely basis would be worthless to a stake holder insists that the information that is being disseminated by a listed entity shall at all times be timely, accurate, adequate and relevant. Further there is also an emphasis that the information that is being disseminated shall be done in a cost-effective manner (for example, the website of a recognized stock exchange) and in an equitable manner to all the stakeholders involved.

The Regulations also insist that the rights of the shareholders shall be protected, particularly that of the minority shareholders at all times providing them the right to participate in voting process, the right to attend meetings and ask questions and also be given the right to participate in the selection of Directors. Adequate steps shall also be taken to redress investor grievances, which casts a responsibility on the entity to register itself on the SCORES website and redress all grievances in a timely manner without any delay. The Regulations emphasize that the Minutes shall be written in a lucid manner capturing all debate and dissent.

The Board of Directors and all Key Management Personnel shall disclose all their interests in a transaction and shall maintain confidentiality in all matters that are being discussed. The Board of Directors shall oversee the functioning of the entity, the selection process etc. and shall also provide strategic guidance to the functioning of the company. They shall set a corporate culture and values which shall be followed by all the employees of the company and shall provide an environment of freedom to the independent directors so that they can perform their role effectively as a member of the Board and that of the various committees.

It is also mentioned here that whenever there is a conflict between the Regulations and the principles, the Principles shall prevail.

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INTRODUCTION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also known as the LODR Regulations or the Listing Regulations, became effective from December 01, 2015. The Regulations replaced the erstwhile listing agreement and the listing agreement has been reduced to a simple two page document, which is to be signed by both the listed entity and the Stock Exchange on which the securities are being listed. The Regulations is both principle based and rule based thus making it an unique regulation and further the applicable regulations have been bifurcated to be applicable to specified securities, debt securities alone which are listed, debt and specified securities being listed, units of mutual funds, Indian Depository Receipts, Securitized Debt Instruments and Security Receipts. There are certain common obligations however which are applicable to all the listed entities, irrespective of the type of security that is listed.

The main objective of the Regulations is to improve the quality of governance, ensure timely and transparent disclosures and keep the investor grievances at the minimum. These objectives are best achieved by ensuring that the listed entities comply with the compliance requirements stipulated by the Regulations from time to time without fail.

The compliances which are applicable to a listed entity whose specified securities are listed are being discussed in detail and the same have been classified into “Continuous and Ongoing Compliances”, “Event Based Compliances” and “Periodic Compliances” for convenience.

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2. APPOINT A COMPLIANCE OFFICER
Every listed entity shall appoint a Compliance Officer who shall be a qualified company secretary and shall be responsible for coordinating with the regulatory authorities and depositories, ensure compliance with all the regulations, rules, circulars and applicable guidelines. The Compliance Officer shall also ensure that all correct procedures are followed so that the information flow from the company to the stock exchanges are accurate, authentic and correct without any false or misleading information. The Compliance Officer is also responsible for monitoring the email id given for the redressal of investor grievances. In other words, the Compliance Officer shall be responsible for the timely redressal of all investor grievances.

3. APPOINT A SHARE TRANSFER AGENT
The listed entity shall ensure that its share transfer work is managed either by a Share Transfer Agent who is registered with SEBI or the same shall be managed in-house. Where the number of holders of securities exceeds 100000 in number, such in-house facility shall be registered with SEBI.

4. PRESERVATION OF DOCUMENTS POLICY
Every listed entity must have a preservation of documents policy as per which the documents that it is required to preserve under the securities laws (SEBI Act and its regulations, Securities Contract Regulation Act and the Rules framed thereunder, Depositories Act and the Companies Act) shall be identified. The same shall also be classified as those which are required to be preserved on a permanent basis and those that are to be preserved for a period of 8 years. The Policy shall be approved by the Board of Directors of the entity and the documents shall be preserved accordingly. The entity has the option to preserve the documents in the electronic form also. Since the documents would be exhaustive and consume storage space, it is advisable for a listed entity to approve an archival policy along with the preservation of documents policy.

5. FILING OF INFORMATION
Every listed entity shall file all information, reports, documents and other disclosures with the stock exchanges in the electronic form only and it shall be the responsibility of the entity to put such infrastructure in place so that the information can be filed on an ongoing basis without any delay or problems. Hence it would be treated as a non-compliance and be punishable if the company has not put adequate infrastructure in place to enable it to file the disclosures with the stock exchanges in the electronic mode.

6. GRIEVANCE REDRESSAL MECHANISM
Every listed entity shall register itself on the SCORES platform of SEBI to ensure speedy redressal of investor complaints.

7. LISTING FEES AND OTHER CHARGES
Every listed entity shall pay listing fees and fees payable to the depositories and such other charges or fees on an annual basis without delay.

8. COMPOSITION OF THE BOARD OF DIRECTORS
The provisions with regard to the composition of the Board of Directors shall be applicable only to such entities whose paid up capital is either more than Rs.10 crores and / or net worth is more than Rs. 25 crores. The provisions with regard to the composition of the Board shall also not be applicable to those companies which are listed on the SME platform or those companies which is undergoing corporate insolvency resolution process under the Insolvency Code during the insolvency resolution process period. The role and responsibilities of the board of directors as specified under regulation 17 of the Listing Regulations shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency Code.

The Board shall have an optimum combination of executive and non-executive directors with 50% of the Board of directors being non-executive. Further the Board shall have at least one woman director and such a woman director shall be independent from 01.04.2019 for the top 500 companies by market capitalization and shall be independent from 01.04.2020 for the top 1000 companies by market capitalization. Where the Chairperson of the listed entity is non-executive and is not related to the promoters, directors or any other person occupying management position in the company, 1/3rd of the Board shall be independent. Where the Chairperson is executive or is related to the Promoter or the Director or to any other person occupying management position or has issued Equity Shares with Superior Rights, such entities shall ensure that the Board comprises of at least 50% independent directors. The Board the top 1000 listed entities with effect from 01.04.2019 shall have at least 6 directors and the same shall be applicable to the top 2000 listed entities with effect from 01.04.2020.

The entity shall not appoint a director as a non-executive director if his age exceeds 75 without the approval of the shareholders by way of a special resolution and the explanatory statement attached to the notice shall carry a justification for such an appointment. Top 500 listed entities with effect from 01.04.2020 shall ensure that the Chairperson of the Board of Directors shall be a non-executive director and shall not be related to the Managing Director as a “Relative” as defined under the Companies Act, 2013.

The Board shall meet at least 4 times in a year and the gap between two meetings shall not exceed 120 days and the quorum for every meeting of the board of directors of the top 1000 listed entities with effect from 01.04.2019 and of the top 2000 listed entities with effect from 01.04.2020 shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director. Participation of a director by video conferencing is considered for the purpose of determining quorum.

The role and responsibilities of the Board of Directors have been clearly defined in the Regulations and it shall be the responsibility of the Board to:

i. Periodically review compliance reports pertaining to all laws applicable to the listed entity and to also review the steps taken to rectify the non-compliances – to be placed at every Board Meeting.

ii. Satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management – to be considered at least once a year.

iii. Lay down a code of conduct for all members of board of directors and senior management of the listed entity which shall also include the duties of the independent directors as contained in the Companies Act, 2013.

iv. Recommend all fees or compensation, if any, paid to non-executive directors, including independent directors which shall be approved by the shareholders and such an approval is not required for sitting fees payable. The
The provisions with regard to the composition of the Board of Directors shall be applicable only to such entities whose paid up capital is either more than Rs.10 crores and / or net worth is more than Rs.25 crores. The provisions with regard to the composition of the Board shall also not be applicable to those companies which are listed on the SME platform or those companies which is undergoing corporate insolvency resolution process under the Insolvency Code during the insolvency resolution process period.

resolutions shall specify the maximum number of stock options that shall be given to the non-executive directors and it shall be remembered that independent directors are not eligible for stock options.

v. Frame, implement and monitor the risk management plan for the listed entity.

vi. Evaluate the independent directors which shall include performance of the directors and fulfillment of the independence criteria as specified in the LODR regulations and their independence from the management. It shall be ensured that the director being evaluated does not participate.

vii. Give a recommendation of the board to the shareholders on each of the special items to be transacted in the General Meeting in the explanatory statement.

A person shall not be a director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020 and the person shall not serve as an independent director in more than seven listed entities. Further, any person who is serving as a whole time director / managing director in any listed entity shall not serve as an independent director in more than three listed entities.

The Listed entity shall place the minimum information as specified at every meeting of the Board of Directors and shall lay down procedures to inform members of the board about risk assessment and minimization procedures.

Note: The provisions as envisaged in the LODR Regulations for Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee shall not be applicable to those companies which are listed on the SME Exchange or those companies which is undergoing corporate insolvency resolution process under the Insolvency Code during the insolvency resolution process period. The roles and responsibilities of the committees specified in the LODR regulations shall be fulfilled by the interim resolution professional or resolution professional.

9. AUDIT COMMITTEE

Every listed entity whose paid up capital is either more than Rs.10 crores and / or net worth is more than Rs.25 crores must have an Audit Committee with proper terms of reference.

The Audit Committee must have three members of which 2/3rd shall be independent. However if the Company has outstanding equity with superior voting rights, all the members of the committee shall be independent. All members of audit committee shall be financially literate (i.e. capable of reading and understanding basic financial statements) and at least one member shall have accounting or related financial management expertise, which means that he or she must possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

The chairperson of the committee shall be an independent director and shall be present to answer all queries in the Annual General Meeting. The company secretary of the company shall be the secretary to the Committee.

The Committee shall meet at least 4 times in a year with a gap of not more than 120 days between two meetings. The quorum for such meetings shall be 2 members or 1/3rd of the Committee whichever is greater, with two members being independent directors.

The role of the Audit Committee and the information to be reviewed has been specified in the Regulations, which includes, oversight of the financial reporting process, appointment of auditors, reviewing the auditor’s report with the management, reviewing the statement of uses of funds raised in an issue with the management, approval or subsequent modification of any related party transaction, review of the internal audit report, valuation of the undertaking amongst others.

10. NOMINATION AND REMUNERATION COMMITTEE

Every listed entity whose paid up capital is either more than Rs.10 crores and / or net worth is more than Rs.25 crores shall constitute a Nomination and Remuneration Committee which shall consist of 3 directors, all of whom shall be non-executive and 50% of the committee shall be independent. In case the listed entity has outstanding equity shares with superior voting rights, 2/3rds of the Committee shall comprise of independent directors. The Chairperson shall be an independent director and may be present at the AGM of the shareholders to answer queries.

The Committee shall meet at least once a year and the quorum shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

The role of the Committee has been specified in the Regulations, which includes determining the criteria for determining the qualifications and independence of directors, developing criteria for evaluating the performance of the independent
directors, devising the policy on Board Diversity, identifying persons who are eligible to be appointed as a director and to recommend to the Board of Directors all remuneration in whatever form payable to senior management.

11. STAKEHOLDERS RELATIONSHIP COMMITTEE
Every listed entity whose paid up capital is either more than Rs.10 crores and / or net worth is more than Rs. 25 crores shall constitute a Stakeholders Relationship Committee to look into the various aspects of interest of shareholders, debenture holders and other security holders. The committee shall comprise of 3 directors of which one shall be independent. In case of a company which has outstanding equity shares with superior rights, at least 2/3rds of the Committee shall comprise of independent directors.

The Chairperson shall be non-executive and shall be present at the AGM of the Shareholders to answer queries. The committee shall meet at least once a year.

The Committee shall resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, receipt of general meetings etc., review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the listed entity by the Registrar & Share Transfer Agent and review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

12. RISK MANAGEMENT COMMITTEE
The top 500 companies by market capitalization shall constitute a Risk Management Committee, the majority of the members of which shall be of members of the board of directors. In case of a company which has outstanding equity shares with Superior Rights, the Committee shall have, at least two thirds of its members as independent directors. The Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee. The Committee shall meet at least once a year.

The Board of Directors of the company shall define the role and responsibilities of the Committee and may delegate the monitoring and reviewing of the risk management plan to the committee and such function shall specifically cover cyber security.

13. VIGIL MECHANISM
Every listed entity whose paid up capital is either more than Rs.10 crores and / or net worth is more than Rs. 25 crores and which is not listed on the SME Exchange shall formulate a vigil mechanism policy for employees and directors to report genuine concerns. Such a policy shall be hosted on the website of the company and shall provide adequate safeguards against victimization of the director / employee / any other person who avail the mechanism. The Policy shall also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

14. OBLIGATIONS OF INDEPENDENT DIRECTORS
The listed entity shall not appoint an alternate director in the place of an independent director. The independent directors shall meet at least once a year in which the non-independent directors shall not be present. They shall review the performance of the non-independent directors, the Board as a whole, the performance of the Chairperson and shall also assess the quality and timeliness of information flow between the management and the Board of Directors.

In the first meeting of the Board of Directors in the Financial Year, the independent directors shall confirm that they meet the criteria of independence. It shall be the duty of the Board to take such a declaration on record after checking the veracity of the same.

The top 500 listed entities by market capitalization entity shall further undertake Directors and Officers insurance (‘D and O insurance’) for all their independent directors of such quantum and for such risks as may be determined by its Board of Directors.

15. OBLIGATIONS OF EMPLOYEES / KMPS
Every Director and senior management personnel shall confirm compliance with the Code of Conduct for Board of Directors and Senior Management Personnel on an annual basis. Non-executive directors shall disclose their shareholding held by them or on a beneficial basis for any other person in the listed entity and such details shall be included in the notice to the general meeting called for the appointment of such directors. The senior management shall also make disclosures to the Board of Directors of all material, financial and commercial transactions, where they have personal interest which may have a potential conflict with the interest of the listed entity.

No employee including a KMP, director or promoter of a listed entity shall enter into any agreement for himself or on behalf of
any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as from the public shareholders by way of an ordinary resolution. Further the interested persons in this agreement shall abstain from voting on this resolution in the shareholders’ meeting.

16. MINIMUM PUBLIC SHAREHOLDING
The listed entity shall comply with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 in the manner as specified by the Board from time to time, which currently requires that the minimum public shareholding shall be 25% of the total paid up capital of the company.

17. WEBSITE
Every listed entity shall maintain a functional website and under a separate section on its website disseminate, details of its business; terms and conditions of appointment of independent directors; composition of various committees of board of directors; code of conduct of board of directors and senior management personnel; details of establishment of vigil mechanism/Whistle Blower policy; criteria of making payments to non-executive directors; if the same has not been disclosed in annual report; policy on dealing with related party transactions; policy for determining ‘material’ subsidiaries; details of familiarization programmes imparted to independent directors including the following details: (i) number of programmes attended by independent directors (during the year and on a cumulative basis till date), (ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and (iii) other relevant details - the email address for grievance redressal and other relevant details; contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances; financial information including: (i) notice of meeting of the board of directors where financial results shall be discussed; (ii) financial results, on conclusion of the meeting of the board of directors where the financial results were approved; (iii) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc.; shareholding pattern; details of agreements entered into with the media companies and/or their associates, etc.; schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange; new name and the old name of the listed entity for a continuous period of one year, from the date of the last name change; separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year and all credit ratings obtained by the entity for all its outstanding instruments, updated immediately as and when there is any revision in any of the ratings.

18. ADVERTISEMENT IN NEWSPAPERS
Every listed entity shall publish in the newspaper the notice of meeting of the board of directors where financial results shall be discussed, the financial results along with the modified opinion(s) or reservation(s), if any, expressed by the auditor, statements of deviation(s) or variation(s) on quarterly basis, after review by audit committee and its explanation in directors report in annual report and notices given to shareholders by way of an advertisement. The listed entity shall give a reference in the newspaper publication, to link of the website of listed entity and stock exchange(s), where further details are available. The listed entity shall publish the information in the newspaper simultaneously with the submission of the same to the stock exchange and within 48 hours of conclusion of the meeting of board of directors at which the financial results were approved for financial results.

19. ACCOUNTING STANDARDS
The listed entity shall comply with all the applicable and notified Accounting Standards from time to time.

II EVENT BASED COMPLIANCES

1. CHANGE IN SHARE TRANSFER AGENT
If there is any change in the share transfer agent, or the entity appoints a new share transfer agent, the entity is under an obligation to enter into a tripartite agreement involving the existing share transfer agent, the new share transfer agent and the listed entity, in the manner as specified by SEBI from time to time. The change in share transfer agent shall also be intimated to the stock exchanges where the securities are listed within 24 hours of the change and the same shall be placed in the Board Meeting held immediately after the change.

2. PAYMENT OF DIVIDEND, INTEREST, REDEMPTION OR REPAYMENT
A listed entity shall use only the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend, interest, redemption or repayment of principal. In case the bank account details are not available, such entities shall issue ‘payable-at-par’ warrants/cheques for making payments. The warrants shall mandatorily print the bank account details of the investors on such instruments and in cases where the bank details of investors are not available, the listed entity shall mandatorily print the address of the investor on such instruments. Further the listed entity shall dispatch such warrants / cheques only by speed post if the amount of dividend payable exceeds Rs.1,500.

3. RELATED PARTY TRANSACTIONS
Every listed entity whose paid up capital is either more than Rs.10 crores and / or net worth is more than Rs. 25 crores and which is not listed on the SME platform must formulate a policy on materiality for its related party transactions and for dealing with such transactions. Such policies must be reviewed every three years and shall clearly lay down clear threshold limits duly approved by the board of directors.

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

All related party transactions shall require the prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into provided it has laid down the criteria for granting such approval, satisfied itself that such approval is necessary, review the transactions on a quarterly basis and specify the name of the related party, the number of transactions and the contract price. In case the details are not available, the
approval shall be for Rs.1 crore per transaction. Such omnibus approvals are valid for one year.

All material related party transactions require the approval of the shareholders and all the related parties, irrespective of whether they are a party to the transaction or not shall not vote to approve the transaction.

4. CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY OF LISTED ENTITY

The following compliances shall be done in case of a subsidiary of a listed entity:

a. There shall be at least one independent director of the listed entity on the Board of the material subsidiary whether incorporated in India or abroad.
b. The financials of the unlisted subsidiary, particularly investments made shall be reviewed by the Audit Committee.
c. The Minutes of the Board meeting of the unlisted subsidiary shall be placed in the meetings of the Board of the listed entity.
d. A statement of all the significant transactions and arrangements entered into by the unlisted subsidiary shall be brought to the notice of the Board of the listed entity.
e. A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
f. Any sale, disposal and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

g. short particulars of any other alterations of capital, including calls;
h. financial results;
i. decision on voluntary delisting by the listed entity from stock exchange(s).

Such events shall be disclosed on the website of the company which shall also be updated till it is completely resolved. Such events shall be hosted for a period of 5 years on the website after which it shall be archived as per the archival policy of the company.

In case of financial results, the listed entity shall give intimation regarding the Board Meeting at least 5 days prior to the date of the meeting, excluding the date of intimation and the date of the meeting.

7. DISCLOSURE OF MATERIAL EVENTS OR INFORMATION

Every listed entity is under an obligation to disclose any event or information which in the opinion of the board of directors is material. In case such an event as specified in Para A and Para B of Part A of Schedule III of the Listing Regulations occurs, the entity shall disclose the event and all information specified in the Circular issued under the Regulations immediately, but not later than 24 hours from the occurrence of the event. While it is mandatory to give the information when the events specified in Para A, there is an element of discretion with regard to the disclosure of the events specified in Para B after applying test of materiality.

The listed entity is also under an obligation to formulate a policy for determination of materiality and such a policy shall be approved by the Board of Directors of the entity and such policy shall be hosted on the website of the company. The listed entity shall also identity one or more Key Managerial Personnel who shall determine if the event or information is material for the purpose of making disclosures to the stock exchanges. The contact details of such Personnel shall also be disclosed to the stock exchanges where the securities of the company are listed and put on the website of the entity.

The entity shall however disclose the outcome of the Board Meeting on the following matters within 30 minutes of the closure of the meeting:

a. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
b. any cancellation of dividend with reasons thereof;
c. the decision on buyback of securities;
d. the decision with respect to fund raising proposed to be undertaken

e. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
f. reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
g. short particulars of any other alterations of capital, including calls;
h. financial results;
i. decision on voluntary delisting by the listed entity from stock exchange(s).
8. RECLASSIFICATION OF PROMOTERS SHAREHOLDING

In case the promoters of the company are desirous of classifying their shareholding as part of the public, they shall seek re-classification have made a request to the company, including the rationale for such re-classification. The board of directors of the listed entity shall analyze the request and place the same before the shareholders in a general meeting for approval along with the views of the board of directors on the request. There shall be a gap of at least three months but not exceeding six months between the date of board meeting and the shareholders' meeting considering the request of the promoter(s) seeking re-classification. The request shall be approved by the shareholders by way of an ordinary resolution and the promoter(s) seeking re-classification and persons related to the promoter(s) seeking re-classification shall not vote on such a resolution.

The promoter(s) seeking re-classification and persons related to the promoter(s) seeking re-classification shall not together hold more than ten percent of the total voting rights in the listed entity, exercise control over the affairs of the listed entity directly or indirectly; have any special rights with respect to the listed entity through formal or informal arrangements including through any shareholder agreements; be represented on the board of directors (including not having a nominee director) of the listed entity; act as a key managerial person in the listed entity; be a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines and be a fugitive economic offender.

The listed entity in which the promoters are seeking reclassification shall be compliant with the requirement for minimum public shareholding as required under the Listing Regulations; shall not have trading in its shares suspended by the stock exchanges and not have any outstanding dues to SEBI, the stock exchanges or the depositories.

The listed entity shall thereafter make an application to the stock exchange along with the necessary documents and necessary fees. The stock exchange shall thereafter permit the reclassification and in case the shares are listed on more than one stock exchange, the concerned stock exchanges shall jointly decide on the application.

9. STATEMENT OF DEVIATION AND VARIATION

The listed entity shall submit to the stock exchange on a quarterly basis for public issue, rights issue, preferential issue etc. a statement indicating deviations, if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable and category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilization of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilization of funds. This statement shall be given till the issue proceeds are completely used up. The statement shall be placed before the Audit Committee for review and such review shall be disclosed to the stock exchanges. The listed entity shall furnish an explanation for the variation in the directors’ report in the annual report. Where an entity has raised funds through preferential allotment or qualified institutions placement, the listed entity shall disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized. Companies which are listed on the SME Exchange need to disclose the same only on a half yearly basis.

10. DRAFT SCHEME OF ARRANGEMENT

Every listed entity desirous of undertaking a scheme of arrangement or involved in a scheme of arrangement, shall file the draft scheme of arrangement, proposed to be filed before the Tribunal under Sections 230-234 and Section 66 of Companies Act, 2013, along with a non-refundable fee with the stock exchange(s) for obtaining Observation Letter or No-objection letter, before filing such scheme with any Tribunal. No scheme shall be filed unless the Observation Letter or No-objection letter has been received from the stock exchange and the validity of such a letter is 6 months from the date of issuance within which the draft scheme shall be submitted to the Tribunal. This requirement shall not apply to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company and in such cases, the draft schemes shall be filed with the stock exchanges for the purpose of disclosures.

11. PROVISIONS REGARDING SR EQUITY SHARES

In case a listed entity has issued Equity Shares with Superior Rights, the SR equity shares shall be treated at par with the ordinary equity shares in every respect, including dividends, except in the case of voting on resolutions. The total voting rights of SR shareholders (including ordinary shares) in the issuer upon listing, pursuant to an initial public offer, shall not at any point of time exceed seventy four per cent. The SR equity shares shall be treated as ordinary equity shares in terms of voting rights (i.e., one SR share shall only have one vote) in the following circumstances -

   i. appointment or removal of independent directors and/or auditor;
i. where a promoter is willingly transferring control to another entity;
ii. related party transactions in terms of these regulations involving an SR shareholder;
iii. voluntary winding up of the listed entity;
iv. changes to the Articles of Association or Memorandum of Association of the listed entity, except any change affecting the SR equity share;
v. initiation of a voluntary resolution process under the Insolvency Code;
vi. utilization of funds for purposes other than business;
vii. substantial value transaction based on materiality threshold as specified under these regulations;
viii. passing of special resolution in respect of delisting or buy-back of shares; and
ix. other circumstances or subject matter as may be specified by the Board, from time to time.

The SR equity can be converted at any time into equity shares having voting rights same as that of ordinary shares but not later than on the fifth anniversary of listing of ordinary shares of the listed entity.

12. RECORD DATE
The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. Record date shall be given for declaration of dividend; issue of right or bonus shares; issue of shares for conversion of debentures or any other convertible security; shares arising out of rights attached to debentures or any other convertible security; corporate actions like mergers, de-mergers, splits and bonus shares, where stock derivatives are available on the stock of listed entity or where listed entity’s stocks form part of an index on which derivatives are available; such other purposes as may be specified by the stock exchange. The gap between two record dates shall not exceed 30 days.

13. DIVIDEND AND DIVIDEND DISTRIBUTION POLICY
A listed entity desirous of declaring dividend shall do so only on per share basis and top 500 companies on the basis of market capitalization shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

III PERIODIC COMPLIANCES

1. COMPLIANCE CERTIFICATE ON SHARE TRANSFER ACTIVITIES
The listed entity shall submit a compliance certificate to the stock exchanges, where the securities of the company are listed, signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent, within one month of end of each half of the financial year, (i.e. by October 30, and April 30 every year) certifying that the activities pertaining to share transfer work is being managed either in house or by a registered share transfer agent. In case the share transfers are being managed in-house, such a certificate needs to be signed only by the compliance officer.

2. INVESTOR COMPLAINTS REPORT
The listed entity shall file with the stock exchanges on which its securities are listed within 21 days of every quarter (i.e. before July 21, October 21, January 21 and April 21) a statement giving the number of investor complaints pending at the beginning of the quarter, received during the quarter, disposed of during the quarter and the complaints pending at the end of the quarter. This statement shall contain the complaints received for all the securities that are issued and listed by the listed entity. The statement shall also be placed at the meeting of the Board of Directors on a quarterly basis.

3. DISCLOSURE ON RELATED PARTY TRANSACTIONS
The listed entity shall within 30 days from the date of publication of its standalone and consolidated financial results for the half year, submit disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges. The same shall also be published on the website of the company.

4. SECRETARIAL AUDIT
Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice. This provision is not applicable to listed entities whose net worth is less than Rs.25 crores and paid up capital is less than Rs.10 crores. This requirement is also not applicable to companies which are listed on the SME platform. The secretarial audit report prepared in compliance with the Companies Act, 2013 and the Annual Compliance Report prepared in compliance with the LODR Regulations shall be placed at the Board Meeting of the listed entity.

5. CORPORATE GOVERNANCE REPORT
Every listed entity shall submit a quarterly compliance report on corporate governance in the format as specified by SEBI to the recognized stock exchange(s) within fifteen days from close of the quarter (i.e. by July 15, October 15, January 15 and April 15 every year). The details of all material transactions with related parties shall be disclosed along with the report. The listed entity shall also file a report on a half yearly basis along with the quarterly reports of October 15 and April 15. The listed entity shall also file an Annual Compliance Report for the whole year by April 15 every year. The reports shall be signed either by the compliance officer or the chief executive officer of the listed entity. The report so filed shall also be placed in the Board Meeting on a quarterly basis.

6. SHAREHOLDING PATTERN
Every listed entity shall file the shareholding pattern of the company one day prior to listing of its securities on the stock exchange(s);
on a quarterly basis, within twenty one days from the end of each quarter (i.e. by July 21, October 21, January 21 and April 21); and within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital. However, companies listed on the SME platform need to file such information only on a half yearly basis within 21 days from the end of each half year, i.e. by October 21 and April 21. The listed entity shall ensure that 100% of the promoter shareholding is held in dematerialized format only.

All entities falling under promoter and promoter group shall be disclosed separately in the shareholding pattern filed with the stock exchanges having nationwide trading terminals in the format specified.

7. SUBMISSION OF FINANCIAL RESULTS
The financial results, prepared on the basis of the basis of accrual accounting policy and as per General Accepted Accounting Principles in India. The quarterly financial results submitted shall be approved by the board of directors and while placing the financial results before the board of directors, the chief executive officer and chief financial officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. The financial results submitted to the stock exchange shall be signed by the chairperson or managing director, or a whole time director or in the absence of all of them it shall be signed by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results. The listed entity shall ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given only by an auditor who has subjected himself to the peer review process.

The quarterly financial results submitted shall be approved by the board of directors and while placing the financial results before the board of directors, the chief executive officer and chief financial officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. The financial results submitted to the stock exchange shall be signed by the chairperson or managing director, or a whole time director or in the absence of all of them it shall be signed by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results. The listed entity shall ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given only by an auditor who has subjected himself to the peer review process. In case the listed entity has subsidiaries, the listed entity shall also submit quarterly/year-to-date consolidated financial results.

The audited standalone financial results for the financial shall be submitted with the audit report and Statement on Impact of Audit Qualifications in case the audit report has a modified opinion. The listed entity shall also submit as part of its standalone and consolidated financial results for the half year, by way of a note, statement of cash flows for the half-year. The listed entity shall ensure that, for the purposes of quarterly consolidated financial results, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review. The statutory auditor of a listed entity shall undertake a limited review of the audit of all the entities/companies whose accounts are to be consolidated with the listed entity as per the Accounting Standards in accordance with guidelines issued by the SEBI on this matter.

For those companies which are listed on the SME Exchange it is sufficient if the results are submitted on half yearly basis.

8. ANNUAL REPORT
Every listed entity shall on the date of commencement dispatch notice for Annual General Meeting shall submit to the stock exchanges and disclose on the website, a copy of its Annual Report and notice of the Annual General Meeting. In case of any changes to the Annual Report, the changes and the reasons for the same shall be sent to the stock exchange within 48 hours of such a change.

Soft copies of full annual report shall be sent to all those shareholder(s) who have registered their email address(es) either with the listed entity or with any depository. Hard copy of statement containing the salient features of all the documents, as prescribed in Section 136 of Companies Act, 2013 or rules made thereunder shall be sent to those shareholder(s) who have not registered their email address and hard copies of full annual reports to shall be sent to those shareholders, who request for the same.

9. MEETING OF SHAREHOLDERS – REGULATION 44
Every listed entity shall provide remote e-voting facilities on all its resolutions to its shareholders. The report on such e-voting shall be submitted within forty eight hours of conclusion of its General Meeting to the stock exchanges on which its securities are listed.

The top 100 listed entities by market capitalization, determined as on March 31st of every financial year, shall hold their annual general meetings within a period of five months from the date of closing of the financial year and the top 100 listed entities shall provide one-way live webcast of the proceedings of the annual general meetings.

10. PENAL PROVISIONS
It is essential that the listed entities comply with the various compliances continuously, at periodic intervals and as and when events which require compliances occur. Failure to comply attracts steep fines and penalties and could also lead to other penal action like freezing of promoters’ shares, suspension of the scrip from trading and in some extreme cases compulsory delisting.

REFERENCES:
SEBI (LODR) Regulations, 2015 and various circulars issued thereunder
Struck off Companies with Immovable Properties & Assets- Analysis of Solutions and Appeal provisions

Strike off provisions have been provided under Section 248 of the Companies Act, 2013. Though intention of Strike off is to weed out the inactive companies, there are companies with assets, which have been struck off and have further not been restored on appeal. This article attempts to ascertain the statutory mechanism provided under the Companies Act, 2013, that provides for the legal exit of such companies after proper winding up as per law. The Article also tries to analyse the appeal provisions available and to ascertain the difference between appeals for strike off occurred on account of action initiated by the Registrar of Companies and action initiated suo-motu by the company itself.

**STRIKE OFF - BACKGROUND**

S
strike off provisions were woven into the Companies Act for some specific purposes. These provisions provide the Registrar of Companies wide powers to initiate the strike off process and dissolve the Company. The prime intention behind introducing these provisions were to clean up the system and remove the inactive companies from the records. The intention is incontestable and to a great extent successful too, but amongst the process there are certain genuine concerns - are these provisions being fully complied with, while declaring a company as dissolved? The quantum of revival petitions being filed for restoration of companies are piling up and are being heard frequently at various benches of the National Company Law Tribunal. The said appeal is provided under Section 252 of the Companies Act, 2013. It is interesting to note that, in certain cases the companies are not restored on account of absence of evidence to establish that company was carrying on its business. Many a times companies are required to prove compliances of other laws to establish that the promoters were truly determined to carry on the business. The company might have failed to file returns under the Companies Act, 2013 on account of manifold reasons. There could have been complete loss of business, market situation would have been so hostile, that carrying on business would have become impossible, and paucity of funds could be another reason. In such situations, the company might have inadvertently missed out filing of the returns with the Registrar of Companies, though in general non filing of returns has no relevance with the performance of the company. There could be situations where the promoter shareholders of the company could not have carried on with the business even after investing huge funds, on account of various circumstances. There are many companies across the nation which have failed to file the returns with the Registrar of Companies due to reasons as enumerated above, and have been struck off. These companies which are struck off, may have enormous assets lying with them, funds invested would have been used to acquire capital assets for future use for the company. The question ascending therefrom are manifold –

- What happens to the immovable properties and assets these companies were holding?
- Will they get mechanically transferred to the government?
- What happens to the shareholders rights?
- How are the liabilities of these companies getting settled?

The Companies Act does not provide for any mechanism for automatic transfer of assets to the government, but has it provided for enough provisions for the smooth exit of the company, is it being followed? These are some queries, which needs some specific responses, so as to bring a rational end to the affairs of the company and in conclusion dissolve it as per law. In this scenario it is essential to comprehend the necessities of strike off and restoration in detail.

**STRIKE OFF UNDER THE COMPANIES ACT**

Originally the provisions of strike off of a company was provided under Section 560 of the Companies Act, 1956 which provided the Registrar of Companies the power to strike off the defunct company from the register. Presently the provisions regarding strike off are contained in Section 248 of the Companies Act, 2013 (herein after referred as Act).

Section 248(1) of the Act provides that the Registrar of Companies (herein after referred as Registrar) can send notice for strike off whenever the Registrar has reasonable cause to believe that

a) The company has failed to commence its business within one year of its incorporation or has not carried on any business or operation for a period of two immediately preceding financial years and has not made any application within such period for obtaining the status of as a dormant company. or

b) Where the subscribers to the memorandum have not paid the subscription which they had undertaken to pay at the time of incorporation of a company and a declaration to this effect has not been filed within one hundred and eighty days of its incorporation. or

c) The company is not carrying on any business or operations, as revealed after the physical verification.

The Registrar is required to send the notice to the company. He is required to send the notice to all the directors of the company. The notice shall spell out his intention to remove the name of the company from the register of companies. The notice shall also state that opportunity has been provided to the company and
Sub section 8 of Section 248 states that nothing in this section shall affect the power of the Tribunal to wind up a company, the name of which has been struck off from the register of companies. One is perplexed by these wordings; the Section speaks about a company which has been struck off and is dissolved. How can such a company be further wound up by the Tribunal? Is there a purpose in framing this additional provision as provided under sub-section 8 to Section 248 and purposely use the words struck off instead of dissolved?

It is quite evident that the legislature has placed tremendous responsibility on the Registrar to ensure that he has made proper enquiry and that sufficient provision has been made for realising the assets and disposal of the same prior to giving orders for dissolution of the company.

Now interestingly sub section 8 of Section 248 states that nothing in this section shall affect the power of the Tribunal to wind up a company, the name of which has been struck off from the register of companies. One is perplexed by these wordings; the Section speaks about a company which has been struck off and is dissolved. How can such a company be further wound up by the Tribunal? Is there a purpose in framing this additional provision as provided under sub-section 8 to Section 248 and purposely use the words struck off instead of dissolved?

Sub-section 2 of Section 248 on the other hand provides opportunity to the members of the company to file an application to the Registrar for striking off the name of the company after passing a special resolution and meeting the conditions thereof. This article shall be primarily dealing with the powers of the Registrar to strike off the company and matters arising therefrom, though as far as appeals and claiming of reliefs under Section 252 are concerned, the initiation of strike off under Section 248(1) and Section 248(2) makes a significant difference, which would be specifically dealt along with appeals in this article.

On further reading, as per sub-section 4 of Section 248, it is essential that the notice should be published in the prescribed manner and must also be published in the Official Gazette. This is primarily for the knowledge of the public. The notice so issued should be in Form STK 5 as provided under the Rules.

As per sub-section 5 of Section 248, the Registrar has been provided with power to strike off the name from the register of companies at the expiry of the time mentioned in the notice. The Registrar must consider the views provided by the company. For this to be effective, the Registrar further needs to publish the said notice in the Official Gazette, and on account of the said publication, the company stands dissolved. The Registrar should publish the said notice in Form STK 7 as prescribed under the Rules. The same needs to be also placed in the official website of the Ministry.

Here one needs to understand the usage of the words. Once the publication is done, the company stands dissolved. Further more prominently the onus has been passed on to the Registrar, under sub-section 6 of Section 248, that before passing any such order of dissolution, he should ensure that he has made efforts for the realisation of all the assets and amounts due and that provisions have been made for payment and discharge of its liabilities within such reasonable time. He has to further obtain undertakings from the Directors or other Key Personnel in charge of the company that the assets of the company shall be made available for the payment or discharge of all its liabilities and that obligations shall continue even after the date of the order removing the name of the company.

It is important to analyse other sections of the Companies Act to come to a conclusion on this. As per Section 302 of the Companies Act, 2013 – it is stated that when the affairs of the company are completely wound up, the liquidator shall make an application for dissolution of the company. This is similar to the provisions of the erstwhile 1956 Act. The important analogy to be identified is that winding up is the process which leads to dissolution. Hence Section 248 should be seen in three parts, a) striking off b) winding up and c) dissolution. It is amply evident that winding up of the company is a process, which leads to dissolution.

CRITICAL ANALYSIS OF THE PROVISIONS

Having deliberated the legal provisions, it is important to analyse and understand the practical situations that arise in cases of strike off. When a company receives a strike off notice vide STK1 and subsequently gets published in STK5, the company has to necessarily reply to the Registrar within the period provided. On the expiry of the time period, either on non-receipt of reply or having not received any satisfactory reply, the Registrar can strike off the company and announce its dissolution by publishing Form STK7.

In this scenario, the legislature has put a lot of thrust on the Registrar to satisfy himself before taking any further steps to ensure that the assets are realised and properly settled. Is it enough that the Registrar sends a notice and on non-receipt of any reply or satisfactory reply within reasonable time, he dissolves the company? It’s true that Registrar should be given the benefit of the doubt as he may not be in a position or be able to trace out any information about the company, but does that mean a company can be dissolved. In these circumstances what happens to a company with assets in its name, there may be immovable properties, all the shareholders and other stakeholders should not be made to suffer on account of inefficiency of the board and other key personnel involved.

The interested parties can certainly go in for an appeal against the orders of the Registrar with the National Company Law Tribunal (NCLT) and get the name restored. But when a company either fails to go for an appeal or fails to get restored in appeal or in cases where, the company and its shareholders are no longer interested in running the company and are eager to close the company, the questions regarding the process of realisation of the assets of the company and settlement of its liabilities, needs to be addressed and settled as per law prior to the company being dissolved in the eyes of law.

The legislature has shrewdly placed sub-section 8 of Section 248 and has given a very extensive power to the NCLT in cases
as referred above where in, though the company could not be restored, may be allowed to be dissolved after following the winding up process through which assets can be realised and liabilities be settled. It should be noted here that the words used here are struck off and not dissolved. The tribunal can set aside the dissolution order of the Registrar and allow the company to be wound up as per the process of law by appointing liquidators from among the qualified Insolvency Professionals.

The very purpose of Section 248(8) is to provide this alternative remedy to wind up the company which fails to get restored in spite of having assets in its name. This allows the companies to be wound up and ultimately get dissolved as per the process of law after realising all the assets and settling all the liabilities. Hence it is pertinent that the NCLT should order the winding up process, where it cannot restore the company and especially when it is revealed on affidavit that the company possesses assets. This will enable the company to reach its logical end as provided under law.

ANALYSIS OF APPEAL PROVISIONS AND DIFFERENCE BETWEEN SECTION 252(1) AND 252(3)

The appeal provisions for restoration of the name of the company has been provided under Section 252 of the Act. It is essential to analyse the appeal provisions to have a clear understanding of the strike off process. The appeals have been provided under Section 252(1) and Section 252(3). On a plain reading, both may look identical, but when one looks meticulously, there are lot of variances in terms of persons who can appeal, period and the relief sought.

As per Section 252(1), any person can appeal, hence the appeal can be filed by any of the persons who are interested including the company, but these persons must be specifically aggrieved by the order passed by the Registrar and that the same should be filed within a period of three years from the order of the Registrar. If NCLT feels that order is not justified, it may restore the company.

As per Section 252(3), if a company, or any member, creditor or workmen feels aggrieved by the company having its name struck off from the register, they can apply to the NCLT within a period of twenty years from the publication of dissolution notice as specified under Section 248, and the NCLT if it is satisfied that the order was unjustified may restore the name of the company, it has also the powers under the said section to give further orders so as to place the company as reasonably possible in same position as it was at the time of being dissolved and can also place all other persons in the company in the same position as they were at the time of dissolution.

Though both Section 252(1) and 252(3) looks similar, there is a clear difference between the two. In Section 252(1) as mentioned earlier, any person aggrieved by the order of the Registrar can apply within three years of the order of dissolution, whereas in Section 252(3), any company, member, creditor or workmen aggrieved on the action of company having its name struck off from the register, has the option to go for an appeal. Here the provision gets activated only when the company itself has initiated the striking off process and been dissolved. In other words, this section applies only when the company has suo-motu initiated the striking off process and has been dissolved and that subsequently any company, member, creditor or workmen aggrieved can bring an application within Twenty years to the NCLT for restoration of the name of the company. It is important to note that the appeal under Section 252(3) does not lie against the order of the Registrar under Section 248(1).

Another critical difference is that the period of Twenty years of appeal is only available in case where the company has suo-motu gone in for a dissolution process. The dissolution which has materialized on account of action initiated by the Registrar as contemplated under Section 248(1), can only be appealed by interested persons within a period of three years from the date of dissolution and the said window period of twenty years shall not be available for them. The period of twenty years shall be available only when the initiation of the strike off process has happened voluntarily under Section 248(2).

ANALYSIS OF RELIEFS SOUGHT AND CONCLUSION

It has been observed in many petitions being filed under Section 252(1), the reliefs under Section 252(3) is also added. The reliefs sought for placing the company and its officials as it were on the date of order of dissolution is only available in Section 252(3) and not in Section 252(1). It is interesting to note that various petitions seeking this relief even for restoration application filed under Section 252(1), cannot be granted as a statutory right if the provisions are to be strictly interpreted.

This has more significance in cases of disqualification of directors. Many directors who were disqualified were being reinstated by virtue of this provision, this per-se is not correct, disqualification of directors had not arisen due to strike off the Company, it originated on account of Section 164(2) of the Act, hence using the reliefs under the provisions of Section 252(3) was by itself incorrect for removing disqualification and placing them back into their original position. In addition, even the prayer to invoke the reliefs under Section 252(3) for placing the directors back to their original position, in cases the Registrar has struck off and dissolved the company is totally wrong, as the relief under Section 252(3) is only available when the Company has voluntarily gone for strike off and dissolution.

Under these circumstances it can summarized that when the Registrar initiates the action of strike off, he inevitably is under tremendous responsibility to ensure that proper provisions are made for dissolution of the company. The cases where companies are dissolved and which own assets and are not being able to be restored, have to be necessarily wound up by the NCLT as per Section 248(8) and ultimately be dissolved as per law.

As far as appeals are concerned, in case of compulsory strike off and dissolution by the Registrar, appeal can be made as per section 252(1) only and not as per Section 252(3). Accordingly, the time period available is only three years from the date of dissolution order.

The legal position derived from the analysis of these provisions essentially establishes that an appeal for restoration of the name of the company arising out of an action initiated by the Registrar can be filed only within three years from the date of dissolution. This eventually leads to a specific query which still remains unanswered, about the future of the companies which have been struck off with assets and immovable properties and have not appealed within the said period of three years. There is an urgent need to provide some clarifications as to how the stakeholders of such companies can be provided with a process to ensure proper realisation of the assets and settlement of the liabilities for dissolving the company as per the procedure of law.
Whether shares with Differential Voting Rights can sensationalise the Corporate World?

The Government of India is giving impetus to boost the Indian economy by introducing various new-fangled securities. In light of the changes being initiated, whilst we are witnessing innovative structures being introduced, existing fundamentals are also evolving over the years and now The Ministry of Corporate Affairs (MCA) as well as The Securities and Exchange Board of India (SEBI) are taking active measures to modernise these securities. This article aims to familiarise readers with the concept of shares with Differential Voting Rights (DVR) and attempts to envision whether the changes introduced in the existing DVR structure can embellish the Corporate World.

**DVR - A NOVEL PHENOMENON WHICH IS OUT TO STAY**

The concept of equity shares with DVR was a novel phenomenon which originated in the late nineteenth century and witnessed traces of the structure being rooted in the Indian system only in early 2000. As far as the Asian markets are concerned, it sought access through Singapore and Hong Kong Stock Exchanges. The existence of DVRs had created a debate for over a century, which brought to the forefront two perpetually blatant questions viz. whether equity Shares with DVR-
(a) can be issued? and
(b) whether the same can be listed?

DVR shares are commonly referred to as Dual Class Shares (DCS), in various countries across the globe. There have been discussions on the issue of DVRs which has been in vogue, in the past decade. There have been different schools of thought and while one such sect believes that DVR is a mechanism for combating hostile takeover and at the same time, a method of raising capital without diluting control, on the flipside, some consider it to be a tool for making the Company’s management excessively powerful and being less beneficial for Institutional Investors. The Companies Act, 2013 and SEBI Regulations framed thereunder, have really given a food for thought by mandating a framework for issue and listing of DVRs.

**CONCEPT OF DVR**

Shares with DVR essentially mean shares that give a member, differential rights as to voting, dividend or otherwise as compared to ordinary shares of the company. For instance, a company may issue one series of equity shares carrying one vote per equity share and another series having multiple votes per equity share, both series having the same face value. Similarly, companies may issue non-voting shares or shares with different percentage(s) of dividend which can be declared and paid to shareholders.

Therefore, briefly for argument, DVRs can be divided in two broad parameters namely:

a. Shares having superior voting rights
b. Shares with inferior voting rights.
There have been different schools of thought and while one such sect believes that DVR is a mechanism for combating hostile takeover and at the same time, a method of raising capital without diluting control, on the flipside, some consider it to be a tool for making the Company’s management excessively powerful and being less beneficial for Institutional Investors.

HOW ARE LAWS ENUNCIATED BY THE GOVERNMENT, GIVING LEGAL SANCTION AND RIGHTS TO THE ISSUE OF DVR?

(a) Section 43(a)(ii) of The Companies Act, 2013 permits issuance of equity share capital with differential rights (as to dividend, voting rights or otherwise) that can be issued by a company limited by shares, subject to conformities in accordance with law.

(b) The Companies (Share Capital and Debentures) Rules, 2014, had stipulated certain pre-conditions for companies while issuing such DVR shares. The key conditions being shares with DVR to not exceed 26% of the post-issue paid up capital of the company including equity shares with differential voting rights, consistent track record of distributable profits in the last three years, no subsisting default in payment of dividend or filing financial statement(s), not penalised by any Regulatory Authority like SEBI, RBI etc. during the last 3 years.

(c) As far as SEBI is concerned, prior to the Press Release No. 16/2019 issued on June 27, 2019, DVR shares with superior voting rights were not principally permitted in India. The rationale for disallowing issuance of superior voting shares was the potential misuse by certain individuals in a manner detrimental to the interests of the minority shareholders and hence, under the erstwhile regulatory regime, for an investor, who wanted to be in the company’s decision making process, DVRs were not very appealing because it had limited voting rights and only those investors not largely dependent on voting rights, considered investing in DVR to be an appealing alternative.

(d) The MCA duly recognising the importance of issue of DVR has brought out an amendment to the Companies (Share Capital and Debentures) Amendment Rules, 2019 on August 16, 2019 wherein the earlier cap of 26% of total post issued paid up equity share capital including DVR has now been substituted by a revised cap of 74 per cent of total voting power in respect of shares with DVR of a company, which means that, shares with DVR can now be issued up to 74% of the total voting powers of the company (including voting power in respect of equity shares with differential rights) and the earlier condition of having consistent track record of distributable profits in the last three years has now been done away with, which has been showcased in the diagram below:

Referring to para (b) and (d) above and with enhancement of the overall limit being capped at 74%, we may now witness the following permissibility while issuing DVRs, by Companies, which can be further exemplified.
A table depicting the earlier limits of 26% and the revised limits of 74% is furnished below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Earlier (26%)</th>
<th>Now (74%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Equity (A)</td>
<td>Rs.100,000</td>
<td>Rs. 100,000</td>
</tr>
<tr>
<td>Proposed DVR issue (B)</td>
<td>Rs. 40,000</td>
<td>Rs. 40,000</td>
</tr>
<tr>
<td>Post issued paid up equity capital including equity shares with DVR (A+B) = (C)</td>
<td>Rs. 140,000</td>
<td>Rs. 1,40,000</td>
</tr>
<tr>
<td>Calculation criteria</td>
<td>% DVR to post issued paid up capital 28.6% (B÷C)</td>
<td>% of total voting power upto 74%</td>
</tr>
<tr>
<td>Permissibility</td>
<td>×</td>
<td>√</td>
</tr>
</tbody>
</table>

(If it exceeded the cap of 26% of post issued capital including DVR shares, it was not permitted under the earlier regime. (However, considering enhancement of the overall limit to 74% of voting power, now this issuance will find favour)

Source: Compiled by the authors

(e) Though SEBI seeks to enhance Corporate Governance amongst investors, not all investors may understand the DVR structure(s) or risks associated with it to take an informed decision. Also, as per the statement issued by MCA, “Indian promoters have had to cede control of companies, which have prospects of becoming Unicorns, due to the requirements of raising capital through issue of equity to foreign investors.”

One such way the investors can look forward, is by having a Sunset clause being included, which essentially unwinds the dual class structure over a specified tenure retracting to a ‘one share one vote’ model at the end of the specified tenure or on happening of a certain event.

**VIEWS OF THE BUSINESS COMMUNITY**

How DVRs are viewed, from the Indian and the Global context?

Ordinary shares are generally ‘One Share - One Vote’ while DVR shares today, provide for lower or higher voting rights to shareholders. DVR shares are the best form of investments which are desired by small shareholders or promoters, while ordinary shares are ideal for large shareholders.

Even though it appears to be a welcome change, the efforts to thrust DVRs in the minds of market participants is considered to be a roadblock, since it may get illiquid and hamper returns.

In India, Tata Motors were the pioneers and came out with the issue of DVRs, which was issued with 5% higher dividend and 10 DVR shares which equalled to 1 ordinary share, as far as voting rights were concerned. This essentially means that in order to equate the voting rights of 1 ordinary shareholder, 10 DVRs would have to be purchased.

Historically in India, there are only five listed companies which came out with issue of DVR. Globally, some of the eminent corporates have come out with DVR to success.

25% of the companies listed on the US Exchange in 2017 had dual class share structure compared to just 1% in 2005.

**WHETHER EXISTING CAPITAL CAN BE CONVERTED INTO DVR**

This brings forth a stimulating brainwave as to whether a private limited company, can convert its existing equity capital into DVR shares. If one were to interpret the law strictly, converting a Company’s existing equity share capital into equity share capital carrying differential voting rights and vice versa is not tenable in the eyes of law since it would significantly dilute the rights of the existing members. However, MCA vide its notification dated June 5, 2015, seems to have granted certain relaxations to private limited companies from complying with few sections and provisions of The Companies Act, 2013 (as amended from time to time). The notification states that Section 43 does not apply to a private company, if the Memorandum or Articles of Association of the private company so provide. In view of the above notification, restrictions of Section 43 will also essentially, not apply to a private company and hence a private company may consider converting its existing equity shares into DVR shares, unless otherwise stated. However, with the overall cap having been increased to 74%, it would be incorrect to state that members would consider converting their existing equity shares into DVR shares.

**IMPACT ON THE INDIAN ECONOMY**

Globally, the challenges that are faced by the business community, necessitates that the same must be made with substantial changes and the DVRs can give a good head start to the Company.

DVRs with superior voting rights are expected to benefit the Indian entrepreneurs. With increased Investor awareness, captivating business models and increased financial returns adopted by growing business ventures, DVRs can be the termed as the next ‘Brahmastra’ for the Promoter and business groups. Globally, many countries have not permitted Issuers to come out with a DCS structure for listing. However, India is progressing towards a superior capital raising methodology, paving way for secondary ownership. Even in the global corporate scenario, there are countries which have implemented the use of dual class shares and permitted companies with DCS to get listed.

In view of the start-up culture gaining traction in India, SEBI has permitted companies which are in the intensive use of technology, IT, IPR, data Analytics, bio-technology, nano
technology (hereinafter referred to as ‘Tech Companies’, more particularly defined in Innovators Growth Platform norms) to bring out an IPO of their ordinary shares on the main Board of the Stock Exchange, subject to certain conditions and compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with amendments made thereto. Shares with superior voting rights (hereinafter referred to as ‘SR shares’) for the aforesaid Companies intending to get their ordinary shares listed can be issued only to the promoters / founders holding executive position in the company and whose collective net worth (excluding the investment of such promoter / promoter group) does not exceed Rs. 500 crores duly authorised by a special resolution to that effect. Prior to listing ordinary shares of such tech companies, which have a dual class share structure, those shares having superior voting rights should have been held for a minimum period of 6 months prior to filing of the red herring prospectus with SEBI) and SR shares should have voting rights in the ratio of minimum 2:1 to maximum 10:1 compared to ordinary shares. In fact, even SR shares are permitted to be listed after the Issuer company makes an IPO, subject to a lock in period till they are converted into ordinary shares. It is also stated that in order to list the ordinary shares for such tech companies having dual class shares, the SR shares carrying superior voting rights cannot be transferred amongst promoters and no pledge or lien shall be permitted on them. The total voting rights of SR shareholders (including ordinary shares) also shall not exceed 74%. The Corporate Governance norms for the aforesaid companies has been made stringent in line with SEBI Listing Regulations requiring at least 50% Independent Directors on the Board and 66.67% Independent Directors on their Committees (excluding Audit Committee) because the Audit Committee shall comprise of only Independent Directors. The Regulator has clearly spelt that issuing fractional rights shares by existing listed companies shall not be allowed. Certain exceptions have also been enumerated wherein post an IPO, the SR shares shall be treated as ordinary shares only in terms of voting rights.

While DVR structure do face threats from a Corporate Governance perspective, even the amended Rules have paved way for DVRs, in the new-fangled economy that is driven by technology and innovation, so as to promote entrepreneurship, advancement of tech companies and start-ups, as well as, to ensure that promoters retain their control while companies expand their capital base. This is a welcome change as it could help boost the securities market in India and is being viewed as a positive step taken by SEBI, for an orderly development of the overall market conditions. With change in the law, DVRs are out to stay and will be a promising investment for the promoters and investors.

ROLE OF COMPANY SECRETARIES

Company Secretaries need to be more vigilant of the changing corporate structures. A paradigm shift in the norms like that of DVR is what a Company Secretary, whether in employment or in practice, is expected to keep himself abreast with. He / She is definitely expected to play a level playing field in the implementation of issuance of shares carrying DVR. A Company Secretary can apprise the management to up their game by introducing DVRs and strategically use it to their advantage while on the other hand he/she can assure the investors that their ‘stake’ in a Company, is not literally at stake, merely by issuance of shares with DVR. Company Secretaries will have to be technically sound with the modalities of the subject so as to ensure that law is being duly adhered to in letter and spirit.

CONCLUSION

Change is the only constant and we have seen the Regulators implementing the said theory in the recent past. The array of amendments and increased governance norms to streamline offenders, has set a benchmark in itself. Therefore, the transaction documents capturing the issuance and subscription of shares with differential rights must provide for ample affirmative rights to the investor and detail the manner for exercising those rights. The reason we have not seen many listed companies issuing DVRs is due to resistance to change the existing capital structure, ignorance amongst investors, public shying away from complex financial instruments etc. The DVR structure is still at a nascent stage of implementation by listed companies and probably will require more research and confidence to settle in the minds of Issuers and Investors.
Core competence is evidently the need of the hour. With the ever-changing legislation, the existing and challenging business environment and with the Government always willing to support, one expects that these changes can empower the corporate world. Also, with support from the Regulators and investors, DVRs are reassuringly out to stay and can be viewed as an enticing investment proposition for the business as well as the Investor community, at large. DVRs do assign enormous rights in the hands of certain people and these superpowers can indeed sensationalise the Corporate World.

REFERENCES:
1. The Companies Act, 2013
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Whether shares with Differential Voting Rights can sensationalise the Corporate World?
POSH, a double-edged sword, in the hands of Employers?

In the recent times, cases of sexual harassment of women at work place have been recurring. The main objective of this article is to bring awareness about the importance of POSH Act and make workplaces in India, safer for women. The article attempts to highlight the role of an employer in safeguarding the women at workplace and necessary steps an employer should take to prevent, prohibit and redress sexual harassment in the organization. Any lapse on the part of the employer will result in consequential punishments and compensation.

While the statute aims at providing every woman (irrespective of her age or employment status), a safe, secure and dignified working environment, free from all forms of harassment, proper implementation of the provisions of the statute requires a lot of planning and efforts from the employers, employees and others interacting at the workplace.

Sexual Harassment violates the fundamental rights of a woman to equality under Articles 14 and 15 of the Constitution of India and her right to life and to live with dignity under Article 21 of the Constitution and right to practice any profession, which includes, right to a safe environment, free from Sexual Harassment. A safe workplace is therefore a woman’s legal right too. POSH Act makes it illegal to sexually harass women in the workplace. It has created a framework for prevention, prohibition of sexual harassment and the process of redressal.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has mandated to provide a safe and secure working environment, free from sexual harassment, for all women. POSH Act applies to both organized and unorganized sectors in India and any woman (temporary or permanent worker / student / visitor / contract worker / probationer / apprentice / trainee / volunteer) aggrieved by the act or behavior of sexual harassment at the workplace.

Let us now understand who is an employer under POSH Act and several duties and responsibilities of the employer at the workplace provided therein.

An employer refers to:

1. The head of the department, organization, undertaking, establishment, enterprise, institution, office, branch or unit of the Appropriate Government or local authority or such officer specified in this behalf.
2. Any person (whether contractual or not) responsible for the management, supervision and control of a designated workplace not covered under above.
3. A person or a household who employs or benefits from the employment of domestic worker or women employees.

DUTIES AND RESPONSIBILITIES OF AN EMPLOYER:

1. Safe working environment: First and foremost duty of the employer is to provide a safe working environment at the workplace which shall include safety from the persons coming into contact with the women at the workplace and creating an atmosphere of zero tolerance towards sexual harassment.
2. Anti-sexual harassment policy: Employers to formulate and widely disseminate an internal anti-sexual harassment policy or charter or resolution or declaration for prohibition, prevention and redressal of sexual harassment at the workplace.

*The views expressed are personal views of the authors
workplace which is intended to promote gender-sensitive safe spaces and remove underlying factors that contribute towards a hostile work environment against women. This policy is required to be shared among all the employees of the organization.

3. **POSH training:** In order to provide a safe and gender-neutral work environment, an organization’s employees, managers, and directors need to be educated on what is and isn’t sexual harassment by way of POSH training. It allows one to differentiate between appropriate and inappropriate workplace behavior and educates on the definition and consequences of harassment and to familiarize all employees with the applicable legal framework of POSH and best practices at work.

For instance, sexual harassment isn’t only limited to its most obvious form, such as making inappropriate advances. It can also include unwelcome verbal or physical behavior that creates a hostile work environment. Also, it is not limited to the office space only, but can go beyond the work environment. The training can be done both online, through video courses, or via in-person workshops.

4. **Workshops and awareness programmes:** The most effective weapon against Sexual Harassment is awareness. Employers should organize workshops and awareness programmes at regular intervals for sensitizing the employees and manager towards gender equality due to the inherent nature of power differences and with the provisions of the POSH Act. Creating forum for dialogues which may involve Panchayati Raj Institutions, Gram Sabha, women’s groups, mothers’ committee, adolescent groups, urban local bodies and any other body as may be considered necessary, are instances of such initiatives by the employer at the workplace. These workshops are essential for educating the employees and the management about workplace sexual harassment. All employees of the organization must undergo sensitization training each year, as the entire emphasis of the law is on prevention of sexual harassment. Specialized training modules for employees and managerial personnel with revelation to different situations in the workplace and the method of handling the situations in order to make the environment a safe place for working is an effective tool. Usage of modules developed by the State Governments to conduct workshops and awareness programmes for sensitizing the employees with the provisions of the Act is a significant support.

5. **Constitution of Internal Complaints Committee:** As per Section 4 of the Act, every employer of a workplace must constitute an Internal Complaints Committee (“ICC”). Referring to Sec. 6(1) of POSH, employer of establishments with lesser than 10 employees is exempted from constitution of ICC and may refer to Local Complaints Committee (“LCC”), which is constituted by the District Officer for every District. However, is this exemption limited to unorganized sector only, (the definition of Unorganized sector under Sec. 2 (p) of POSH Act refers to establishments with less than 10 employees) is a point to ponder.

This committee is responsible for preventive and managing sexual harassment cases within the organization. Every incident has to be taken seriously and investigated by the ICC, irrespective of the intention of the accused or the level of impact. Even a single instance of forwarding an indecent joke or picture on social media platforms can trigger a complaint.

Composition of the Committee is:
- A Presiding Officer appointed from Senior Management (should be a woman). If not available, then a woman employee nominated from any other office / unit / department / workplace of the same employer.
- At least two members representing the employees of the organization, committed to the cause of women / having legal knowledge / experience in social work.
- One external member from amongst non-governmental organizations, committed to the cause of women or a person familiar with labour, service, civil or criminal law or a social worker with at least five years of experience in the field of social work which leads to creation of social conditions favorable towards empowerment of women and in particular in addressing workplace sexual harassment.

It is essential that at least one-half of the total members so nominated shall be women. All complaints shall be made to this committee which must resolve every issue impartially. Mandatory external member, who ensures fairness, neutrality, right steps for implementation of POSH policy is undoubtedly a rewarding prerequisite.

Obligations of the employer towards the ICC:
- Provide necessary facilities to the ICC for dealing with the complaint and conducting inquiry.
- Assist in securing the attendance of respondent and witnesses before the ICC.
- Make available such information to the ICC, as it may require having regard to the complaint.
- Provide assistance to the aggrieved, if she so chooses to file a complaint in relation to the offence under the Indian Penal Code.
- Cause to initiate action, under the Indian Penal Code or any other law for the time being in force, against the perpetrator, or if the aggrieved woman so desires, where the perpetrator is not an employee, in the workplace at which the incident of sexual harassment took place.
- Treat sexual harassment as a misconduct under the service
rules and initiate action for such misconduct as per the policy of the organization.

- Monitor the timely submission of reports by the ICC.
- Carry out orientation programmes and seminars for the Members of the ICC.
- Conduct capacity building and skill building programmes for the Members of the Internal Complaints Committee.
- Train ICC on how to handle complaints and resolve conflicts, on investigation procedure, confidentiality, timelines, the format of reports, etc.

6. **Notice board for POSH:** The penal consequences of sexual harassments and the order constituting the Internal Complaint Committee, the names and contact details of all the Members of ICC should be displayed at any conspicuous place in the workplace.

7. **POSH disclosures and reporting:**
   - Internal Complaints Committee set up in the organization is required to prepare, during each calendar year, an Annual Report and submit the same to the employer. Every year the employer has to include, in the Annual Report of the organization, the number of cases of sexual harassment filed and disposed of and submit to the District Officer. The annual report also need a mention of number of workshops or awareness programmes against sexual harassment carried out by the organization.
   - Government can call any employer to furnish any information relating to sexual harassment at any time. It can also inspect records and the workplace and every employer will be bound to co-operate.
   - POSH compliance finds a place of disclosure in the Board Report which forms part of the Annual Report of Companies. Upon the request of the Ministry of Women and Child Development, the Ministry of Corporate Affairs has amended the Companies (Accounts) Rules, 2014, vide its notification dated 31st July 2018 and has mandated to include a statement in the Board Report, the status of company’s compliance with the provisions relating to the sexual harassment of women at workplace.
   - POSH as part of SEBI reporting – Quarterly reporting to Stock Exchange: Pursuant to Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to report to the Stock Exchange, where the company’s shares are listed, with the details of complaints received, disposed and unresolved at the end of every quarter. Apart from resolving, reporting of sexual harassment complaints received from the employees, maintaining records of complaints and reports, in this relation becomes a mandatory act of the employer.

8. **Timeliness through the process:** An aggrieved woman who intends to file a complaint is required to submit six copies of the written complaint, along with supporting documents and names and addresses of the witnesses to the ICC or LCC, within 3 months from the date of the incident and in case of a series of incidents, within a period of 3 months from the date of the last incident. Prompt reporting of an act of sexual harassment is probably as important as swift action to be taken by the authorities on receiving a complaint. In fact, the more prompt the complaint is, the more authentic it can be treated. In instances where sufficient cause is demonstrated by the complainant for the delay in filing the complaint, the ICC/LCC may extend the timeline for filing the complaint, for reasons to be recorded in-writing. The law also makes provisions for friends, relatives, co-workers, psychologist and psychiatrists, etc. to file the complaint in situations where the aggrieved woman is unable to make the complaint on account of physical incapacity, mental incapacity or death.

Brief particulars of complaint and inquiry process:

- Submission of Complaint within 3 months to ICC/LCC.
- Notice to be given within 7 days of receiving complaint.
- Advise inquiry (within 90 days of receiving complaint) and prepare the Preliminary Investigation Report by one member of ICC (within 10 days of completion of inquiry) and submit to ICC / LCC.
- Implementation and recommendation (within 60 days of submission of Report)
- Appeal can be made to the order in the Report after 90 days from the recommendations
- Closure Report: Proceedings to be signed by the complainant. The Company should take letter that the inquiry is done in fair way and recommendations to be intimated to them.

9. **Conciliation:** The POSH Act also provides for conciliation between the interested parties in its provisions. Conciliation is a procedure followed by the ICC to provide with all fairness, a practical resolution to issues raised by the complainants. This option is commonly seen as an attempt by the legislature to ensure the aggrieved woman and the respondent are able to settle the incident(s) of alleged sexual harassment in an amicable manner, by avoiding lengthy legal process that could be expensive, intrusive and stressful.

Conciliation can be initiated by the ICC as an option of redressing workplace sexual harassment complaints, only if the aggrieved person requests for the same. It may also be noted that “no monetary settlement” shall be made as a basis of conciliation. Where a settlement has been arrived at through Conciliation, the ICC shall record the settlement so arrived and forward the same to the employer to take action as specified in the recommendation. The ICC shall provide the copies of the settlement as recorded, to the aggrieved woman and the respondent and no further inquiry shall be conducted by the ICC. Employer is required to provide support and facilitate smooth conciliation process.

10. **Interim relief:** At the request of the complainant, the ICC or the LCC (as the case maybe) may recommend interim measures such as:
    - transfer of the aggrieved woman or the respondent to any other workplace;
    - granting leave to the aggrieved woman up to a period of 3 months in addition to her regular statutory/contractual leave entitlement;
    - restrain the respondent from reporting on the work performance of the aggrieved woman or writing her confidential report, which duties may be transferred to other employees.
On receipt of the recommendation, employer is expected to take appropriate action keeping in mind, the recommendation, environment and mutual benefit to the employee, aggrieved and the organization.

11. Rules of punishment and compensation: The POSH Act prescribes the following punishments that may be imposed by an employer on an employee for indulging in an act of sexual harassment based on the following:
   i. punishment prescribed under the service rules/anti Sexual harassment policy of the organization;
   ii. if the organization does not have service rules/ mention in POSH Policy, disciplinary action;
   iii. including written apology, warning reprimand, censure withholding of promotion, withholding of pay rise or increments, terminating the respondent from service, undergoing a counselling session, or carrying out community service may be taken; and
   iv. deduction of compensation payable to the aggrieved woman from the wages of the respondent may be done by the employer.

The POSH Act also envisages payment of compensation to the aggrieved woman. The compensation payable shall be determined based on:
   i. the mental trauma, pain, suffering and emotional distress caused to the aggrieved employee;
   ii. loss in career opportunity due to the incident of sexual harassment;
   iii. medical expenses incurred by the victim for physical/psychiatric treatment;
   iv. the income and status of the alleged perpetrator; and
   v. feasibility of such payment in lump sum or in installments

In the event that the respondent fails to pay the aforesaid sum, ICC may forward the order for recovery of the sum as an arrear of land revenue to the concerned District Officer.

12. Confidentiality: Recognizing the sensitivity attached to matters pertaining to sexual harassment, the POSH Act attaches significant importance to ensuring that the complaint and connected information are kept confidential. The POSH Act specifically stipulates that information pertaining to workplace sexual harassment shall not be subject to the provisions of the Right to Information Act, 2005.

The POSH Act further prohibits dissemination of the contents of the complaint, the identity and addresses of the complainant, respondent, witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the ICC/LCC and the action taken, to the public, press and media in any manner.

13. Frivolous complaints: The POSH Act further clarifies that the mere inability to substantiate a complaint or provide adequate proof need not mean that the complaint is false or malicious. ICC will ensure that if its false complaint or not, through (a) Counseling [Clinical Counseling] (b) Mediation or (c) Conciliation. ICC may seek support of the employer to go through the process of identifying any frivolous or malicious complaints.

CONSEQUENCES OF NON-COMPLIANCE

★ If any employer, after having been previously convicted of an offence punishable under this Act, subsequently commits and is convicted of the same offense, he shall be liable to twice the punishment.
★ Extended penalties shall be:
  • Cancellation or withdrawal of his license.
  • Non-renewal, or cancellation of the registration.
★ Failure to comply can lead to fines ranging from Rs. 50,000 to Rs. 25 Lakh for the defaults company, and Rs. 50,000 to Rs. 5 Lakhs or imprisonment for up to 3 years, or both, for every officer in default, in few cases. Once imprisoned for more than 6 months, office of the director of a Company stands vacated and he will be disqualified from taking up directorships in any company for 5 years, pursuant to the provisions of Companies Act, 2013.
★ Breach of the obligation to maintain confidentiality by a person entrusted with the duty to handle or deal with the complaint or conduct the inquiry, or make recommendations or take actions under the statute, is punishable in accordance with the provisions of the service rules applicable to the said person or where no such service rules exist, a fine of Rs. 5,000.
★ Fear and lack of confidence in the organization leads to low job satisfaction, decrease in productivity and ultimately results in the organization losing valuable employees, in tandem with declining workplace culture.

In Mrs. Arvinder Bagga & Ors. Vs. Local Complaints Committee, District Indore & Ors., W.P.No. 22314 of 2017, Madhya Pradesh High Court has imposed fine of Rs.50,000 on Medanta Hospital, Indore for not having an Internal Complaints Committee and also directed the hospital to pay compensation to the tune of Rs. 25 Lakhs to the complainant for failing to address her case of sexual harassment.

Where a woman complained of Sexual Harassment, Madras High Court (Crl.R.C. No.370 of 2014 order dated 02.09.2014) awarded Rs. 1.68 Crores in damages to an employee for the non-constitution of a Complaints Committee by the employer, as per the Vishaka Guidelines in Ms. G Vs. ISG Novasoft Technologies Ltd. for the petition submitted during 2012.

A CASE LAW OF NON-COMPLIANCE TO UNDERSTAND THE EFFECT OF NON-COMPLIANCE

Case of Vidya Akhave ("Petitioner") Vs. Union of India and Ors. is perused to understand the position of the employer:

BACKGROUND:
The Bombay High Court ("Court") ruled that it would not interfere with an order of punishment passed by the Internal Complaints Committee ("ICC") in relation to a sexual harassment complaint, unless the order is shockingly disproportionate.

The Court passed this judgment in the case of Vidya Akhave ("Petitioner") Vs. Union of India and Ors. in relation to the new Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 of India ("Sexual Harassment Act").

The Court observed that the employer must sufficiently comply with the duties cast upon it under the Sexual Harassment Act. The Court also stated that (a) an employer must provide for an effective mechanism for prevention of sexual harassment of women at workplace; (b) male employees must be sensitized towards the
POS11, a double-edged sword, in the hands of Employers?

Concerns of female employees and (c) the ICC must deal with complaints of sexual harassment in an expedited manner.

FACTS:
The employee (petitioner) was employed with an Indian government owned development bank. She had filed a complaint of sexual harassment against the General Manager, who was her immediate superior officer (“Supervisor”). However, no action was taken by the employer. Thereafter, the employee filed another complaint seeking establishment of an ICC as was necessary to be set up, as per the law laid down by the Supreme Court of India in the case of Vishakha vs. State of Rajasthan.

As for the incidents that took place before February/March 2012, the limitation period of three months prescribed under the Sexual Harassment Act had expired and thus, were not taken into account by the ICC. However, the Human Resource department could take separate action based on those instances, which would be beyond the scope of the Sexual Harassment Act. Based on the ICC’s report, the Disciplinary Authority passed an order, by which the Supervisor was (a) demoted to a lower rank by two ranks; (b) transferred to another city and (c) received a pay cut as per his lower rank (“Order”).

CONTENTIONS:
The employee however challenged the validity of the Order before the Court under Article 226 of the Constitution of India (“Constitution”). The employee contended that a higher punishment should be imposed on the Supervisor. Also, the employee challenged the validity of the observations of the ICC as it had not adequately taken on record all evidences. Also, the Supervisor had not been declared guilty under the Sexual Harassment Act and a mere condemnatory statement was made by the Disciplinary Authority against the Supervisor. As for expiration of the period of limitation, the employee argued that because the Supervisor was her immediate superior, she was under reasonable apprehension to file a complaint as it would endanger her career.

The Supervisor argued that the penalty imposed was harsh enough as a result of which the Supervisor had suffered psychologically and financially. It was contended that the Supervisor had to stay apart from his family, as he had to shift to another city. It was further contended that it was not open to the Court to re-appreciate the evidence once the Disciplinary Committee had considered it and ruled over it. Lastly, it was contended that the Court cannot look into the proportionality of the Order passed by a Disciplinary Committee.

JUDGEMENT:
The Court referred to its decision in Om Kumar vs. Union of India and reaffirmed the principles of judicial restraint to be exercised by courts under Article 226 of the Constitution. The Court held that unless the Order is shockingly disproportionate to the act of the delinquent employee, it will be circumspect in interfering with the Order. Reiterating the decision of Om Kumar, the Court held that interference is warranted only when there is non–compliance of the principles of administrative law, Wednesbury Principles and doctrine of proportionality by the Disciplinary Authority.

As for compliance with the Wednesbury Principles, interference was held to be not permissible unless any of the following conditions were satisfied: (a) the Order was contrary to law, (b) relevant factors were not considered, (c) irrelevant factors were considered and (d) no reasonable person would have taken such a decision.

Under the principle of proportionality, the Court stated that it would have to be seen whether the legislature and administrative authority maintained a proper balance between the adverse effects which the legislation or order may have on the rights, liberties or interests of persons, keeping in mind the purpose which they were intended to serve. The Court also observed that the inquiry by the Disciplinary Authority was conducted dispassionately and all evidences were appropriately considered and ruled upon in a fair and proper manner. Therefore, the Court was not entitled to give a second opinion merely because it had the discretion to do so.

However, the Court felt that there was a need to have an effective mechanism in place at workplaces for addressing issues of sexual harassment of women. The Court also observed that male employees must be made aware of concerns of female employees by undertaking an exercise of gender sensitization as more and more women were becoming part of the national workforce and contributing to the national economy. The Court also remarked as to how many companies, corporations and government undertakings have not complied with the Sexual Harassment Act and do not have an adequate mechanism to deal with issues of sexual harassment.

CONCLUSION

The above judgments reaffirm the importance of ICC and its powers under POSH Act. Given the sensitivities surrounding sexual harassment allegations, it is important that the ICC is trained to deal with such cases in a fair, proper and dispassionate manner and based on the principles of natural justice. It is also necessary for the ICC to ensure that it completes the investigation and issues its order within the time frame set under the law. In turn, it becomes a gambit of the employer, in its entirety, in discharging his duties as mentioned above and to facilitate the required framework for successful functioning of the system. At the same time, it also clarifies the principles of judicial restraint by the courts. The interference of the courts should be limited to ensuring that there are no procedural irregularities or violations of principles of natural justice. Once the ICC has adequately and appropriately addressed a complaint of sexual harassment, it is not open to the courts to look into the merits of the matter. Hence, it can be said that proper compliance saves the interest of the employer to a large extent. Compliance under POSH Act, both in letter and in spirit, is a huge burden to the employer on one side. When such a compliance is defaulted or not complied, it is sure to bring about a mammoth risk of non-compliance on the other side. It is the choice of the employer to choose between the two sides of the sword: side of taking up the huge burden with the right spirit and the side of falling prey to huge non-compliance cost.

REFERENCES:

- Notification S.O. 3606(E) dated 9th December 2013 issued by Ministry of Women and Child Development.
- Notification G.S.R. 769(E) dated 9th December 2013 issued by Ministry of Women and Child Development.
- www.nishithdesai.com/information
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Overarching obligations of Professionals under Securities Market Laws

With the maturity of the Securities Market, corporate regulatory issues have become more complex with cascading financial impact on the corporate decision makers. Compliance and Governance Professionals are increasingly feeling the pressure from a regulatory perspective. Under this background, this article makes an endeavour to deliberate on the transformation in the roles and responsibilities of a Professional in the Indian securities law’s jurisprudence. High Cost of Non-Compliance acts as a deterrent. It is increasingly clear that the role and responsibilities of professionals have been under scrutiny of the market, the stakeholders and more particularly the regulators. The article attempts to throw significant light on the extent of maturity on some of the prominent aspects of regulatory compliance regime of the market.

INTRODUCTION

A Professional in a knowledge-driven market economy due to his specialised skill-sets, wears many hats. He has to fearlessly ‘uphold the interests of his clients by all fair and honourable means’. Where the Professional is an Advocate, as an officer of the court or tribunal, he has to act in a ‘dignified manner with self-respect’. The issue attains complexity in the case of corporate client in a regulatory landscape. Besides defending the client, the Professional many times is called upon to render Advise on many complicated legal issues, vet various intricate contractual documents and also render comments, opinions and views on overarching issues of the corporate. The Professional may be in-house as well as external.

With the maturity of the market, particularly the Securities Market, corporate issues have become more complex with cascading financial impact on the corporate decision makers. Quasi-judicial authorities lift the corporate veil to prosecute violators of laws. Corporates therefore seek the expert opinion of the Professionals on multiples of issues to enable the corporate client and its KMP to take an informed decision in the matter, their rights and obligations and also implications thereof from the point of law. Having done that, the Professional has to fervently assert the corporate client’s position at the appropriate fora. The Rules of professional standards prescribed by Bar Council of India says, ‘it shall be the duty of an advocate to fearlessly uphold the interests of his client by all fair and honourable means. An advocate shall do so without regard to any unpleasant consequences to himself or any other’.

Companies Act 2013 as well as SEBI Act and Regulations made thereunder have cast certain obligations on the Professionals acting as an Expert in relation to various corporate transactions. There is also a growing trend of appointing a Professional as an Independent Director on the Board of listed companies. As a director he has the privilege to participate in the deliberations and offer his views and comments and being domain expert, his views are relied and acted upon.

Where the Company Secretary is the Compliance Officer of a market participant, his responsibilities are onerous in the regulated market; it has undergone considerable transformation. Securities laws in India is evolving. Jurisprudence in company law is reasonably well developed. The role and responsibilities of a Director who is also a practicing Professional, is now crystallised and well-settled.

In the Indian securities laws, the term ‘Expert’ is used as a collective body including Professional Experts. Sub section 5 of...
The jurisprudence of securities markets has evolved over the years on the basis of various decisions of the SEBI as well SAT and court orders. As the securities laws are market-centric and are dependent on market dynamics, the jurisprudence for this sector, more particularly in Indian context is evolving. Being that so, it is critical that the advice of the Professional is fair and equitable and above all ethical.

With the above background, this paper makes an endeavour to deliberate on the transformation in the roles and responsibilities of a Professional in the Indian securities law’s jurisprudence. To fully capture the underlying issues and appreciate their implications in securities market laws, the arguments have been divided into sections.

I. LEGAL ETHICS

A professional should be competent, prompt and diligent. Professional competence has been defined as the provision of quality services through the application of professional knowledge, skills, and abilities\(^1\). Ability must be distinguished from Performance, while evaluating competence. Simply possessing a particular ability does not ensure competent performance. The word “diligence”, according to Oxford Dictionary (Edn. 2006), means ‘careful and persistent application or effort’."Diligent” has also been defined to mean ‘careful and steady in application to one’s work and duties, showing care and effort”\(^2\).

The Rules of Professional Conduct are rules of reason. Such Codes of Conduct illustrate the high ethical and professional standards to reassure various stakeholders of two conditions, namely, that any particular set of professional services is being rendered not only by (i) properly qualified or technically expert persons but also (ii) by persons whose professional standards merit the high degrees of trustworthiness, typically required of professionals\(^3\). The rules should be interpreted with reference to the purposes of legal representation and of the law itself.

Undoubtedly, the legal profession per se is self-governing. One of the universally accepted characteristics of a profession is the observance of a strict code of conduct by the members of the profession. A professional is endowed with higher faculties conditioned by an elaborate preparatory education, rigorous instruction and valuable practical training, as to distinguish, above all, righteous act/conduct from those deviant and unedifying\(^4\). Bar

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\(^1\) McNamara, J. R. (1975). An assessment proposal for determining the competence of professional psychologists. Professional Psychology, 6(2), 135-139

\(^2\) Interpreted by Hon’ble Supreme Court of India, in the matter of Chander Kanta Bansal V. Rajinder Singh Anand (2008) 5 SCC 117

\(^3\) Guidance Note on Code Of Conduct for Company Secretaries (2011), ICSI, p. iii

\(^4\) See note iv supra
The regulators, globally, desire that corporate professional should assume the role of ‘watchdog.’ There is a scepticism towards the legal profession, new lines have to be drawn for client-counsel privilege. Council of India and Professional Institutes namely Institute of Company Secretaries of India, Institute of Chartered Accountants of India and Institute of Cost Accountants of India, being Self-Regulatory Organisations, have also issued Code of Conduct/Ethics for their members. The Rules of Professional standards prescribed by Bar Council of India mandates, ‘it shall be the duty of an advocate fearlessly to uphold the interests of his client by all fair and honourable means. An advocate shall do so without regard to any unpleasant consequences to himself or any other. He shall defend a person accused of a crime regardless of his personal opinion as to the guilt of the accused. An advocate should always remember that his loyalty is to the law, which requires that no man should be punished without adequate evidence’. As to maintaining confidentiality of communication between him and the client, the professional standards say, ‘An advocate should not by any means, directly or indirectly, disclose the communications made by his client to him. He also shall not disclose the advice given by him in the proceedings. However, he is liable to disclose if it violates Section 126 of the Indian Evidence Act, 1872’. The Institute of Chartered Accountants has mandated that ‘A professional accountant should perform professional services with due care, competence and diligence and has a continuing duty to maintain professional knowledge and skill at a level required to ensure that a client or employer receives the advantage of competent professional service based on up-to-date developments in practice, legislation and techniques. In addition, he should respect the confidentiality of information acquired during the course of performing professional services and should not use or disclose any such information without proper and specific authority or unless there is a legal or professional right or duty to disclose’. Similarly, Company Secretary shall not disclose information acquired in the course of his professional engagement to any person other than the client so engaging him, without the consent of such client, or otherwise than as required by any law for the time being in force.

II. COUNSEL’S ENLARGED ROLE IN SECURITIES LAWS

The complexity of the financial markets in the highly regulated securities market has phenomenally enlarged the role of a counsel. He is now positioned to play pivotal role in promoting integrity and ethical lawyering in the securities markets. There is a broad consensus that Professionals should play a critical gatekeeping role in large public firms. The term “gatekeeper” suggests a guardian with independent professional responsibilities, including a responsibility for protecting the institution. Enron and other corporate debacles illustrate all too well what happens when business managers fail to understand and honour their responsibilities. Professionals are ideally situated to serve as leaders in the struggle to define the parameters of corporate conscience. They can and should be held accountable for promoting integrity on the part of corporations and their constituents and for fostering professional responsibility on the part of corporate lawyers.5

5 Rule 5 and 7 of Rules on an Advocate’s Duty towards the Client; Rules of Professional standards, Bar Council of India

6 Code of Ethics, The Institute of Chartered Accountants of India

7 Duggin, Sarah Helene (2008); The pivotal role of the general counsel in promoting corporate integrity and professional responsibility; Saint Louis University Law Journal [Vol. 51:989]; pp. 989-1042

The regulators, globally, desire that corporate professional should assume the role of ‘watchdog.’ There is a scepticism towards the legal profession, new lines have to be drawn for client-counsel privilege. In US, every Counsel/Lawyer Corporation under Section 307 of Sarbanes-Oxley Act shall follow a “reporting up” system that would significantly enhance the flow of key legal information (including various “reasonably likely” material violations) to independent members of the board. “Reporting up” also empowers the Professional.

III. DUTIES AND OBLIGATIONS OF PROFESSIONAL UNDER DISCLOSURE BASED REGIME

Compliance with securities laws, regulations and rules is part of the essential foundation of fair and orderly markets as well as investors’ protection.8

With the maturity of the securities markets, the legal and compliance ecosystem in India has also evolved over time. Their respective criticality in the organisation have also transformed. Arguably, the primary role of the legal professional of a company is to provide legal advice and assistance in various legal issues as well to prepare briefs for the Advocates etc. in litigations of the organisation. Company Secretary as Compliance Officer of a listed company is tasked to diligently maintain the right balance between the two areas - facilitate the company to efficiently navigate the legal and compliance risks of a related transaction besides rendering compliance related advise from time to time.9 This overlapping also appears to be envisaged as the underlying spirit of the securities laws in India. To say, the Compliance Officer wears ‘two hats at the same time’ more particularly in the Indian companies would not be farther from the reality.

Compliance regime in the domestic securities market was introduced by SEBI (Disclosures and Investors Protection) Guidelines 2000. Clause 5.12 provided that ‘an issuer company shall appoint a compliance officer who shall directly liaise with SEBI with regard to compliance with various laws, rules, regulations and other directives issued by SEBI and also resolve investors complaints related issues. Further, the name of the compliance officer so appointed shall be intimate to Stock Exchange. Similar provision was also mandated for intermediaries10. Clause 47 of the Listing Agreement was also amended to provide the listed entity ‘to appoint the Company Secretary to act as Compliance Officer who will be responsible for monitoring the share transfer process and report to the Company’s Board in each meeting. The compliance officer will directly liaise with the authorities such as SEBI, Stock Exchanges, Registrar of Companies, etc., and investors with respect to implementation of various clauses, rules, regulations and other directives of such authorities and investor service and complaints of related matter’. Regulation 63 of the SEBI (Issue of Capital and Disclosures) Regulations, 2009, inter alia, provides that ‘the issuer shall appoint a compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors’ grievances’. Regulation 6 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 also likewise imposes onerous obligations on the Compliance Officer of a listed entity. In addition, other regulations like SEBI Prohibition of Insider Trading Regulations,8

8 Compliance Function at Market Intermediaries; IOSCO (2005)
10 RRTI CIRCULAR NO. 1 (96-97) Dated February 5, 1997
SEBI Prohibition of Fraudulent and Unfair Trade Practices Regulations, SEBI Takeover Code Regulations etc. mandate that event-based as well as on continuous basis prescribed returns and disclosures shall be made/filed by listed entities and market intermediaries with the stock exchanges.

From the perusal of the above regulations, it may thus be concluded that the Compliance Officer of the company has to act diligently and responsibly and should not be guided by mere legal opinions. The Compliance officer should be fully aware of the rules, his position in the company and the related provisions of the securities laws. He has should establish compliance oversight, effective policies and operational procedures and controls in relation to their day-to-day business operations in order to achieve compliance with all relevant regulatory and legal requirements. The policies and procedures must also be reviewed and discussed periodically with the chief executive officer of the company. IOSCO has documented that 'compliance also speaks to the culture and ethics of the company as well as of the market intermediary. It is an important tool in managing the risk of legal or regulatory sanctions, financial loss, or loss to reputation resulting from violation of regulatory requirements.

IV. REGULATOR’S ENFORCEMENT ACTIONS

The Hon’ble Supreme Court of India in the matter of SEBI vs. Shri Ram Mutual Fund held that "once the violation of statutory regulations is established, imposition of penalty becomes sine qua non of violation and the intention of parties committing such violation becomes totally irrelevant. Once the contravention is established, then the penalty is to follow." As a securities market regulator, SEBI has initiated cases against compliance officers of listed companies and imposed commensurate penalties. These have also been upheld by the Securities Appellate Tribunal.

In the case of Satyam Computer Services Limited, penalties were imposed on its Vice-President - Corporate Affairs/Global Head - Corporate Governance/Company Secretary and Compliance Officer for violating Model Code of Conduct for prevention of Insider Trading for listed Companies framed under Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations 1992. On appeal, while negating the contentions of the Appellant, the Hon’ble SAT held that 'once it is found that the appellant as Compliance Officer has failed to comply with PIT Regulations, then he is liable for penalty'.

In another case, the Compliance Officer was three in one - Promoter, Director and also the Compliance Officer of the company. He was alleged to have committed violation on two occasions, first in regard to quarter ending March 31, 2011 and second in regard to quarter ending December 31, 2010. Hon’ble SAT did not accept the plea of the Appellant as Compliance Officer. It held that ‘imposition of above said penalties can neither be termed as discriminatory nor disproportionate to the admitted violation, particularly in the facts and circumstances of the case.

In the case against GHCL Ltd., it’s Promoter and Company Secretary, for disclosing inflated shareholding on the basis of false claims of arrangement by promoter entities with third parties. SAT

the Compliance Officer of the company has to act diligently and responsibly and should not be guided by mere legal opinions. The Compliance officer should be fully aware of the rules, his position in the company and the related provisions of the securities laws. He has should establish compliance oversight, effective policies and operational procedures and controls in relation to their day-to-day business operations in order to achieve compliance with all relevant regulatory and legal requirements.

In its Order said, ‘the Company, the Company Secretary and the Chairman are not mere conduit to pass-on whatever details they receive from the promoters to the Stock Exchanges irrespective of the records maintained by the Company in respect of the shares which may be held by a promoter at given point of time. The Appellants should have acted more diligently and responsibly and should not have been guided by mere legal opinions. It is settled law that legal opinions are only advisory in nature and not binding on anyone’. The penalty of ₹5 lacs imposed on each of the appellant for violation of SEBI ((Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 read with Section 12(A) (a) of the SEBI Act, 1992 was upheld by Hon’ble SAT.

Similarly, in the case of NDTV Ltd., for charges of delayed disclosures under clause 36 of the Listing Agreement to the stock exchanges regarding the tax demand of ₹450 Crore raised against NDTV by the Income Tax Department, considering that tax demand (of ₹450 crores) raised on NDTV, was a price sensitive information, the company was required to disclose the same to both the stock exchanges regarding the tax demand of ₹450 Crore raised against NDTV by the Income Tax Department, considering that tax demand (of ₹450 crores) raised on NDTV, was a price sensitive information, the company was required to disclose the same to both the stock exchanges on an immediate basis under Clause 36 of the Listing Agreement. Accordingly, its compliance officer, was also held liable for the aforesaid infractions, they being the executive in-charge of the company. Penalty imposed on Company Secretary was ₹2 lakhs.

11 Appeal (civil) 9523-9524 of 2003 Date of judgement 23 June, 2006
14 Appeal No. 6 of 2014, Date of decision 31 July 2014
15 Adjudication Order No. AO/BJD /MAS/ EAD/171-176/2018 Date 16th March, 2018
had allegedly forged the signatures of Director of another company, authorising an Advocate to represent the Company as well as Director of another company. The authority letter purported to be signed by the director of another company was allegedly handed over to the concerned advocate by the Managing Director. An affidavit to that extent was also filed by the Managing Director. SEBI found the concerned advocate negligent of his duties. SEBI in its order held, ‘It is one of the foremost duties of an advocate to know the client he is representing in judicial and quasi-judicial proceedings. An advocate cannot take refuge under the plea that he accepted the letters of authority for his client under good faith from a third party’.

It is a unique case. On the basis of certain circumstantial evidences SEBI concluded that the advocate was negligent in performing due diligence of his duties towards his clients and above all to the process of law. The Hon’ble Supreme Court in a case held that ‘where negligence is an essential ingredient of the offence, the negligence to be established by the prosecution must be culpable or gross and not the negligence merely based upon an error of judgment’18 ‘Mere negligence or error of judgment on the part of an advocate would not amount to professional misconduct.’ ‘Mere negligence unaccompanied by any moral delinquency on the part of a legal practitioner in the exercise of his profession does not amount to professional misconduct19.

CONCLUSION
The market ecosystem, product offerings, competition, stringent regulations etc. have radically changed the size as well as importance of a professional; this complex web has seen the emergence of modern profession and ethos in the society. The role and responsibilities of professionals have been under scrutiny of the market and the stakeholders. The changing role of the professional and the expectations of the regulator from the Indian securities market laws’ perspective is a challenge which can be met only with an intellectual approach coupled with highest regard for ethics. As an inhouse counsel to the corporate, the compliance officer is called upon to advise on many complex issues of the corporate transactions. Being a Compliance Officer of an entity, as a ‘watch-dog’, he has to proactively ensure regulatory compliances in letter and spirit. These days Professionals are also appointed as Independent Directors and their expert opinions are sought on multitude of corporate actions, besides in offer documents their expert opinions are also published and relied upon by the investors. As a representative of the company in litigation, the professional has to be honest, diligent, competent and exhibit dispassion in the service of clients, above self-interest and specifically above commercial self-advantage. High cost of non-compliance acts as a deterrent. Introduction of the KMP in the Indian corporate landscape, has put further challenges to the professionals. Companies Act 2013 has also empowered members to file class action suits against the Professionals of the Company. The jurisprudence relating to Indian securities market continues to evolve and the professional, whether external consultant or in-house counsel has to be on continuous alert so that he is not only able to comprehend the emerging requirements in letter but also in spirit, so that he is in a position to guide the corporates towards proper regulatory compliance.

## Company Secretaries Examinations, December, 2019

### Time-table

**Examination Timing:** 2:00 P.M. to 5:00 P.M.

<table>
<thead>
<tr>
<th>Day</th>
<th>Executive Programme (Old Syllabus)</th>
<th>Executive Programme (New Syllabus)</th>
<th>Professional Programme (Old Syllabus)</th>
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<td>22.12.2019</td>
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<td>29.12.2019</td>
<td>NO EXAMINATION</td>
<td>Financial and Strategic Management (Module-II) (OMR Based)</td>
<td>Ethics, Governance and Sustainability (Module-II)</td>
<td>Resolution of Corporate Disputes, Non-Compliances and Remedies (Module-II)</td>
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<td>30.12.2019</td>
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<td>Elective 1 out of below 5 subjects (Module-III) [Open Book Exam.]</td>
<td>Elective 1 out of below 8 subjects (Module-III) [Open Book Exam.]</td>
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<td>(viii) Insolvency – Law and Practice</td>
<td>(viii) Insolvency – Law and Practice</td>
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RABINDRA CHAMRIA & ORS v. REGISTRAR OF COMPANIES [SC]
M/S TULSI NARAYAN GARG v. THE M.P. ROAD DEVELOPMENT AUTHORITY [SC]
THE AUTHORIZED OFFICER, INDIAN BANK v. D. VISALAKSHI & ANR [SC]
MATRIX INFO SYSTEMS PVT LTD v. INTEL CORPORATION & ANR [CCI]
INDIAN NATIONAL SHIPOWNERS’ ASSOCIATION v. ONGC [CCI]
KARNATAKA POWER TRANSMISSION CORPORATION LTD v. C NAGARAJU & ANR [SC]
IFCI LTD v. SANJAY BEHARI & ORS [SC]
TECNIMONT PVT. LTD v. STATE OF PUNJAB & ORS [SC]
Section 633 of the Companies Act, 1956 read with section 14A of the EPF Act, 1952- relief against prosecution- failure to deposit PF dues- whether directors of the company entitled to get relief against prosecution under the PF Act-Held, No.

Brief facts:
Facts are immaterial. The issue that arose in this appeal is whether director of a company, which defaulted in depositing the provident fund dues with the PF authorities, could seek relief under section 633 of the Companies Act, to avoid prosecution under the Provident Fund Act. In other words, the relief mentioned in section 633, is available only against offences committed under the Companies Act or all Acts. Supreme Court had explained the scope of section 633 of the Companies Act, 1956.

Decision: Appeals dismissed.

Reason:
Having regard to the above arguments, the only' point that arises for determination is as to the scope of Section 633. On a comparison of the two sections [s.281 & 633] two important features emerge to be noticed. The Court under Section 633 has no power to grant relief from any civil liability. Under sub- section (3) of Section 281 only four categories of persons were entitled to seek relief while under Section 633 it will be an officer of the Company.

Under the Companies Act of 1956 (similarly under the Old Act of 1913) various duties and liabilities have been imposed; equally offences have been created for the non-performance of such duties. These offences are offences in relation to the performance of certain duties under the Act. The expression 'any proceeding' occurring under Section 633 cannot be read out of context and treated in isolation. It must be construed in the light of the penal provisions. Otherwise what will happen is the penal clauses under the various other Acts would be rendered ineffective by application of Section 633. Again, if parliament intended Section 633 to have a coverage wider than the Act, it would have specifically provided for it as, otherwise, it is a sound rule of Construction to confine the provisions of a statute to itself.

We are also of the view while referring to any proceeding under sub-section (2) the Parliament intended to restrict it only to the proceeding arising out of negligence, default, breach of trust, misfeasance or breach of duty in respect of the duties prescribed under the provisions of the Companies Act. Further examining the sub-section with reference to the context and the placement of the sub-section the only conclusion that is possible is the proceedings for which relief under this sub-section could be claimed or the proceedings against the officer of a company for breach of the provisions of the Companies Act. Sub-section (2) cannot apply to proceedings instituted against the officer of the company to enforce the liability arising out of violation of provisions of other statutes. Reference could also be made to sub-section (3) where notice is required to be given to the Registrar of Companies. This is an indication that the powers under sub-section (2) must be restricted in respect of proceedings arising out of the violation of the Companies Act.

The authority to take action under Provident Fund Act as seen from Section 14 is a Commissioner while the procedure so far as the Companies Act is concerned under Section 621 is on a complaint in writing of the Registrar of Companies or of a shareholder of a company or of an officer authorised by the Central Government in this behalf action can be taken. As already noted under sub-section (3) of Section 633, the Court has to give notice to the Registrar of Companies or on such other person, if any, as it thinks necessary .Therefore, giving of notice is mandatory. That being so, if Section 633 is interpreted as to include proceedings under Acts other than the Companies Act it will be open to the Court to give such relief under Section 633 without giving notice to the authority competent to prosecute in respect of liabilities under the other laws or upon giving notice to other concerned and not the Registrar. Thus the mandatory requirement of subsection (3) of Section 633 can easily be bypassed. Then again under Section 14A of the Provident Fund Act, officers who are talked of under this section would be deemed to have committed the offence because sub-section (1) states that every person who was responsible to the company as well as the company shall be deemed to be guilty of the offence. If, therefore, the relief under Section 633 is extended, such officers or persons who are otherwise liable for such offence would get the benefit of Section 633 and escape the rigour of Section 14A. The Explanation also makes it abundantly clear that all companies covered by the Companies Act would be companies within the meaning of the Explanation. On the contrary, those companies falling under the Explanation to Section 14A would not be companies under the Companies Act. To put it in other words, a company falling under the explanation to Section 14A of the Provident Fund Act which does not come within the purview of the Companies Act, the liability of the persons would be governed only by Section 14A (1) and (2) of the Provident Fund Act. They will not be entitled to any relief under Section 633. The benefit available under a social welfare legislation namely the Employees Provident Fund Act cannot be defeated in this manner. We may also
add if the interpretation suggested by the appellants is accepted it would cover not only the existing laws but all legislations to be enacted in future. In the result we find no merit in this appeal and it is dismissed. In view of the dismissal of appeal No. 3012 of 1990 the other appeals and the special leave petition where the same question arose, are so dismissed.

**LW 72:10:2019**

**M/S TULSI NARAYAN GARG v. THE M.P ROAD DEVELOPMENT AUTHORITY [SC]**

CIVIL APPEAL NO(S).6726 & 6729 OF 2019

N.V. Ramana, Indira Banerjee & Ajay Rastogi, JJ. [Decided on 30/08/2019]

Arbitration and Conciliation Act,1996- contract providing for liquidated damages and challenge to the same to the arbitral tribunal under the Local Act- respondent determined the liquidated damages and appellant challenged it before the arbitral tribunal- pending decision respondent initiated recovery proceedings against the appellant-whether tenable-Held, No.

**Brief facts:**
The Appellant had entered into two contracts with the Respondent No.1 for construction and maintenance of two rural roads. These contracts provided for determination liquidated damages by the Respondent No.1 and the challenge thereto, if any, to the Arbitral Tribunal by the Appellant. Disputes arose between the parties and Respondent No.1 terminated the contracts and determined the liquidated damages. The Appellant challenged the quantum of liquidated damages before the Arbitral Tribunal.

Pending decision of the Tribunal, Respondent No.1 initiated recovery proceedings against the appellant through Collector, for the recovery of liquidated damages as land revenue. Appellants challenge to this recovery proceedings was dismissed by the High Court and therefore, the appellant had approached the Supreme Court.

**Decision:** Appeals allowed.

**Reason:**
We have considered the submissions made by the parties and with their assistance perused the material available on record. In terms of the clauses 44.1 read with 53.1 of the agreement, it emerges that if there are liquidated damages to be payable upon termination of contract by the contractor, inbuilt redressal system has been provided under Clause 24 which, in the instant cases, was invoked through the General Manager of the 1st respondent and the party aggrieved thereof can certainly approach to the Arbitral Tribunal constituted under the Adhiniyam, 1983 in terms of clause 25 of the agreement.

Undisputedly, in the instant cases, for both the two agreement nos. 11 and 12, the General Manager of the 1st respondent quantified the liquidated damages as alleged and that has been the subject matter of challenge raised by the appellant in the reference petitions filed before the Arbitral Tribunal under Section 7 of the Adhiniyam, 1983 which is still pending adjudication and once the remedial mechanism provided under the Adhiniyam, 1983 has been availed by the appellant which is pending adjudication, the respondents were not justified in initiating the recovery proceedings without awaiting the outcome of the arbitral proceedings. It is the settled principles of law that a party to an agreement cannot be an arbiter in his own cause.

This exposition of law has been considered by this Court in State of Karnataka v. Shree Rameshwara Rice Mills Thirthahalli 1987(2) SCC 160. Taking assistance of the judgment of this Court, the full Bench of the Madhya Pradesh High Court also in the case reported in B.B. Verma & Anr v. State of M.P. & Anr, AIR 2008 MP 202(FB) observed that the Government or its officers were not justified to initiate recovery proceedings which is disputed by the contractor as payable under the contract by the State Government pending decision of the Arbitral Tribunal constituted under the Adhiniyam, 1983. It goes without saying that when the contractor disputes the damages claimed by the Authority or any Officer in its behalf, such an amount cannot be said to be due under the contract and cannot be recovered as arrear of land revenue until adjudicated in the pending reference before the Arbitral Tribunal.

We are also of the considered view that once the dispute is pending adjudication before the Arbitral Tribunal constituted under the Adhiniyam, 1983 in terms of clause 25 of the agreement, the respondent, in the facts and circumstances, was not justified to raise demand on termination of contract claiming liquidated damages and the respondent cannot become an arbiter in its own cause and unless the dispute is settled by a procedure prescribed under the law, the respondents would not be held to be justified in initiating recovery proceedings invoking the procedure under the Land Revenue Act.

Undisputedly, in the instant cases, the reference petition is pending before the Arbitral Tribunal in reference to the liquidated damages claimed by the respondents. As long as the dispute remained pending adjudication, it was not justified on the part of the respondents to initiate recovery proceedings invoking the procedure under the Land Revenue Act without awaiting the outcome of the arbitral proceedings. Consequently, the appeals succeed and are accordingly allowed.

**LW 73:10:2019**

**THE AUTHORIZED OFFICER, INDIAN BANK v. D. VISALAKSHI & ANR [SC]**
Civil Appeal No.6295 of 2015 with connected appeals.

A.M. Khanwilkar & Dinesh Maheshwari, JJ. [Decided on 23/09/2019]

Brief facts:
The seminal question involved in these appeals is: whether the Chief Judicial Magistrate (for short, “CJM”) is competent to process the request of the secured creditor to take possession of the secured asset under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, “2002 Act”). There are conflicting views of different High Courts on this question. The High Courts of Bombay, Calcutta, Madras, Madhya Pradesh and Uttarakhand have interpreted the said provision to mean that only the Chief Metropolitan Magistrate (for short, “CMM”) in metropolitan areas and the District Magistrate (for short, “DM”) in nonmetropolitan areas are competent to deal with such request. On the other hand, the High Courts of Kerala, Karnataka, Allahabad and Andhra Pradesh have taken a contrary view of the same provision, to mean that it does not debar or preclude the CJM in the nonmetropolitan areas to exercise power under Section 14 of the 2002 Act.

Decision & Reason:
Going by the literal interpretation of Section 14 of the 2002 Act, it does appear that CMM or the DM within whose jurisdiction the secured asset is situated in, is bestowed with the authority to entertain the request of the secured creditor for possession of such secured asset. It also appears that remedy is provided before the designated authority, persona designata. That is the view taken by the High Courts of Bombay, Calcutta, Madras, Madhya Pradesh and Uttarakhand. At the same time, the High Courts of Kerala, Karnataka, Allahabad and Andhra Pradesh have taken a liberal approach and were persuaded to invoke purposive interpretation and give expansive meaning to the expression “CMM”, to include CJM for the nonmetropolitan areas. That has been done in the context of the nature of inquiry required to be conducted by the concerned authority.

Be it noted that Section 14 of the 2002 Act is not a provision dealing with the jurisdiction of the Court as such. It is a remedial measure available to the secured creditor, who intends to take assistance of the authorised officer for taking possession of the secured asset in furthance of enforcement of security furnished by the borrower. The authorised officer essentially exercises administrative or executive functions, to provide assistance to the secured creditor in terms of State’s coercive power to effectuate the underlying legislative intent of speeding the recovery of the outstanding dues receivable by the secured creditor. At best, the exercise of power by the authorised officer may partake the colour of quasi judicial function, which can be discharged even by the Executive Magistrate. The authorised officer is not expected to adjudicate the contentious issues raised by the concerned parties but only verify the compliances referred to in the first proviso of Section 14; and being satisfied in that behalf, proceed to pass an order to facilitate taking over possession of the secured assets.

Applying the principle underlying, it must follow that substitution of functionaries (CMM as CJM) qua the administrative and executive or so to say non-judicial functions discharged by them in light of the provisions of Cr.P.C., would not be inconsistent with Section 14 of the 2002 Act; nay, it would be a permissible approach in the matter of interpretation thereof and would further the legislative intent having regard to the subject and object of the enactment. That would be a meaningful, purposive and contextual construction of Section 14 of the 2002 Act, to include CJM as being competent to assist the secured creditor to take possession of the secured asset.

To sum up, we hold that the CJM is equally competent to deal with the application moved by the secured creditor under Section 14 of the 2002 Act. We accordingly, uphold and approve the view taken by the High Courts of Kerala, Karnataka, Allahabad and Andhra Pradesh and reverse the decisions of the High Courts of Bombay, Calcutta, Madras, Madhya Pradesh and Uttarakhand in that regard.

MATRIX INFO SYSTEMS PVT LTD v. INTEL CORPORATION & ANR [CCI]

Case No. 05 of 2019

A.K. Gupta, U. C. Nahta & Sangeeta Verma. [Decided on 09/08/2019]

Competition Act,2002- section 4- abuse of dominance- India specific warranty policy [ISWP]- discrimination between Indian manufactured goods and parallel imported goods- parallel importers- ISWP not available to parallel imported goods – whether results in restriction to market access- Held, Yes. Investigation ordered.

Brief facts:
The present complaint relates to the “India specific warranty policy” adopted by the OP with respect to its Boxed Micro-Processors which results in restriction to market access for Indian distributors, who are parallel importers.

Decision: Investigation ordered.

Reason:
The Commission prima facie opines that the relevant markets in the present case would be “the market for Boxed Micro-processors for Desktop PCs in the territory of India” and “the market for Boxed Micro-processors for Laptop PCs in the territory of India”.

The Commission notes that in the new warranty policy of Intel for India which came into effect from 25.04.2016, admittedly, the change that has been brought about is that only Intel Boxed Micro-Processors sold by Intel Authorised Distributors
in India and purchased in India are eligible for warranty service in India. Though Intel would continue to provide warranty services on Boxed Micro-processors purchased through sources other than its authorised Indian distributors, unlike in other countries, such warranty service cannot be claimed by the purchasers directly in India by contacting Intel. Instead, the purchaser would have to seek warranty from the seller who, in turn, can contact Intel. This would be so even when the Boxed Micro-Processors of Intel are purchased/ imported in India from an authorised distributor of Intel located outside India.

The Commission notes that under its new India specific warranty policy with regard to Boxed Micro-Processors, Intel does not offer warranty service to consumers in India, on products purchased by them from the parallel importers, even when such parallel imports have been made from authorised distributors of Intel abroad. For claiming service on such warranty, the purchasers have to contact Intel at the place of purchase only.

Thus, the Commission is of the prima facie opinion that the India specific warranty policy of Intel has the potential to lead to denial of market access to the parallel importers and resellers of Intel Boxed Micro-Processors in India, who are competitors of Intel’s Indian authorised distributors. The Commission also notes that the Informant has also made allegations that on some occasions, Intel has even falsely alleged that the Micro-Processors sought to be replaced by the Informant are products of OEMs i.e. Tray Micro-processors to avoid acknowledging the warranty.

The Commission is also of the prima facie opinion that such differentiated warranty policy of Intel in India also limits the choice for the Indian consumers. They may not be able to buy Intel Boxed Micro-processors from multiple sources because Intel would not provide direct warranty service in India if the Boxed Micro-processors are purchased from a seller other than an authorised Indian distributor of Intel in India. Rather, the consumer would have to contact the seller for claiming warranty. Such would be the situation even if the consumers purchase the product from an authorised Intel distributor but from outside India. In such circumstances, the consumers in India would only have the benefit of claiming seller’s warranty and not manufacturer’s warranty, unless they purchase their product from an authorised Intel distributor in India.

In the absence of competition from parallel importers, may lead to the risk of prevalence of higher prices for Intel Boxed Micro-Processors in India. The Commission notes that, from the comparison of rates provide by the informant as on 29.06.2019 of one type of Intel’s Boxed Micro-processor (Intel i3-8300 Micro- processor) offered by Intel’s authorised distributors in India and outside India, Country Price (INR) India 29,610 Japan 18,344 USA 11,307 Germany 11,757. From the above, it can be seen that the rates offered in India for the same product by Intel’s authorised distributors in India is almost 2 times the rates offered by Intel’s authorised distributors outside India.

Therefore, in the prima facie opinion of the Commission, the distinction made by Intel by means of its new India specific warranty policy between the products purchased in India from Intel domestic authorised distributors and those purchased from Intel’s foreign authorised distributors, is prima facie unfair and discriminatory, especially when seen in the light of the fact that such differential treatment is not meted out by Intel in other jurisdictions.

Thus, the Commission is of the view that such conduct and unfair warranty policy of Intel in India, with respect to its Boxed Micro-processors, prima facie amounts to abuse of dominant position by Intel in contravention of the provisions of Section 4 of the Act. The contention of Intel in this regard that it has not denied to provide warranty in India but only ‘warranty service’ in India is of no avail.

Based on the above analysis of the facts and materials presented by the Informant and Intel, the Commission is of the prima facie opinion that the new differentiated India specific warranty policy of Intel in regard to its Boxed Micro-processors is in contravention of Section 4 (2) (a) (i) of the Act. The same also prima facie results in limiting or restricting the market for Boxed Micro-processors for Desktop and Laptop PCs in the territory of India in contravention of Section 4 (2) (b) (i) of the Act as well as results in denial of market access to parallel importers in contravention of Section 4 (2)(c) of the Act. Consequently, the Commission directs the Director General (‘DG’) to cause an investigation into the matter and submit an investigation report.

**LW 75:10:2019**

**INDIAN NATIONAL SHIPOWNERS’ ASSOCIATION v. ONGC [CCI]**

Case No. 01 of 2018

A.K. Gupta, U. C. Nahta & Sangeeta Verma. [Decided on 02/08/2019]

Competition Act,2002-section 4- abuse of dominance- charter hir agreements by ONGC with OSV suppliers- ONGC had the right to terminate the contract without assigning any reason-CHAs terminated from time to time by resorting to this clause-whether abuse of dominance-Held, No.

**Brief facts:**

The Informant is a representative body of various ship owners. The Informant has claimed that ONGC possesses a dominant position in the hiring of OSVs and owing to such dominant position, it had been able to put one-sided clauses in the Charter Hiring Agreement [CHA] in the nature of boiler plate agreements, allegedly not open for negotiations.

Further, the CHAs between ONGC and the respective member companies of the Informant contained certain clauses which were alleged to be onerous in nature and favourable to ONGC. In addition to the above, the Informant alleged that the ONGC issued termination notices for few contracts with its member companies which is indicative of abuse on its part owing to the dominant position held by it. Based on these allegations, the Informant alleged contravention of Section 4(2) (a) (i) of the Act by ONGC.

**Decision:** Dismissed.

**Reason:**

The present case involves allegation against ONGC which is alleged to be a dominant buyer of OSV services. Being the
largest buyer of OSV services, there is high dependence of OSV suppliers on the OP and which in turn vests the OP with significant bargaining/buyer power. Thus, the Commission agrees with the DG’s conclusion that ONGC holds a dominant position in the relevant market for charter hire of OSVs (specifically PSVs and AHTSVs) in the Indian EEZ.

Over the last six years, OSV employment in India clearly indicated that the Indian OSV market is substantially dominated by ONGC as the company accounts for a significant part of offshore oil and gas production in the country. Thus, at the buying end, ONGC possesses a very high market share for drilling rigs which indicates its dominance in the relevant market. In view of the above, the Commission finds ONGC to be dominant in the relevant market for ‘charter hire of OSVs (specifically PSVs and AHTSVs) in the Indian EEZ’.

Having given due regard to the aforesaid rival contentions of the parties, the Commission observes that Section 4(2) (a) (i) primarily covers exploitative conduct within its ambit. While dealing with a case involving exploitative conduct inflicted upon a consumer, the mere existence of such conduct may fulfil the criterion embedded under Section 4(2)(a)(i) of the Act. Thus, the existence of an unfair condition may amount to a contravention of the provisions of Section 4(2) (a) (i) of the Act. However, examination of exploitative conduct which involves imposition of an unfair condition by a dominant enterprise in a B2B transaction is essentially to undertake a fairness or reasonability test, which requires examining both how the condition affects the trading partners of the dominant enterprise as well as whether there is any legitimate and objective necessity for the enterprise to impose such condition. Appreciation of the context and rationale becomes all the more important in the cases of buyer power, lest it increase the risk of large industrial buyers being penalised for what may be an attempt to negotiate competitive terms with suppliers or simply a prudent business decision having pro-competitive effects in the market for the final product in terms of lower prices, larger availability, greater choice etc. Keeping this framework for determination of unfairness in view, the conduct of ONGC is analysed hereunder.

Based on the review of international experience and the Indian legal framework, the Commission observes that a provision of termination for convenience itself is not uncommon and should not generally be construed as unfair or abusive, unless it is specifically used in an unfair manner without meeting the legal tests of ‘good faith’ and ‘change in circumstances’.

Thus, given the risks associated with the operations being carried out by ONGC, the mere existence of a unilateral right of termination for convenience is not found to be in contravention of the provisions of Section 4(2)(a)(i) of the Act. It may, however, be seen as a provision with a potential for abuse; the abuse nonetheless needs to be established in light of its actual implementation.

To conclude, Clause 14.2 of the SCC which gives unilateral right of termination without assigning any reasons to ONGC, in itself is not found abusive given the disproportionate risk that ONGC has to bear in case of such termination by the OSVs; especially when the Commission has found, in the given facts and circumstances, that the invocation of such clause was not in bad-faith. It is unambiguously established by the evidence on record that the conduct of ONGC was driven solely in response to an exceptional change in market conditions. Further, the right of termination for convenience was exercised by ONGC for the first time in thirty years of the existence of such clause in the CHA and there is no evidence that any party has raised any objections to the existence of such clause all this while. Had it been found that ONGC invoked this clause capriciously and/or frequently in order to make illegitimate gains at the expense of the other contracting party, the Commission may have had the occasion to look at this case differently. No such situation seems to exist in the present case. Thus, the Commission is of the considered view that in the present case the conduct of ONGC does not tantamount to an abuse of dominant position within the meaning of Section 4 of the Act. Hence, the case is directed to be closed.

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**Industrial & Labour Laws**

**LW 76:10:2019**

**KARNATAKA POWER TRANSMISSION CORPORATION LTD v. C NAGARAJU & ANR [SC]**

Civil Appeal No. 7279 of 2019 @ SLP (C) No. 25909 of 2013.

L. Nageswara Rao & Hemant Gupta, JJ. [Decided on 16/09/2019]

Employee took bribe during service- criminal prosecution initiated before the Lok Ayukta- acquitted by the court for want of evidence- domestic inquiry also conducted against the by employee- employee dismissed from service- whether correct-Held, Yes.

**Brief facts:**
The Respondent No.1 employee was prosecuted for accepting bribe in a criminal court which acquitted him. Meanwhile the employer petitioner initiated disciplinary proceedings against him and he was dismissed after conducting a domestic inquiry. The respondent challenged his dismissal as illegal on the ground that he has been acquitted by the criminal court on graft charge. The High court allowed the challenge and hence the present appeal before the Supreme Court by the employer.

**Decision:** Appeal allowed.

**Reason:**
Acquittal by a criminal court would not debar an employer from exercising the power to conduct departmental proceedings in accordance with the rules and regulations. The two proceedings, criminal and departmental, are entirely different. They operate in different fields and have different objectives. In the disciplinary proceedings, the question is
whether the Respondent is guilty of such conduct as would merit his removal from service or a lesser punishment, as the case may be, whereas in the criminal proceedings, the question is whether the offences registered against him under the PC Act are established, and if established, what sentence should be imposed upon him. The standard of proof, the mode of inquiry and the rules governing inquiry and trial in both the cases are significantly distinct and different.

In the present case, the prosecution witnesses turned hostile in the criminal trial against Respondent No.1. He was acquitted by the Criminal Court on the ground that the prosecution could not produce any credible evidence to prove the charge. On the other hand, the complainant and the other witnesses appeared before the Inquiry Officer and deposed against Respondent No.1. The evidence available in the Departmental Inquiry is completely different from that led by the prosecution in criminal trial.

Having considered the submissions made on behalf of the Appellant and the Respondent No.1, we are of the view that interference with the order of dismissal by the High Court was unwarranted. It is settled law that the acquittal by a Criminal Court does not preclude a Departmental Inquiry against the delinquent officer. The Disciplinary Authority is not bound by the judgment of the Criminal Court if the evidence that is produced in the Departmental Inquiry is different from that produced during the criminal trial. The object of a Departmental Inquiry is to find out whether the delinquent is guilty of misconduct under the conduct rules for the purpose of determining whether he should be continued in service. The standard of proof in a Departmental Inquiry is not strictly based on the rules of evidence. The order of dismissal which is based on the evidence before the Inquiry Officer in the disciplinary proceedings, which is different from the evidence available to the Criminal Court, is justified and needed no interference by the High Court.

**LW 77:10:2019**

**IFCI LTD v. SANJAY BEHARI & ORS [SC]**

Civil Appeal No.6995 of 2019

Sanjay Kishan Kaul & K.M. Joseph, JJ. [Decided on 17/09/2019]

Voluntary retirement scheme – employees opted and retired in 2008 - later employer came up with pension plan- whether VRS employees entitled to claim pension post VRS-Held, No.

**Brief facts:**
The present dispute pertains to the Voluntary Retirement Scheme (for short “VRS”) of 2008. The contesting respondents in the present case are thirty-one (31) employees of IFCI who availed of the VRS-2008 on 1.2.2008, and were accordingly relieved from duty on 25.2.2008. There is no dispute that all the benefits under the VRS-2008 were made available to these employees.

The issue before the court was limited in its character as it arose from a claim by these employees that they would be entitled to an enhanced pension on the basis of subsequent revision of pay-scales, which was given retrospective effect, with effect from the time period when the respondents were still employees of the IFCI.

**Decision:** Appeal allowed.

**Reason:**
The principle ground for assailing the impugned order is that any scheme for voluntary retirement is a package by itself. One cannot, thus, look to other voluntary retirement schemes, or other rules and regulations for the said purpose.

In our view, there can be no quibble with this fundamental principle. In fact, we had the occasion to recently propound the legal position in this behalf, in National Insurance Special Voluntary Retired/Retired Employees Association & Anr. v. United India Insurance Co. Ltd. & Anr (2018) 18 SCC 186. The view taken is that it is not appropriate to add or subtract from the Scheme, nor can any concessions be given contrary to the Scheme, or if they are not provided for under the Scheme. What is to be seen are the clauses of the scheme under which voluntary retirement has been taken and the terms of the scheme must be strictly followed.

The complete substratum of the reasoning of the impugned order, and for that matter, the arguments of the learned counsel for the private respondents, supporting the reasoning, is based on the presumption that VRS-2001 (in operation from 14.12.2000 to 15.1.2001) was an open ended scheme in character. This, in our view, is a fallacious reasoning, is based on the presumption that VRS-2001 was followed by a fresh Scheme in 2003-2004, and thereafter in 2008. The terms of the Schemes were different. While the 2001 scheme initially, in clause 8.7, provided for a full and final settlement of claims, it is as per a clarification issued on 4.1.2001 that the benefit was extended, to provide for future pay revisions. This was so far as the 2001 Scheme is concerned. Even the 2003-2004 Scheme did not provide such clarification, and the endeavour to take up this issue, through the resolution of the Rajya Sabha Committee was not successful as the IFCI stuck by its original plan. VRS-2008 left no manner of doubt, and possibly, the IFCI was more cautious to, again and again, emphasise through different clauses that it would not be called upon to incur any other financial liability.

No doubt the Pension Regulations referred to aforesaid were specifically included as a benefit under VRS-2008. However, the Pension Regulations and the VRS have to be read harmoniously and, in the context of its inclusion, along with the other terms of the VRS. If we refer to the Pension Regulations, no doubt the date of retirement includes the date on which the employee voluntarily retires, but that would mean that the concerned employee would be deemed to have retired on the date he terminates his relationship with the IFCI. As to how emoluments have to be calculated, it is the average emoluments of the last ten (10) months of his service. This would naturally mean the emoluments received just prior to the termination of the relationship of employment. If we turn to the IFCI Regulations, 1974, more specifically Regulation 33, in the context of retirement under the said Regulations taking their meaning from the 1974 Regulations, it refers to an option with an employee, on attaining 50 years of age, to retire any time by giving the Corporation three months’ notice in writing.
The private respondents cannot claim parity with such people who had retired after full length of service and did not terminate their relationship. We had specifically put a question to the learned counsel for the appellant, as to what would be the position qua persons who may have retired on the same date, on attaining the age of superannuation, as the persons who sought termination of relationship under VRS-2008 with all the benefits. The answer is categorical that such persons have not been paid the benefit of revised pension for the past period.

We must keep in mind that pension is for past services, as elucidated. However, it was not the full tenure, but the tenure was terminated by mutual consent, before it would have reached the end, on superannuation. To grant the private respondents the benefit of pay revision, retrospectively, and that to be taken into account for grant of future pension would be a bounty which cannot be given to these private respondents. The benefit is meant for persons who are actually in service, i.e., serving employees. The endeavour of learned counsel for the respondents to plead that the CTC structure was, in fact, more beneficial and, thus, the benefits were not given retrospectively, of the RBI 2007 pay-scales, made applicable from 1.11.2013, would be of not much use for the reason that even the CTC structure was introduced after the termination of relationship between IFCI and the private respondents.

We are firmly of the view that the present endeavour by the private respondents is a misadventure and has to be rejected without any hesitation. The impugned order of the Division Bench of the High Court is, thus, set aside. The appeal is accordingly allowed.

We are clearly in error in answering question (c). The appeals preferred by the assesses are therefore dismissed and those preferred by the State are against the decision in respect of question (c) are allowed. No costs.

The Punjab & Haryana High Court had held, with respect to questions (a) and (b) that the State is empowered to enact Section 62(5) of the Act and the said provision is legal and valid. The condition of 25% pre-deposit for hearing first appeal is not onerous, harsh, unreasonable and, therefore, violative of Article 14 of the Constitution of India?

(c) Whether the first appellate authority in its right to hear appeal has inherent powers to grant interim protection against imposition of such a condition for hearing of appeals on merits?

The decisions of this Court can broadly be classified in two categories, going by the width and extent of the concerned provisions:-

(a) Under the first category are the cases where, the concerned statutory provision, while insisting on pre-deposit, itself gives discretion to the Appellate Authority to grant relief against the requirement of pre-deposit, itself gives discretion to the Appellate Authority to grant relief against the requirement of pre-deposit if the Appellate Authority is satisfied that insistence on pre-deposit would cause undue hardship to the appellant.

(b) Under the second category are the cases where the statute did not confer any such discretion on the Appellate Authority.

In the light of these principles, the High Court rightly held Section 62(5) of the PVAT Act to be legal and valid and the condition of 25% pre-deposit not to be onerous, harsh, unreasonable and violative of Article 14 of the Constitution of India. Now we turn to question (c) as framed by the High Court and consider whether the conclusions drawn by the High Court while answering said question were correct or not.

It is true that in cases falling in second category, where no discretion was conferred by the Statute upon the Appellate Authority to grant relief against requirement of pre-deposit, the challenge to the validity of the concerned provision in each of those cases was rejected.

The reliance on the principle laid down in *Income Tax Officer v. M.K. Kunhil* 1(1969) 2 SCR 65 cannot go to the extent, as concluded by the High Court, of enabling the Appellate Authority to override the limitation prescribed by the statute and go against the requirement of pre-deposit. The High Court was clearly in error in answering question (c).

In the premises, we accept the conclusions drawn by the High Court as regards questions (a) and (b) are concerned but set aside the view taken by the High Court as regards question (c). The appeals preferred by the assesses are therefore dismissed and those preferred by the State against the decision in respect of question (c) are allowed.
FROM THE GOVERNMENT

- COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) 4th AMENDMENT RULES 2019
- COMPANIES (REGISTRATION OFFICES AND FEES) 5th AMENDMENT RULES 2019
- RELAXATION OF ADDITIONAL FEES AND EXTENSION OF LAST DATE OF FILING OF FORM BEN-2 AND BEN-1 UNDER THE COMPANIES ACT, 2013
- CONSTITUTION OF THE COMPANY LAW COMMITTEE
- NATIONAL FINANCIAL REPORTING AUTHORITY (NFRA) AMENDMENT RULES 2019 DATED 05.09.2019
- REVIEW OF INVESTMENT NORMS FOR MUTUAL FUNDS FOR INVESTMENT IN DEBT AND MONEY MARKET INSTRUMENTS
- POSITION LIMITS IN INTEREST RATE DERIVATIVES (IRD)
- VALUATION OF MONEY MARKET AND DEBT SECURITIES
- RISK MANAGEMENT FRAMEWORK FOR LIQUID AND OVERNIGHT FUNDS AND NORMS GOVERNING INVESTMENT IN SHORT TERM DEPOSITS
- ADDITIONAL COMMODITIES AS ELIGIBLE LIQUID ASSETS FOR COMMODITY DERIVATIVES SEGMENT
- SCHEMES OF ARRANGEMENT BY LISTED ENTITIES AND RELAXATION UNDER SUB-RULE (7) OF RULE 10 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957
1. (1) These rules may be called the Companies (Registration Offices and Fees) Fourth Amendment Rules, 2019.
(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Registration Offices and Fees) Rules, 2014, in the Annexure, in item VII relating to FEE FOR FILING e-Form DIR-3 KYC or DIR-3 KYC-WEB under rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014, after sub-item no. (i), the following Note shall be inserted, namely:-

"Note: For the financial year ended on 31st March, 2019, no fee shall be payable in respect of e-form DIR-3 KYC or DIR-3 KYC-WEB through web service till 14th October, 2019."

K. V. R. MURTY
Joint Secretary

2. In the Companies (Appointment and Qualification of Directors) Rules, 2014, in rule 12A, after the fourth proviso, the following Note shall be inserted, namely:-

"Note: For the financial year ended on 31st March, 2019, the individual shall submit e-form DIR-3 KYC or web form DIR-3 KYC-WEB, as the case may be, on or before the 14th October, 2019."

K. V. R. MURTY
Joint Secretary

1. A Committee to review the offences under the Companies Act, 2013 was constituted vide order No. 2/1/ 2018-CL-V dated 13.07.2018. The report of the Committee was submitted to the Hon'ble Corporate Affairs Minister on 27.08.2018. The report, inter alia, made recommendations for re-categorizing of certain offences into 'civil wrongs', de-clogging the NCLT and also touched upon certain essential elements of corporate governance. On the basis of recommendations made by such Committee and passage of the Companies (Amendment) Act, 2019, relevant changes have been made to the Companies Act, 2013.

2. In line with the Government's objective of promoting Ease of Living in the country by providing Ease of Doing Business to law abiding corporates, fostering improved corporate compliance for stakeholders at large and also to address emerging issues having impact on the working of corporates in the country, it has been decided to constitute a Company Law Committee for examining and making recommendations
3. Accordingly, the Government hereby constitutes the Company Law Committee consisting of the following members:

<table>
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<tr>
<th>s. No.</th>
<th>Name of Person/ Institution</th>
<th>Position</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Secretary, MCA</td>
<td>- Chairman</td>
</tr>
<tr>
<td>2.</td>
<td>Shri T. K. Viswanathan, Ex-Secretary General, Lok Sabha</td>
<td>- Member</td>
</tr>
<tr>
<td>3.</td>
<td>Shri Uday Kotak, MD, Kotak Mahindra Bank</td>
<td>- Member</td>
</tr>
<tr>
<td>4.</td>
<td>Shri Shardul S Shroff, Executive Chairman, Shardul Amarchand Mangaldas &amp; Co.</td>
<td>- Member</td>
</tr>
<tr>
<td>5.</td>
<td>Shri Rajib Chopra, Senior Partner, GSA Associates, New Delhi</td>
<td>- Member</td>
</tr>
<tr>
<td>6.</td>
<td>Shri Rajib Sekhar Sahoo, Principal Partner, SRB &amp; Associates, Chartered Accountants, Bhubaneshwar</td>
<td>- Member</td>
</tr>
<tr>
<td>7.</td>
<td>Shri Ajay Bahl, Founder and Managing Partner, AZB &amp; Partners, Advocates &amp; Solicitors</td>
<td>- Member</td>
</tr>
<tr>
<td>8.</td>
<td>Shri G. Ramswamy, Partner, G. Ramswamy &amp; Co. Chartered Accountants, Coimbatore</td>
<td>- Member</td>
</tr>
<tr>
<td>9.</td>
<td>Shri Sidharth Birla, Chairman, Xpro India Limited</td>
<td>- Member</td>
</tr>
<tr>
<td>10.</td>
<td>Ms. Preeti Malhotra, Group President, Corporate Affairs &amp; Governance, Smart Group</td>
<td>- Member</td>
</tr>
<tr>
<td>11.</td>
<td>Joint Secretary (Policy)</td>
<td>- Member</td>
</tr>
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</table>

4. The terms of reference of the Committee would be as follows:
   i. Analyze the nature of the offences (compoundable and non-compoundable) and submit its recommendation as to whether any of the offences could be re-categorized as ‘civil wrongs’ along with measures to optimize the compliance requirements under the Companies Act, 2013 and concomitant measures to provide further Ease of Doing Business;
   ii. Examine the feasibility of introducing settlement mechanism, deferred prosecution agreement, etc., within the fold of the Companies Act, 2013;
   iii. Study the existing framework under the Limited Liability Partnership Act, 2008 and suggest measures to plug the gaps, if any, while at the same time enhancing the Ease of Doing Business;
   iv. Propose measures to further de-clog and improve the functioning of the NCLT;
   v. Suggest measures for removing any bottlenecks in the overall functioning of the statutory bodies like SFIO, IEPFA, NFRA, etc. under the Act;
   vi. Identify specific provisions under the Companies Act, 2013 and the Limited Liability Partnership Act, 2008 which are required to be amended to bring about greater Ease of Living for the corporate stakeholders, including but not restricted to review of Forms under the two Acts;
   vii. Any other relevant recommendation as it may deem necessary.

5. The Chairperson of the Committee may also invite or co-opt any other practitioners, experts (subject specific) who have knowledge or experience in the field of corporate law and representatives from other Ministries or regulators. The Committee may also consult other stakeholders as part of its deliberations. M/s Vidhi Centre for Legal Policy, which is a not-for-profit organization, shall provide legal research assistance to the Committee.

6. The non-official members of the Committee shall be eligible for travelling, conveyance and other allowances as per extant government instructions, as may be decided by Chairperson of the Committee.

7. The Committee shall submit its recommendations in phases and subject-wise to the Government from time to time as may be decided by the Chairperson of the Committee.

8. The Committee shall initially have a tenure of one year from the date of its first meeting.

9. This issues with the approval of Competent Authority.

PRANAY CHATURVEDI
Deputy Director

05 National Financial Reporting Authority (NFRA) Amendment Rules 2019 Dated 05.09.2019

[Issued by the Ministry of Corporate Affairs vide [F. No. 1/4/2016 CL-I dated 05.09.2019. Published in the Gazette of India Extraordinary, Part - II, Section-3, Sub Section (i)]

In exercise of the powers conferred by sub-sections (2) and (4) of section 132, sub-section (1) of section 139 and subsection (1) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, to amend the National Financial Reporting Authority Rules, 2018, namely:-

1. Short title and commencement.—(1) These rules may be called the National Financial Reporting Authority (Amendment) Rules, 2019.

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

2. In the National Financial Reporting Authority Rules, 2018 (hereinafter referred to as the said rules), in clause (g) of sub-rule (1) of rule 2, after the words “a division”, the words, “including the one headed by the chairperson or a full-time member”, shall be inserted.

3. In the said rules, after clause (c) of sub-rule (1) of rule 3, the following explanation shall be inserted, namely:-

   “Explanation.- For the purpose of this clause, “banking company” includes ‘corresponding new bank’ as defined in clause (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) and clause (b) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980) and ‘subsidiary bank’ as defined in
In the said rules, in rule 5, for the figures, letters and words “30th April every year in such form as may be specified by the Central Government”, the figures, letters and words “30th November every year in Form NFRA-2” shall be substituted.

5. In the said rules, in sub-rule (5) of rule 11, the following provisos shall be inserted, namely:-

“Provided that where the disposal does not take place within the said period, the Division shall record the reasons for not disposing the show-cause notice within the said period, and the chairperson, may, after taking into account the reasons so recorded, extend the aforesaid period by such additional period not exceeding ninety days as he may consider necessary:

Provided further that the chairperson may, if he thinks fit, grant the said extension of period more than once.”.

6. In the said rules, in the Annexure, after Form NFRA-1, the following Form shall be inserted, namely:-

K. V. R. MURTY
Joint Secretary

FORM NFRA-2not published here for want of space. Readers may log on to www.mca.gov.in to Complete Notification.

06 Review of investment norms for mutual funds for investment in Debt and Money Market Instruments

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated 01.10.2019.]


B. Investment in Listed and Unrated Debt instruments

In order to enhance transparency and disclosure for investment in debt and money market instruments by mutual funds, the following has been decided:

1. Mutual fund scheme shall not invest in unrated debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

However, mutual fund schemes may invest in unrated Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unrated NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

2. The implementation of the provisions at paragraph B(1) above would be subject to the following:

a) Timelines and investment limits:

<table>
<thead>
<tr>
<th>Timeline (As on)</th>
<th>31/03/2020</th>
<th>30/06/2020</th>
</tr>
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<tbody>
<tr>
<td>Maximum investment in unrated NCDs as % of the debt portfolio of the scheme.</td>
<td>15%</td>
<td>10%</td>
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b) The existing investments of mutual fund schemes in unrated debt instruments, including NCDs, may be grandfathered till maturity date (as stands as on the date of this circular) of such instruments.

c) All fresh investments in unrated NCDs shall be made only in CPs which are listed or to be listed with effect from one month from the date of operationalization of framework for listing of CPs or January 01, 2020, whichever is later.

d) Extension of maturity or rolling over of existing investments in unrated NCDs shall be subject to the prescribed limits mentioned at paragraph B(2)(a) and the requirements mentioned at paragraph B(1) above.

e) For mutual fund schemes whose existing investments in unrated NCDs are more than the threshold limit as on the timeline mentioned at paragraph B(2)(a), all fresh investments in NCDs by mutual fund schemes, shall only be in listed NCDs till they comply with the above mentioned requirements.

3. For the purpose of the provisions of paragraph B, listed debt instruments shall include listed and to be listed debt instruments.

4. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed with effect from one month from the date of operationalization of framework for listing of CPs or January 01, 2020, whichever is later.

5. Further, investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall be subject to the following:

a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.

b. Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.

c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

d. The existing investments of mutual fund schemes in such instruments in excess of the aforesaid limit of 5% may be grandfathered till maturity date (as stands as on the date of this circular) of such instruments.

C. Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:

1. The investment of mutual fund schemes in the following instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:

a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and

b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.
For the purpose of this provision, ‘Group’ shall have the same meaning as defined in paragraph B(3)(b) of SEBI Circular No.SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016.

2. Investment limits as mentioned in paragraph C(1) above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

3. Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

AMCs may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMCs should initiate necessary steps to ensure protection of the interest of the investors.

4. The existing investments by mutual fund schemes in debt instruments that are not in terms of the provisions of paragraph C may be grandfathered till maturity date (as stands as on the date of this circular) of such debt instruments.

5. Details of investments in debt instruments having structured obligations or credit enhancement features should be disclosed distinctively in the monthly portfolio statement of mutual fund schemes.

D. Sector Level Exposure Limits

1. In partial modification to paragraph 2 on sector exposure as specified in SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017, the following has been decided:

   a. The sector exposure limit has been capped at 20% as against 25%.
   
   b. The additional exposure limits provided for HFCs in financial services sector has been capped at 10% as against 15%. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

   However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme.

   c. Further, appropriate disclosures in this regard shall be made in Scheme Information Document (SID) and Key Information Memorandum (KIM) of debt schemes.

E. Group Level Exposure Limits

1. In partial modification to paragraph B(3)(a) regarding investment limits on group exposure as specified in SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016, the following additional provisions have been decided:

   a. The investments by debt mutual fund schemes in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.

   b. For the purpose of this provision, ‘Group’ shall have the same meaning as defined in paragraph B(3)(b) of SEBI Circular No.SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016.

F. Internal Credit Risk Assessment at the AMC

Paragraph-D of SEBI Circular No.SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, on internal credit assessment is modified as under:

“In order to ensure that mutual funds are able to carry out their own credit assessment of assets and reduce reliance on credit rating agencies, all AMCs are required to have an appropriate policy and system in place to conduct an in-house credit risk assessment/ due diligence of debt and money market instruments/ products at all points of time i.e. before investing in such instruments/ products and also on continuous basis in order to have proper assessment of the credit risk of the portfolio. Further, the internal policy should have adequate provisions to generate early warning signals (including yield based alerts) on deterioration of credit profile of the issuer. Based on the alerts generated, the AMCs shall take appropriate measures and report the same to trustees.”

G. Applicability

1. The provisions at paragraph C shall be effective for all fresh investments with effect from January 1, 2020.

2. The revised exposure limits at sector level as specified in paragraph D shall be applicable as under:

   a. All new schemes and fresh investments by existing schemes shall henceforth be in compliance with the revised exposure limits.

   b. Existing open ended mutual fund schemes shall comply with the revised limits for sector exposure by April 01, 2020.

   c. The investments of existing close ended and interval schemes may be grandfathered. However, if such close ended and interval schemes sell their existing investments, then all fresh investments by such schemes shall be subject to the aforesaid limits.

3. The provisions at paragraph E and F shall be effective from 30th day from the date of this circular.

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

HRUDA RANJAN SAHOO
Deputy General Manager
Position Limits in Interest Rate Derivatives (IRD)

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MRD/CIR/P/2019/103 dated 26.09.2019.]


2. Based on the consultations held with stock exchanges, it has been decided to review the extant position limits in Interest Rate Derivatives as under:

   (i) Banks and Primary Dealers dealing as clients shall have same position limits as are applicable to Trading Members.

   (ii) Institutions belonging to Category I and II FPIs (i.e. other than individuals, family offices and companies) shall have same position limits as are applicable to Trading Members, whereas non-institutions belonging to Category II FPI (i.e. individuals, family offices and companies) shall have same position limits as are applicable to clients.

   (iii) Position limits have been revised for Interest Rate Derivatives falling in 8-11 years residual maturity bucket. The revised position limits for all the buckets shall be as under:

<table>
<thead>
<tr>
<th>Category</th>
<th>Position limits for 8-11 year bucket</th>
<th>Position limits each for 4-8 and 11-15 years bucket</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading members, institutions in Category I and II FPIs (i.e. other than individuals, family offices and companies), banks and Primary Dealers, Mutual Funds (at AMC level), Insurance Companies, Pension Funds and Housing Finance companies</td>
<td>10% of Open Interest or INR1,200 crore whichever is higher</td>
<td>10% of Open Interest or INR 600 crore whichever is higher</td>
</tr>
<tr>
<td>Non-institutions in Category II FPIs (i.e. individuals, family offices and companies), Mutual Fund (Scheme level) and other clients</td>
<td>3% of Open Interest or INR 400 crore whichever is higher</td>
<td>3% of Open Interest or INR 200 crore whichever is higher</td>
</tr>
</tbody>
</table>

3. The provisions of this circular shall come into force with immediate effect.

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.

BITHIN MAHANTA
Deputy General Manager

Valuation of money market and debt securities


1.0 Review of existing provisions on valuation of money market and debt securities:

1.1 SEBI vide various circulars prescribed the guidelines on valuation of money market and debt securities. In order to align these guidelines with best market practices and improve the robustness of valuation of these securities, the following has been decided:

1.1.1 Definition of non-traded, thinly traded and traded money market / debt security:


1.1.1.1 In line with the current industry practice, the present definition of traded and non-traded money market and debt securities needs to be updated.

Accordingly, traded and non-traded money market and debt securities shall be defined as follows:

a. A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognized stock exchanges or The Clearing Corporation of India Ltd. (CCIL). In this regard, the marketable lots shall be defined by AMFI, in consultation with SEBI.

b. A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or there are no trades (in marketable lots) have been reported on any of the aforementioned trade reporting platforms.

1.1.1.2 As the valuation methodology for thinly traded debt securities is same as non-traded debt securities, a separate definition of thinly traded debt securities is not required and stands deleted as provided in aforementioned circular.

1.1.2 Valuation of money market / debt securities, Government Securities, investments in short term deposits (pending deployment) and OTC derivatives:

of SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019

a. In partial modification to the aforesaid circulars, the following has been decided:

i. Amortization based valuation is permitted for money market and debt securities including floating rate securities, with residual maturity of up to 30 days. Further, the amortized price shall be compared with the reference price which shall be the average of the security level price of such security as provided by the agency(ies) appointed by AMFI for said purpose (hereinafter referred to as “valuation agencies”). The amortized price shall be used for valuation only if it is within a threshold of ±0.025% of the reference price. In case of deviation beyond this threshold, the price shall be adjusted to bring it within the threshold of ±0.025% of the reference price.

ii. In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued on amortization basis on the date of allotment / purchase.

iii. Further, with effect from April 01, 2020 onwards, amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued in terms of paragraph 1.1.2.2 below.

1.1.2.2 Valuation of money market and debt securities with residual maturity of over 30 days:


a. In partial modification to the aforesaid circulars, the following has been decided:

i. All money market and debt securities including floating rate securities, with residual maturity of over 30 days shall be valued at average of security level prices obtained from valuation agencies.

ii. In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.

1.1.2.3 Valuation of Government Securities:


a. It is clarified that irrespective of the residual maturity, Government Securities (including T-bills) shall be valued on the basis of security level prices obtained from valuation agencies.

1.1.2.4 Valuation of other money market / debt securities, short-term deposits with banks (pending deployment) and OTC derivatives:

a. The valuation of bills purchased under rediscounting scheme shall be as per the guidelines mentioned for valuation of money market instruments, at paragraphs 1.1.2.1 and 1.1.2.2, as the case may be.

b. Investments in short-term deposits with banks (pending deployment) and repurchase (repo) transactions (including tri-party repo i.e. TREPS) with tenor of up to 30 days, shall be valued on cost plus accrual basis.

c. In order to have uniformity in valuation methodology, prices for all OTC derivatives and market linked debentures shall be obtained from valuation agencies.

1.1.3 Valuation of securities with Put / Call Options:


1.1.3.1 The existing provisions for valuation of securities with call option and securities with put option remain the same. However, in partial modification to the provision on valuation of securities with both put and call options in the aforementioned circular, it has been decided that:

a. Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

i. Identify a ‘Put Trigger Date’, a date on which ‘price to put option’ is the highest when compared with price to other put options and maturity price.

ii. Identify a ‘Call Trigger Date’, a date on which ‘price to call option’ is the lowest when compared with price to other call options and maturity price.

iii. In case no Put Trigger Date or Call Trigger Date (“Trigger Date”) is available, then valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date.

1.1.3.2 If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.

1.1.4 Deletion of various provisions:

1.1.4.1 Considering that valuation has evolved from a matrix based approach to security level pricing, the following
provisions in existing circulars stand deleted:

a. The phrase “The approach in valuation of non traded ……. account for illiquidity risk” under point no. (ii) (b) contained in “Guidelines for valuation of securities for Mutual Funds” in SEBI Circular No. MFD/CIR/8 / 92 / 2000 dated September 18, 2000

b. Paragraphs 3, 4 and 5 of SEBI Circular No. MFD/ CIR No.14/442/2002 dated February 20, 2002

c. Paragraph 2 (V) of SEBI Circular No. SEBI/IMD/ CIR No.16/193388/2010 dated February 02, 2010

2.0 Waterfall approach for valuation of money market and debt securities:

It is decided that for arriving at security level pricing, a waterfall approach shall be followed for the valuation of money market and debt securities.

2.1 AMFI shall ensure that valuation agencies have a documented waterfall approach for valuation of money market and debt securities. The said waterfall approach shall be documented in consultation with SEBI.

2.2 The following broad principles should be adopted as part of the aforesaid waterfall approach, for arriving at the security level prices:

2.2.1 All traded securities shall be valued on the basis of traded yields, subject to identification of outlier trades by the valuation agencies.

2.2.2 Volume Weighted Average Yield (VWAY) for trades in the last one hour of trading shall be used as the basis for valuation of Government Securities (including T-bills). Valuation of all other money market and debt securities (including Government securities not traded in last one hour) shall be done on the basis of VWAY of all trades during the day.

2.2.3 An indicative list of exceptional events shall form part of the documented waterfall approach mentioned above. In case of any exceptional events on a day, only VWAY of trades post such event may be considered for valuation. Further, all exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

2.2.4 All trades on stock exchanges and trades reported on trade reporting platforms till end of the trade reporting time (excluding Inter-scheme transfers), should be considered for valuation on that day. Towards this end, the timing for disclosure of Net Asset Value (NAV) on website of respective AMCs and AMFI, stands extended as per paragraph 3.0 below.

2.2.5 Considering the importance of polling in the valuation process, guidelines shall be issued by AMFI on polling by valuation agencies and on the responsibilities of Mutual Funds in the polling process, as part of the aforesaid waterfall approach. These guidelines shall inter-alia include the following:

2.2.5.1 Valuation agencies shall identify the Mutual Funds who shall participate in the polling process on a particular day, taking into account factors such as diversification of poll submitters and portfolio holding of the Mutual Funds. Mutual Funds who are identified by the valuation agencies shall necessarily participate in the polling process. However, in case any Mutual Fund does not participate in the polling process, detailed reason for the same shall be recorded and made available during SEBI inspections.

2.2.5.2 The minimum number of polls to be considered for valuation along-with the operational modalities of polling, shall be specified.

2.2.5.3 AMCs shall have a written policy, approved by the Board of AMC and Trustees, on governance of the polling process. The aforesaid policy shall include measures for mitigation of potential conflicts of interest in the polling process and shall identify senior officials responsible for polling.

2.2.5.4 AMCs shall ensure that participation in the polling process is not mis-used to inappropriately influence the valuation of securities. The officials of the AMC who are responsible for polling in terms of paragraph 2.2.5.3 above, shall also be personally liable for any mis-use of the polling process.

2.2.5.5 AMCs shall maintain an audit trail for all polls submitted to valuation agencies.

2.3 The aforesaid waterfall approach shall form part of the valuation policy of individual AMCs which is uploaded on their respective websites. AMFI shall ensure that the said waterfall approach is also available on the website of the valuation agencies.

3.0 Extension of time for disclosure of NAV:

Reference: SEBI Circular No. SEBI/IMD/CIR No. 5/63714/06 dated March 29, 2006

3.1 In order to enable consideration of all trades during a day for valuation, it has been decided to extend the present timeline upto 11:00 p.m. for uploading the NAVs of all schemes (except Fund of Fund schemes) on the website of AMFI and respective AMCs.

4.0 Deviation from valuation guidelines:

4.1 As per the Principles of Fair Valuation specified in Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996, AMCs are responsible for true and fairness of valuation and correct NAV. Considering the same, in case an AMC decides to deviate from the valuation price given by the valuation agencies, the detailed rationale for each instance of deviation shall be recorded by the AMC.

4.2 The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees.

4.3 The rationale for deviation along-with details as mentioned under paragraph 4.2 above shall be disclosed immediately and prominently, under a separate head on the website of AMC.
5.0 Valuation of money market and debt securities rated below investment grade:

Reference: Paragraph 2.0 of SEBI Circular No. SEBI/HO/IMD/DF4/ CIR/P/2019/41 dated March 22, 2019 on valuation of money market and debt securities rated below investment grade

5.1 In order to ensure uniformity in classification of securities as below investment grade or default and in the treatment of accrual of interest & future recovery (if any) with respect to such securities, the following has been decided:

5.1.1 Definition of below investment grade and default:

5.1.1.1 A money market or debt security shall be classified as “below investment grade” if the long term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.

5.1.1.2 A money market or debt security shall be classified as “Default” if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to “Default” grade by a CRA. In this respect, Mutual Funds shall promptly inform to the valuation agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.

5.1.2 Treatment of accrued interest, future interest accrual and future recovery:

5.1.2.1 The treatment of accrued interest and future accrual of interest, in case of money market and debt securities classified as below investment grade or default, is detailed below:

a. The indicative haircut that has been applied to the principal should be applied to any accrued interest.

b. In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.

5.1.2.2 The following shall be the treatment of how any future recovery should be accounted for in terms of principal or interest:

a. Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.

b. Any recovery in excess of the carried value (i.e. the value recognized in NAV) should then be applied first towards amount of interest written off and then towards amount of principal written off.

6.0 Review of provisions referring to Non-Performing Assets:

6.1 Considering that as per the Principles of Fair Valuation, valuation has to be reflective of the realizable price, the concept of Non-Performing Assets (NPAs) may not be relevant for the Mutual Fund industry. It has thus been decided to appropriately modify all regulatory provisions referencing NPAs. Accordingly, the following modifications are made to extant SEBI circulars:


6.1.2 The term “NPA” as per SEBI Circular No. MFD/ CIR/6/73/2000 dated July 27, 2000 shall be replaced with “securities classified as below investment grade or default”. Further, the term “NPA” as per SEBI Circular No. SEBI/MFD/CIR No.05/12031/03 dated June 23, 2003 shall be replaced with “exposure to securities classified as below investment grade or default”.

6.1.3 Paragraph 2 of SEBI Circular No. MFD/CIR/05/432/2002 dated June 20, 2002 shall be modified as follows:

Treatment and disposal of illiquid securities or securities classified as default at the time of maturity / closure of schemes

In case of close-ended schemes, some of the investments made by Mutual Funds may become default at the time of maturity of schemes. Further, at the time of winding up of a scheme, some of the investments made by Mutual Funds may become default or illiquid. In due course of time i.e. after the maturity or winding up of the schemes, such investments may be realised by the Mutual Funds. It is advised to distribute such amount, if it is substantial, to the concerned investors. In case the amount is not substantial, it may be used for the purpose of investor education. The decision as to the determination of substantial amount shall be taken by the Trustees of Mutual Funds after considering the relevant factors including number of investors, amount recovered, cost of transferring funds to investors; among others.

6.1.4 In the format of the abridged scheme-wise annual report format prescribed vide SEBI Circular No. SEBI/ IMD/CIR No.8/132968/2008 dated July 24, 2008, under notes to accounts, the term “NPA” shall be replaced with “securities classified as below investment grade or default”.

6.1.5 With respect to the notes below the portfolio format prescribed vide SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000, the modifications shall be as under:

a. In point 2, the term “NPA” shall be replaced with “below investment grade or default”.

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b. Point 4 (a) shall be replaced as follows:

If a security is in default beyond its maturity date, then disclosure to this effect shall be provided. Such disclosure shall include details of the security including ISIN, name of security, value of the security considered under net receivables (i.e. value recognized in NAV in absolute terms and as % to NAV) and total amount (including principal and interest) that is due to the scheme on that investment. Further, this disclosure shall continue till the value of the security recognized in the NAV is received or for a period of 3 years from the date of maturity of security, whichever is later.

7.0 Use of own trade for valuation:

7.1 Various instances have come to notice wherein Mutual Funds have used their own trades of relatively small quantity in order to value the entire holding of such security.

7.2 In order to address possible mis-use as mentioned above, Mutual Funds shall not use their own trades for valuation of debt and money market securities and for Inter-scheme transfers.

8.0 Inter-scheme transfers (IST):

8.1 With respect to Inter-scheme transfers, it has been decided that:

8.1.1 AMCs shall seek prices for IST of any money market or debt security (irrespective of maturity), from the valuation agencies.

8.1.2 AMFI, in consultation with valuation agencies shall decide a turn-around-time (TAT), within which IST prices shall be provided by the agencies.

8.1.3 If prices from the valuation agencies are received within the pre-agreed TAT, an average of the prices so received shall be used for IST pricing.

8.1.4 If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing.

8.1.5 If prices are not received from any of the valuation agencies within the agreed TAT, AMCs may determine the price for the IST, in accordance with Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996.

9.0 Changes in terms of investment:

9.1 While making any change to terms of an investment, Mutual Funds shall adhere to the following conditions:

9.1.1 Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.

9.1.2 Any extension in the maturity of a money market or debt security shall result in the security being treated as “Default”, for the purpose of valuation.

9.1.3 If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as “Default” for the purpose of valuation.

9.1.4 Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

10.0 Valuation and disclosure of upfront fees:

10.1 Guidelines for valuation of any upfront fee (or any other consideration, by whatever name called) received in a Mutual Fund scheme, shall be issued by AMFI, in consultation with SEBI.

11.0 Guidelines for investments in partly paid debentures

11.1 Guidelines for investment by Mutual Funds in partly paid debentures shall be issued by AMFI, in consultation with SEBI.

12.0 Guidelines to be issued by AMFI:

12.1 The guidelines to be issued by AMFI, in consultation with SEBI under paragraphs 1.1.1.1.a, 2.1, 10 & 11 above shall necessarily be followed by all Mutual Funds / AMCs. Any future changes to these guidelines shall be made by AMFI in consultation with SEBI, prior to implementation.

12.2 Further, AMFI shall submit the aforementioned guidelines to SEBI, within 15 days from date of issuance of this circular.

13.0 Applicability:

13.1 Paragraphs 1 (other than para 1.1.2.4 (c) and 1.1.3), 3, 4, 5, 6, 7, and 9 shall be applicable with immediate effect.

13.2 Paragraphs 1.1.2.4 (c), 1.1.3 and 8 shall be applicable within 90 days of issuance of this circular.

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

LAMBER SINGH
Deputy General Manager
1. Liquid funds shall hold at least 20% of its net assets in liquid assets. For this purpose, ‘liquid assets’ shall include Cash, Government Securities, T-bills and Repo on Government Securities.

In case, the exposure in such liquid assets falls below 20% of net assets of the scheme, the AMC shall ensure compliance with the above requirement before making any further investments.

2. Liquid Funds and Overnight Funds shall not park funds pending deployment in short term deposits of scheduled commercial banks.

3. Liquid Funds and Overnight Funds shall not invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating). However, debt securities with government guarantee shall be excluded from such restriction.

4. Mutual Fund shall levy exit load on investors who exit the Liquid Fund within 7 days of their investment. The same shall be effective for all fresh investments from 30th day from the date of this circular. It is further clarified that the aforesaid requirement to levy exit load shall not be applicable to any investments made in liquid funds prior to 30th day from the date of this circular.

To ensure uniformity across the industry, AMFI is advised to prescribe the minimum exit load in a liquid fund on a graded basis as specified above in consultation with SEBI.

5. The cut-off timings for applicability of Net Asset Value (NAV) in respect of purchase of units in liquid and overnight funds shall be 1:30 p.m. instead of 2:00 p.m. Accordingly, paragraph B-2 (a) of SEBI Circular No. Cir/IMD/DF/19/2010 dated November 26, 2010 stands modified.

B. Investment and advisory fees for parking of funds in short term deposits

1. In partial modification to SEBI Circular No. SEBI/IMD/CIR/No.1/91171/07 dated April 16, 2007, paragraph 6 on charging of investment management and advisory fees shall read as under:

   “6. Asset Management Company (AMC) shall not be permitted to charge investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.”

C. Applicability

1. The provision at paragraph A-1 shall be effective from April 1, 2020.

2. The provision at paragraph A-2 and A-3 shall be effective for all fresh investments with immediate effect. Existing investments in this regard shall be grandfathered.

3. The provisions at paragraph A-5 and B-1 shall be effective from 30th day from the date of this circular.

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

HRUDA RANJAN SAHOO
Deputy General Manager

Additional commodities as Eligible Liquid Assets for Commodity Derivatives Segment

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/CDMRD/DRMP/CIR/P/2019/100 dated 13.09.2019.]

1. SEBI vide circular CIR/CDMRD/DRMP/01/2015 dated October 01, 2015 prescribed Risk Management Framework for Commodity Derivatives Segment. The said circular prescribed various norms inter-alia covering types of liquid assets, along with applicable minimum haircut and concentration limits, which Clearing Corporations (CC) may accept from their members. Further vide Circular SEBI/HO/CDMRD/DRMP/CIR/P/2016/112 dated October 14, 2016 the concentration limit for Bullion as a collateral was revised to 30%.

2. Currently the list of commodities/commodity groups permitted as Liquid Assets consists of Bullion, Steel and Agricultural commodities. Considering the introduction of compulsory delivery based Diamond and Base metal derivatives contracts and feedback received from the stakeholders, it has been decided to include Diamond, Base metals and Alloys in the list of permissible liquid assets, subject to concentration limits for non-bullion collateral as specified vide SEBI Circular dated October 14, 2016 and Minimum Haircut as mentioned below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Minimum Haircut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base metals and Alloys*</td>
<td>30%</td>
</tr>
<tr>
<td>Diamond</td>
<td>40%</td>
</tr>
</tbody>
</table>

*Steel being an Alloy, minimum haircut stipulated for Steel stands revised from current applicable level of 60% to 30%.

3. All commodities to be accepted as collateral should be of same quality specification which is deliverable under the contract specification of commodity derivatives being traded on the Exchange.

4. All other extant provisions with regard to Liquid Assets shall continue to be in force.

5. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with 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.

6. This circular shall be effective from the date of the circular.

7. This circular is available on SEBI website at www.sebi.gov.in under ‘Circulars’ and ‘Info for Commodity Derivatives’ section.

PRIYANKA MAHAPATRA
Deputy General Manager
Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/DIL/1/CIR/P/2019/192 dated 12.09.2019.]


2. In order to streamline the processing of draft schemes, it has been decided to seek additional information further, at one go. The amendment to the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, in relation to payment of outstanding dues of SEBI, Stock exchanges and the Depositories is as provided in the Annexure.

3. The recognized stock exchanges are directed to:
   i. bring the provisions of this circular to the notice of the listed companies and also to disseminate the same on their website.
   ii. communicate to SEBI the status of implementation of the provisions of this circular through monthly development report.

4. This circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulations 11, 37 and 94 read with Regulation 101(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19(7) of Securities Contracts (Regulation) Rules, 1957 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

5. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework/Circulars”.

YOGITA JADHAV
Deputy General Manager

Annexure

Amendment to Circular No.CFD/DIL3/CIR/2018/2 dated March 10, 2017 (‘the circular’)

1. Insertion of Para 11
   Following para shall be inserted after Para 10.

UNPAID DUES REPORT

   a. All listed entities shall ensure that all dues to, and/or fines/penalties imposed by SEBI, Stock Exchanges and the Depositories have been paid/settled before filing the draft scheme with the designated stock exchange.

   b. In case of unpaid dues / fines / penalties, the listed entity shall submit to stock exchanges a ‘Report on the Unpaid Dues’ which shall contain the details of such unpaid dues in the format given in Annexure B to this Circular, prior to obtaining Observation Letter from stock exchanges on the draft scheme.

   c. The report on unpaid dues as mentioned above, shall be submitted by listed entity to the stock exchanges along with the draft scheme.

2. Any misstatement or furnishing of false information with regard to the said information shall make the listed entity liable for punitive action as per the provisions of applicable laws and regulations.

3. Amendment to Para I B
   Following para shall be inserted in Para 1 B, Sr. No.5

5. The ‘Unpaid Dues Report’ shall be forwarded by the Stock Exchanges to SEBI before SEBI communicates its comments on the Draft Scheme to the Stock Exchanges. Such report shall be submitted as per the format specified at Annexure B.

ANNEXURE B

FORMAT FOR REPORT ON UNPAID DUES

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Particulars</th>
<th>Details of dues/fine</th>
<th>Amount</th>
<th>Reason for non payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Pending Dues of SEBI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Pending Dues of Stock Exchanges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Pending Dues of Depositories</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Swift India Private Limited having its registered office at Level 2 Raheja Centre Point, 294, CST Road, Near Mumbai University, Kalina, Santacruz (E) Mumbai-400098, Maharashtra requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs @ Alejandra.GUTIERREZ-CAZARES@swift.com.
NEWS FROM THE INSTITUTE

MEMBERS RESTORED DURING THE MONTH OF AUGUST 2019
CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF AUGUST 2019
ATTENTION! MEMBERS HOLDING CERTIFICATE OF PRACTICE
ATTENTION! MEMBERS
ATTENTION! KNOW YOUR MEMBER (KYM)
THE LAST DATE FOR PAYMENT OF CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2019-20
RESTORATION OF MEMBERSHIP
ATTENTION! MEMBERS WHO HAVE NOT PAID THE ANNUAL MEMBERSHIP FEE BY LAST DATE 30-06-2019
MANDATORY PEER REVIEW FOR CERTIFICATIONS AND AUDIT SERVICES
OBITUARIES
MEMBERS RESTORED DURING THE MONTH OF AUGUST 2019

<table>
<thead>
<tr>
<th>S. NO.</th>
<th>A/F</th>
<th>MEM. NO.</th>
<th>NAME</th>
<th>REGN.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
<td>16223</td>
<td>MS. PARAMITA SANYAL</td>
<td>EIRC</td>
</tr>
<tr>
<td>2</td>
<td>A</td>
<td>39462</td>
<td>MS. RITU SINGHAL</td>
<td>NIRC</td>
</tr>
<tr>
<td>3</td>
<td>A</td>
<td>17953</td>
<td>MS. ARPITA MUKHERJEE</td>
<td>SIRC</td>
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<tr>
<td>4</td>
<td>A</td>
<td>12980</td>
<td>SH. AMIT DALMIYA</td>
<td>WIRC</td>
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<tr>
<td>5</td>
<td>A</td>
<td>49461</td>
<td>MS. KANTA</td>
<td>NIRC</td>
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<tr>
<td>6</td>
<td>A</td>
<td>40245</td>
<td>MS. SARITA CHAURASIA</td>
<td>NIRC</td>
</tr>
<tr>
<td>7</td>
<td>A</td>
<td>24040</td>
<td>MS. NEHA SHARMA</td>
<td>NIRC</td>
</tr>
<tr>
<td>8</td>
<td>A</td>
<td>37884</td>
<td>MS. ARUSHI JINDAL</td>
<td>NIRC</td>
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<tr>
<td>9</td>
<td>A</td>
<td>52984</td>
<td>MS. AKSHAY SHIDAPPA BAHIRWADE</td>
<td>WIRC</td>
</tr>
<tr>
<td>10</td>
<td>A</td>
<td>36174</td>
<td>MS. NEMALIKANTY ANURADHA</td>
<td>SIRC</td>
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<tr>
<td>11</td>
<td>A</td>
<td>7227</td>
<td>SH. D K PANKHI</td>
<td>WIRC</td>
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<tr>
<td>12</td>
<td>A</td>
<td>29229</td>
<td>MRS. ADEEBA KERIWALA</td>
<td>WIRC</td>
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<tr>
<td>13</td>
<td>A</td>
<td>29511</td>
<td>MR. AALAP KIRI</td>
<td>WIRC</td>
</tr>
<tr>
<td>14</td>
<td>A</td>
<td>21489</td>
<td>SH ANKESH GOYAL</td>
<td>NIRC</td>
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<tr>
<td>15</td>
<td>A</td>
<td>11360</td>
<td>SH. SATISH KUMAR GOLA</td>
<td>NIRC</td>
</tr>
<tr>
<td>16</td>
<td>A</td>
<td>15059</td>
<td>MS. MEENA GUPTA</td>
<td>NIRC</td>
</tr>
<tr>
<td>17</td>
<td>A</td>
<td>41246</td>
<td>MS. MADHURI VIJAYKUMAR GURWANI</td>
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</tr>
<tr>
<td>18</td>
<td>A</td>
<td>13074</td>
<td>SH. RAJ KUMAR YADAV</td>
<td>SIRC</td>
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<tr>
<td>19</td>
<td>A</td>
<td>33453</td>
<td>MR. DEVENDRA KUMAR GUPTA</td>
<td>WIRC</td>
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<tr>
<td>20</td>
<td>A</td>
<td>39817</td>
<td>MR. NELSON MANDELA</td>
<td>NIRC</td>
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<tr>
<td>21</td>
<td>A</td>
<td>29627</td>
<td>MS. SHUBHRA SINGH</td>
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</tr>
<tr>
<td>22</td>
<td>F</td>
<td>4344</td>
<td>SH. V KISHORE KUMAR</td>
<td>SIRC</td>
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<tr>
<td>23</td>
<td>A</td>
<td>19281</td>
<td>MS. RENU SHARMA</td>
<td>NIRC</td>
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<tr>
<td>24</td>
<td>A</td>
<td>12634</td>
<td>SH. SUBHASH CHANDRA</td>
<td>NIRC</td>
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<tr>
<td>25</td>
<td>A</td>
<td>25933</td>
<td>MS. CHANDNI GUPTA</td>
<td>NIRC</td>
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<td>26</td>
<td>A</td>
<td>35616</td>
<td>MS. MONIKA RATHI</td>
<td>NIRC</td>
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<tr>
<td>27</td>
<td>A</td>
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<td>MS. GEETANJALI GUPTA</td>
<td>NIRC</td>
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<tr>
<td>28</td>
<td>A</td>
<td>23176</td>
<td>MS. MEENAKSHI RANA</td>
<td>SIRC</td>
</tr>
<tr>
<td>29</td>
<td>A</td>
<td>43237</td>
<td>MR. CHETAN PANIA</td>
<td>NIRC</td>
</tr>
</tbody>
</table>

CERTIFICATE OF PRACTICE SURRENDERED DURING THE MONTH OF AUGUST 2019

<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>NAME</th>
<th>ACS/FCS NO.</th>
<th>COP NO.</th>
<th>REGN.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MS. NEHA GUPTA</td>
<td>A-56428</td>
<td>21214</td>
<td>NIRC</td>
</tr>
<tr>
<td>2</td>
<td>MS. HARSHA BUKALSAARIA</td>
<td>A-31544</td>
<td>11836</td>
<td>EIRC</td>
</tr>
<tr>
<td>3</td>
<td>MR. VICTOR JOHN URUVATH</td>
<td>A-50282</td>
<td>22073</td>
<td>SIRC</td>
</tr>
<tr>
<td>4</td>
<td>MS. KASHMI SAKARIA</td>
<td>A-51418</td>
<td>20147</td>
<td>WIRC</td>
</tr>
<tr>
<td>5</td>
<td>MS. MAHUA SINGHA</td>
<td>A-45622</td>
<td>16731</td>
<td>EIRC</td>
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<tr>
<td>6</td>
<td>MS. PRATHAMA NITIN GANDHI</td>
<td>A-46385</td>
<td>21136</td>
<td>WIRC</td>
</tr>
<tr>
<td>7</td>
<td>MR. SRIKANTH GODAVARTHI</td>
<td>F-9130</td>
<td>21315</td>
<td>SIRC</td>
</tr>
<tr>
<td>8</td>
<td>MS. MEGHA SARAF</td>
<td>A-39062</td>
<td>18725</td>
<td>EIRC</td>
</tr>
<tr>
<td>9</td>
<td>MS. RICA PAREEK</td>
<td>A-53039</td>
<td>21374</td>
<td>NIRC</td>
</tr>
</tbody>
</table>
### ATTENTION! DIGITAL I-CARD FOR MEMBERS

You may be aware that the National Digital Locker System, launched by Govt. of India, is a secure cloud based platform for storage, sharing and verification of documents and certificates. Targeted at the idea of paperless governance, DigiLocker is a platform for issuance and verification of documents & certificates in a digital way, thus eliminating the use of physical documents. Digital locker also makes it easier to validate the authenticity of documents as they are issued directly by the registered issuers. Organizations that are registered with Digital Locker can push electronic copies of documents and certificates directly into citizens’ lockers.

Members of ICSI can now access their digital I-Card anytime, anywhere. This is convenient and time saving. ICSI has launched this initiative on 5th Oct 2019 in the presence of Honourable President of India by making available Identity Cards online for its members.

You may access the DigiLocker in the following manner:

- Go to https://digilocker.gov.in and click on Sign Up
- You may download mobile app from mobile store (Android/IOS)

#### How to Login:

- Signing up for DigiLocker is easy - all you need is your mobile number.
- Your mobile number will be authenticated by sending an OTP (one-time password) followed by selecting a username & password. This will create your DigiLocker account.
- After your DigiLocker account is successfully created, you can voluntarily provide your Aadhaar number (issued by UIDAI) to avail additional services.

#### How to Access your digital Documents:

On successful validation of credential go to the “Pull Documents” in Issued document section, select the partner name “The Institute of Company Secretaries of India” & document type “Identity Card” and enter the document details asked for and fetch the same.

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### ATTENTION! MEMBERS

For latest admission of Associate and Fellow Members, Life Members of Company Secretaries Benevolent Fund (CSBF), Licentiates and issuance of Certificate of Practice, kindly refer to the link [https://www.icsi.edu/member](https://www.icsi.edu/member)

### ATTENTION! Know Your Member (KYM)

A User Manual for filling the Know Your Member (KYM) proforma online is available at the below link: [https://www.icsi.edu/Portals/0/Manual/KYM_Usermanual.pdf](https://www.icsi.edu/Portals/0/Manual/KYM_Usermanual.pdf)

### ATTENTION! ADVISORY FOR MEMBERS OF ICSI

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

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

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

Team ICSI
Mandatory Peer Review for Certifications and Audit Services

The Council at its 263rd (Special) meeting held on 23rd September, 2019, has issued Guidelines for mandatory Peer Review for Certification and Audit services as under:

<table>
<thead>
<tr>
<th>Services</th>
<th>Applicability</th>
<th>Effective date (w.e.f.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification of Annual Return in terms of Section 92 (2) of the Companies Act, 2013</td>
<td>Top 100 companies as per market capitalization as on 31st March, 2020</td>
<td>April 1, 2020</td>
</tr>
<tr>
<td>Issuance of Compliance Certificate under Schedule V, Clause E of SEBI (LODR) Regulations, 2015</td>
<td>Top 500 companies as per market capitalization as on 31st March, 2021</td>
<td>April 1, 2021</td>
</tr>
<tr>
<td>Issuing half yearly Share Capital Reconciliation Certificate under Regulation 40 (9) of SEBI (LODR) Regulation, 2015</td>
<td>all listed companies</td>
<td>April 1, 2022</td>
</tr>
<tr>
<td>Issuing quarterly Share Capital Reconciliation Certificate under Regulation 76 of SEBI (Depository Participants) Regulation, 2018</td>
<td>all companies</td>
<td>April 1, 2023</td>
</tr>
<tr>
<td>Conducting of Internal Audit of Operations of the Depository Participants</td>
<td></td>
<td>April 1, 2020</td>
</tr>
</tbody>
</table>
RESTORATION OF CERTIFICATE OF PRACTICE

The process of Restoration of Certificate of Practice is now enabled for the members who could not pay the COP fees by the due date i.e. 30-09-2019.

The certificate of practice fee and restoration fee payable is as follows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Associate (admitted till 31.03.2018)</th>
<th>Associate (admitted on or after 01.04.2018)</th>
<th>Fellow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate of Practice fee*</td>
<td>Rs. 2360</td>
<td>Rs. 1770</td>
<td>Rs. 2360</td>
</tr>
<tr>
<td>Restoration fee**</td>
<td>Rs. 295</td>
<td>Rs. 295</td>
<td>Rs. 295</td>
</tr>
</tbody>
</table>

* Fee inclusive of applicable GST@18%.
** Fee inclusive of applicable GST@18% and applicable as certificate of practice fee is not received by 30th September, 2019

MODE OF REMITTANCE OF RESTORATION OF COP FEE: ONLINE ONLY

Procedure for filling Online Form D:
1. Kindly go to Manage Account. Select Online Form D. Fill the form and keep a copy of the same for your records. Fill the form stepwise
2. First fill the Personal detail and click the save as draft
3. Second go to Area of practice, select the radio buttons of your area of interest and click the save as draft
4. In Verification details click the save as draft (this page is important) and please fill all the mandatory fields which is marked as blue
5. Last page is Declaration, fill the place option and click the save as draft option.
6. At the end please click the ‘Final save & Print’ button and keep a copy of form-D for your records*

Procedure for payment of Restoration of COP fee:
1. Go to Manage Account and select the first option “Requests relating to COP”
2. Select the button Restoration of COP
3. Select the button online form D (at the Top)
4. You will get a message “You have already submitted the declaration for the financial year”
5. Please write in the Comment box (mandatory box)
6. Remit the payment online*

*(Members admitted on or after 01.4.2018 shall pay Rs. 2065/- while members admitted before 01.04.2018 shall pay Rs. 2655/- (all amount inclusive of GST @ 18%).

For any support you may reach out to us at http://support.icsi.edu.

NOTIFICATION

NOTIFICATION (MEMBERSHIP) NO. 01 OF 2019

20th September, 2019

Allotment of new unique code in case of change of state of practicing firms

Members of the Institute may note that as per the decision of the Council, a new Unique Code will be allotted to practising units in case there is a change in the place of the practice unit from one state to another. It will be the responsibility of the practising firm to intimate the Institute about such a change within thirty days after the change is effected. It will be mandatory for all such firms to use the old unique code along with the new code for a period of three years from the date of allotment of new code in all their communications/correspondences for the purpose of link and reference.

ICSI
RESTORATION OF MEMBERSHIP

The members can restore their membership online only by making an application in Form BB (available on the website of the Institute www.icsi.edu) together with payment of the annual membership fee for the year 2019-2020 including GST@18% (Associates admitted on or after 1-4-2018 – Rs. 1770/-, Associates admitted till 31-03-2018 – Rs. 2950/- and Fellow – Rs. 3540/-) with the entrance fee of Rs. 2360/- and restoration fee of Rs. 295/-.

MODE OF REMITTANCE OF FEE

The fee can be remitted through ONLINE mode only using the payment gateway of the Institute’s website www.icsi.edu through members’ login portal. Payment made through any other mode will not be accepted.

Steps to make online payment for Retoration of Membership

- Login to portal www.icsi.edu
- Click Online services in the Menu and then click on Member
- Fill the User name: Enter your membership no. (eg. A1234)
- Password. Fill the password. In case you do not have a password, you may retrieve the password in case your email id and mobile number is correctly registered (you can check at https://www.icsi.edu/member/members-directory/) in the Institute’s record.
- You may use ICSI service portal at http://support.icsi.edu. One of the reasons of not getting the password on retrieval could be that you may have blacklisted ICSI email account: dnr@icsi.edu. To whitelist the same, you may send a request to member@icsi.edu that you have inadvertently blacklisted ICSI email account and desire to whitelist the same.
- After login, go to Members Option (from top menu) then click on Manage Account à Restoration of Membership for FY2019-20 only(on the left side under Place your Request)
- Click on proceed for payment.

For specific assistance raise a ticket at http://support.icsi.edu

ATTENTION! MEMBERS

The CD containing List of Members of ICSI as on 1st April, 2019 is available in the Institute on payment of Rs. 280/-* for members and Rs. 560/-* for non-members (*including GST@12%). Request along with payment may please be sent to Joint Secretary (SG), Directorate of Membership, ICSI House, C-36, Sector-62, Noida-201309. For queries if any, please write to member@icsi.edu

For specific assistance raise a ticket at http://support.icsi.edu

ANNOUNCEMENT

In line with the Green Initiatives and the Ministry of Corporate Affair’s Circular No. 18/2011 (No. 17/95/2911-CL.V dated April 29, 2011) requiring companies to send Balance Sheet and Auditors Report etc. to their members through electronic mode and pursuant to the decision of the Council of the Institute, the Annual Report of the Council for the Financial Year 2018-19, has been sent to all the members of the Institute through electronic mode on 30th September, 2019. The Annual Report has also been hosted on the website of the Institute on link: https://www.icsi.edu/media/webmodules/ICSI_Annual_Report_2018_2019.pdf

OBITUARIES

ICSI CONDOLES SAD DEMISE OF CS D B SAXENA, PAST PRESIDENT OF ICSI

The Institute of Company Secretaries of India is deeply saddened to inform sad demise of CS D B Saxena, Past President, ICSI on 7th October, 2019 in Pune. He was one of the illustrious Past Presidents of the Institute and had brought glory to our profession through his dedicated work.

He was a person of vision with commitment for professional excellence.

ICSI conveys it condolences to the bereaved family members of respected CS Saxena.

May the departed soul rest in Peace.
MISCELLANEOUS CORNER

- ETHICS & SUSTAINABILITY CORNER
- ICSI (EMPLOYEE COMPANY SECRETARIES IDENTIFICATION NUMBER (ECSIN) GUIDELINES), 2019
- ICSI UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN) GUIDELINES, 2019
- BOOK REVIEW
- 12TH SOUTHERN INDIA REGIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES
- GST CORNER
- ICSI TEACHERS WEEK
Sitting idle in a garden, under an apple tree and virtually thinking no-thing, Newton must be having the best relaxation time of his life, before the apple dropped on his head, and from there started a series of questioning, reasoning, experiment and discovery of Law of Gravitation. It doesn't mean that the law of gravitation was not existing before Newton discovered it, or that it will only work for those who understand it. It works equally for everyone, whether one knows about it or not. However, although gravity existed even before it was understood as a law, but its utility was found after the law was understood. Similar to the Law of Gravitation, there are many other laws which are spiritual in nature, and which govern our lives. It is also clear to us that whether we understand those laws or not, they are still going to work. However, understanding of these laws help us in the following ways:

1. Accepting the output as per the law, for the input we gave
2. Determining what input should be given to derive the desired output.

Out of the many spiritual laws of nature, one of the most talked about law is the least understood. As per that law, what gives exactly as much as it takes? What goes around and comes around? What shows an effect but hides its cause? It is known as: KARMA. Represented as a blind folded Greek Goddess Themis, holding a balance in one hand and a sword in another, this law is absolutely fair and equal for everyone. The blind fold symbolises the ability of the goddess Themis to foresee the future, not through these physical eyes but through the 3rd eye of wisdom. The balance in one hand is to showcase that the decisions taken by the goddess are just and equal. The sword in the other hand is to indicate that the goddess is able to cut fact from friction.

The law of karma states that whatever act we perform, creates a result of the same quality. The actions are the cause while the result is the effect. This result is nothing but our destiny. So, it wouldn't be incorrect to say that we are the creators of our own destiny. Although, it is said that the destiny is fixed, but we are the ones fixing it for ourselves right now. Once the action has been done, it cannot be undone and thus it becomes fixed, later.

But the philosophy of karma goes quite deeper than usually perceived.

**Understanding the Law of Karma:**

1. We generally consider acts done physically as karma. But how does it all start? Consider the construction of a building. Do you think that when a building was being constructed, it was being built for the first time? No! Before constructing the building, it was created or built on paper as a plan. And before that it was created or built in the mind of the architect. So, the construction was actually the creation for the third time in this case. Similarly, whatever we do or say, is not the first creation of ours. Thus sometimes, what we think or create in our mind, even though we don’t execute it, gets counted as our karma when counted as total and it eventually shapes our physical karma as well. Moreover, our thoughts, words and deeds fall on a wide spectrum between pure and impure. The consequences occur in the immediate short term, mid-term and long term. They affect your body, mind, wealth, relationships, circumstances, opportunities etc. Sometimes we do not see the connections, and do not recognize that we are experiencing the consequences of a wrong attitude, or wrong action, or set of actions we did or are continuing to do, in this life. Needless to say, we should be more cautious about what we think. This is our subtle karma, where physical actions are not involved and the acts done are not seen but felt by the originator and by one for whom the act was intended. If we are thinking negative about someone, and speak good to him on his face, the total karma is not just what

What we think or create in our mind, even though we don’t execute it, gets counted as our karma when counted as total and it eventually shapes our physical karma as well.

If we have created a karmic account with someone, even after we change our respective bodily dress, we still owe the account.
If whatever is happening to me now is because of my past actions, the soul which is immortal.

... vis-à-vis the soul which create the right sanskars long-termed and that we do actions that are perspective of a soul, Thinking from the soul and not the body.

So, the account or the responsibility of the body is just the costume. For instance, if someone borrows money from another person on a specific day when the borrower is wearing blue and the lender is wearing a red dress, and the next day they change their dresses, the money that the borrower owes to the lender still has to be returned one day. The borrower cannot give the excuse that the blue dressed person took the money from the red dressed person so merely by changing the dress the account is settled. Similarly, if we have created a karmic account with someone, even after we change our respective bodily dress, we still owe the account. Delaying the settling of the account will only increase the interest on the principal.

Not just with human beings, scientific experiments have shown a drastic effect of our vibrations on matter as well, leading to their transformation.

But if the past created the present, we must not forget that the present also creates the future. Instead of being a slave to one’s past, understanding the Law of Karma inspires us to actively participate in creating our own destiny which is being designed at the present.

The doer of every act is the soul which does the act first in the mind which is translated later physically through the instrument of the body. So, the account or the responsibility of the karma, or the liability of the same is linked to the soul and not the body.

Thinking from the perspective of a soul, we do actions that are long-termed and that create the right sanskars vis-à-vis the soul which is immortal.

Also, according to the law, whatever circumstances we are in at the moment – whoever or whatever is compelling us or repelling us and whatever we are experiencing – is the consequence of our own prior thoughts, decisions and actions. Having understood that whatever is happening is an output according to the input we gave into the formula of this law, and understanding what kind of input it was, we can accept whatever is happening in life with peace, and also accept people around us with their behaviour towards us. This makes our mind clear and calm and reinforces the faith in the justice of nature.

Implementing the Law of Karma:

Sometimes the Law of Karma is only half understood. Someone may think helplessly, “If whatever is happening to me now is because of my past actions, then there’s nothing I can do about it”. But if the past created the present, we must not forget that the present also creates the future. Instead of being a slave to one’s past, understanding the Law of Karma inspires us to actively participate in creating our own destiny which is being designed at the present. Which means, of course, that each moment is a unique opportunity to avoid doing anything that will bring us future pain and, instead, sow a seed that will bring us the sweetest of the fruits. Hence, this law begins to work to our advantage when we stop habitual actions that are harmful, take responsibility to positively address the consequences of any such actions performed in the past, and pay attention to performing positive karma from this moment forward.

The Law of Karma has to be implemented in the light of the fact that who is doing the karma? If we do the karma through our hands, is it the hand that does the karma by itself? If we do the karma through our words, is it the mouth that does the karma? The answer to this is what we have already discussed above. The doer of every act is the soul which does the act first in the mind which is translated later physically through the instrument of the body. So, the account or the responsibility of the karma, or the liability of the same is linked to the soul and not the body. Also, if the overall quality of the karma is to be changed, it has to be brought at the level of the soul. Every soul exists within a perpetually turning cycle of cause and effect. Any
negative experiment done by the soul in the mind does affect its quality of words and actions, even though slightly, initially. But this wrong karma done once, lays a base for another wrong thought and karma. Over a period of time, these negative trials result in creation of a negative sanskar. And we all must have experienced the force of a fully developed sanskar- how it pushes us into an act, even without our conscious will. Thus, creating the wrong karma again, leading to reinforcement of the negative sanskar. In essence, each soul acts according to their sanskars which are produced by their karma, which in turn reinforces their sanskars. Gradually, over the course of the cycle of time, the quality of consciousness declines, tying the bondages of karma even more tightly in an escalating knot of negative give and take, which binds the individuals concerned in intensifying forms of suffering and sorrow- which are the effect of the cause set up by the soul itself.

Sustaining positive results through understanding of the Law of Karma:

1. **Change of consciousness through knowledge and understanding**
   When we understand that we are souls coming in the cycle of karma and its effect, we are able to change our consciousness from being body conscious to soul conscious. Thinking from the perspective of a soul, we do actions that are long-termed and that create the right sanskars vis-à-vis the soul which is immortal. Such actions and their results are then sustained ones.

2. **Influence of environment and company**
   Understanding of this law enables us to realize the connection of our karma with our thoughts. Appreciating the influence of our environment and company on our attitude and thoughts, we practise being stabilized in our pure stage and being detached from the external turbulence in order to sustain our positivity. Let us practise Rajyoga Meditation to arouse our inner strength and shield ourselves so as not be influenced and affected by any negative inputs.

3. **Facing and settling karmic accounts along the way**
   While we are making efforts to sustain results of karma through conscious positive thoughts and right actions, we will encounter many situations where our past done karmic accounts, whether with the self or with others will interfere in form of physical inability to cope up, mental or emotional turmoil, relationship issues etc. The proper understanding of this law allows us to face past accounts rather than running away from it or procrastinating it and empowers us to settle our ‘karmic accounts’ in the best possible way and shows us how to accumulate ‘karmic credit’ for the future. It generates patience and tolerance to sustain our values and positivity to deal with negative accounts and thus become free at once and for all. It ultimately prevents us from creating new karmic accounts while settling the old ones.

4. **Icchha mataram avidya – Ignorant of all trace of desire of return from karma**
   The basic key to sustain result from any karma is to remain detached from the result. Although it may sound like an oxymoron, but the fact of the matter is that our attachment to the result creates expectation from others which itself is a karma working in the opposite direction, since it involves the element of receiving from others in any form, rather than giving. The result of every karma has to come irrespective of our expectations. Furthermore, our effort to fulfill these desires takes away our time and energy from the main karma, thus resulting in the lack of result. Sometimes, the karma has fulfilled its purpose but we might not achieve the desired success, as some part of the karma has gone in settling pending accounts, some part in encashing the result in form of fame, success and respect and only a little gets saved for the future karmic credit. Thus, measuring the result of the karma only through the immediate attainment of fame, success etc, might lead to mis-calculations of the same. Sustained results would only appear when we remain completely focused on our karma and renounce all desires of the outcome and let the karmic result do its task.
### Practice Units Peer Reviewed during March - September, 2019

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### List of Peer Reviewers empanelled from May-August, 2019

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ICSI (Employee Company Secretaries Identification Number (eCSIN) Guidelines), 2019

(as approved by the Council in its 261st (Special) Meeting held on 27th June, 2019 at New Delhi and further amended by the Council in its 263rd Meeting held on 23 September, 2019 at New Delhi)

In exercise of the powers conferred by clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 as amended by the Company Secretaries (Amendment) Act, 2006, the Council of the Institute of Company Secretaries of India hereby issues the following guidelines:-

1. **Short Title**

   These Guidelines may be called the ICSI (Employee Company Secretaries Identification Number) Guidelines, 2019

2. **Objective**

   The Company Secretaries Act, 1980 provides for the regulation and development of the profession of Company Secretaries. Accordingly, in order to ensure that the objective of the Company Secretaries Act, 1980 is met, the need for Guidelines has become all the more necessary when the Companies Act, 2013 and rules framed thereunder have made specific provisions under section 203 and Rule 8 and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Company Secretary. This will enable the Institute to identify a Company Secretary employed in a particular company and bring more transparency. Needless to mention that this will facilitate the members to update their professional address in the Register of Members maintained by the Institute in terms of Regulation 3 of The Company Secretaries Regulations, 1982.

3. **Registration at the eCSIN portal**

   (a) The member of the Institute shall visit the website, i.e., ecsin.icsi.edu or any other designated website as may be approved by the Council and create a login id and password by entering the membership number, phone number, email id, Aadhaar Number issued by The Unique Identification Authority of India (UIDAI), Permanent Account Number (PAN) issued by The Income Tax Department and such other particulars as may be mandated by the Institute.

   (b) The login id would be verified through email or sms or by any other electronic mode.

4. **eCSIN Generation**

   (a) eCSIN shall be generated by the member at the time of issuing the consent letter or the resignation / cessation letter by such member to the employer for any job in any organization, whether as Company Secretary or otherwise, unless exempted under clause 6 of these Guidelines.

   Provided that the Competent Authority of ICSI may allot, exempt, alter or otherwise deal with generation of eCSIN on a special request of a member in special circumstances which may be required under the prevailing law or otherwise.

   Provided further that the Competent Authority may suo motu generate eCSIN in respect of any member or class of members including the members exempted under clause 6 of these Guidelines.
Explanation:
(i) The consent letter here means the consent letter to be given in terms of the provisions of section 203 of the Companies Act, 2013 and Rule 8 and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Company Secretary. In case of appointment other than as Company Secretary under section 203 of the Companies Act, 2013, it shall mean the acceptance letter.

(ii) The Secretary, ICSI or any other person / authority as may be designated by him shall be the Competent Authority under clause 4(a) of these Guidelines.

(b) The eCSIN shall be a seventeen-digit system generated random unique alphanumeric number.

(c) No document is required to be uploaded for creating login id or generating eCSIN.

(d) eCSIN shall be shared only on registered email id of the members or through any other electronic mode.

(e) Name of the member, ICSI Membership No., CIN of the company or any other registration number in case of employer other than a company, name of the Employer, Date of appointment / cessation, date of board resolution or Offer Letter or Agreement if available and total annual emoluments (cost to company) on the date of eCSIN generation shall be disclosed at the time of generation of eCSIN.

(f) There shall be no fee for registration at the portal or generation of eCSIN.

5. Mentioning eCSIN

(a) eCSIN generated at the time of issuing the consent letter or the resignation or cessation letter shall be mentioned along with the membership number on such letter.

(b) In case e-form DIR 12 or such other form as may be prescribed under the Companies Act, 2013 and rules made thereunder is being filed with respect to the appointment or resignation or cessation of any member, the consent letter or the resignation letter or the cessation letter containing the eCSIN as per clause 4(a) of these Guidelines must be attached to such form.

6. Exemption from these Guidelines

The requirement of generating and mentioning eCSIN in accordance with these Guidelines shall not apply to -

(a) Sitting Members of Parliament or of any State or UT Legislative Assembly

(b) Serving Members of Judiciary/Tribunals and Quasi Judicial Bodies

(c) Serving Members of Civil Services and allied disciplines

(d) Serving Members of Armed Forces and Paramilitary forces

(e) Serving Diplomats

(f) Members in permanent employment with Central Government, State Government(s), Regulatory Bodies, Government Organizations
(g) Members registered with any registered Bar Council of India.

(h) Members holding Certificate of Practice issued by any other professional bodies in India

Provided further that, the requirement of eCSIN generation shall also not apply in case of Members who are specifically exempted by the Council of ICSI on case to case basis.

7. Monitoring

(i) Members with an active membership can register at the designated website.

(ii) A member can generate only one eCSIN for one employer, once at the time of registering the appointment and another eCSIN for the same employer at the time of registering the cessation of that employment

(iii) Prospective Employers, Regulatory Body and other stakeholders may at anytime verify the authenticity of eCSIN by visiting the designated website and registering at the designated website.

8. Applicability

(a) Quoting eCSIN on the consent letter shall be mandatory for members entering into any employment as a Company Secretary (KMP) or otherwise.

(b) Quoting eCSIN on the consent letters to be attached with the form DIR12 shall be mandatory for members entering into employment as Company Secretary w.e.f. 1st October, 2019 and till that time the same shall remain recommendatory.

(c) The members in respect of whose appointment form 32 under the provisions of erstwhile Companies Act, 1956 or e-form DIR-12 under the provisions of the Companies Act, 2013 has already been filed or the members who are otherwise employed upto and including 30th September, 2019 shall mandatorily be required to generate eCSIN on or before 31st December, 2019 (or such other time and date as may be specified by the ICSI).

9. Consequences of Violation

(a) Any non-compliance or defective compliance with these Guidelines shall render the members liable for action under the Company Secretaries Act, 1980 read with First Schedule and Second Schedule to the Company Secretaries Act, 1980.

(b) eCSIN shall be mandatorily required at the time of renewal of membership of a member who is in employment to ensure the compliance of Regulation 3 of The Company Secretaries Regulations, 1982.

10. Confidentiality

The data uploaded by the members at the time of generation of eCSIN shall be confidential and not be construed as “information” under the Right to Information Act, 2005 except for the information accessible to the world at large on the portal of the Ministry of Corporate Affairs or on the ICSI portal or on the designated eCSIN website.
ICSI Unique Document Identification Number (UDIN) Guidelines, 2019

(as approved by the Council in its 261st (Special) Meeting held on 27th June, 2019 at New Delhi and further amended by the Council in its 263rd Meeting held on 23rd September, 2019 at New Delhi)

In exercise of the powers conferred by clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 as amended by the Company Secretaries (Amendment) Act, 2006, the Council of the Institute of Company Secretaries of India hereby issues the following guidelines:-

1. **Short Title**

These Guidelines may be called the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019.

2. **Objective**

The objective of issuing these Guidelines is to:-

(a) enable the stakeholders to verify the authenticity of various documents certified by Company Secretaries in Practice;

(b) prevent counterfeiting of various attestations / certifications;

(c) provide ease of maintaining the Register of Attestation / Certification services rendered by practicing members;

(d) ensure compliance of the Guidelines issued by the Institute w.r.t ceilings on the number of the various certification /attestation services that may be rendered by the practitioners;

(e) auto-prefill details of Certification / Attestation services rendered by practicing members in of the form for renewal of Certificate of Practice.

3. **Applicability**

UDIN shall be generated for the following services rendered by a Practising Company Secretary (hereinafter referred to as ‘the PCS’):

(i) Certification of Annual Return in Form MGT-8 under Section 92(2) of the Companies Act, 2013 and Rule 11(2) of the Companies (Management and Administration) Rules, 2014.

(ii) Issuance of Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013.

(iii) Issuance of Secretarial Audit Report to material unlisted subsidiaries of listed entities (whose equity shares are listed) Regulation 24A of SEBI (LODR) Regulations, 2015.

(v) Certification under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority under Schedule V, Part C, Clause(10)(i).

(vi) Certification under Regulation 40(9) of SEBI (LODR) Regulations, 2015 certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.

(vii) Conduct of Internal Audit of Operations of the Depository Participants registered with NSDL and CDSL under the Bye Laws issued by NSDL and CDSL.

(viii) Certification under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for Reconciliation of Share Capital Audit.

(ix) Acting as Compliance Auditor under third party certification/ Audit Scheme (Amendment), 2016 in the State of Haryana.

(x) Diligence reporting for Banks in case of multiple banking/consortium lending arrangements in terms of the circular issued by RBI.


(xii) Issuance of Certificate in case of the Indian company accepting the investment from a foreign investor, thereby confirming compliance of Companies Act, 2013 and other matters (As per Para 9 (1) (B) (i) of Schedule 1 to Notification No. FEMA 20/2000-RB dated 3rd May 2000)

Provided further that the PCS may generate the UDIN for any other form including any eForm and document(s) which are not listed above and not mandatory as per these guidelines on voluntary basis.

4. **UDIN Generation**

   The PCS shall go to the designated website, and create a login id and password by entering the Membership Number, CoP No., Phone No., Email id, AADHAR and Income Tax PAN.

   (i) The login id would be verified through a computer application.

   (ii) The UDIN shall be a system generated random alphanumeric number.

   (iii) No document shall be required to be uploaded.

5. **Modalities**

   The modalities for operationalising these Guidelines are as under:

   (i) Only Members with a valid Certificate of Practice can register at the designated website.

   (ii) UDIN cannot be generated unless the PCS is registered at the designated website as above
(iii) Only the member certifying the document may generate UDIN;

(iv) Regulatory bodies and other stakeholders may verify the authenticity of documents certified by PCS by visiting the designated website;

(v) No fee for registration/generation of UDIN

(vi) UDIN shall be shared on registered Email id of the concerned Member or through any other electronic mode.

(vii) Name of recipient of the professional service, CIN /LLPIN / PAN No. of client (as the case may be) shall be disclosed at the time of generation of UDIN

(viii) UDIN shall be generated at the time of signing of Certificate / Report / Form / Other Documents or seven days in advance to the date of such signing as above.

Illustration: A Certificate is signed on September 25, 2019. In such case, ideally the UDIN should be generated on September 25, 2019 but in exceptional cases, the UDIN may be generated 7 days in advance, i.e., any time during September 18, 2019 to September 25, 2019. Thereby providing a window of advance seven days for UDIN generation.

(ix) UDIN once generated but not utilized may be surrendered/ cancelled by the PCS within 7 days of such generation.

6. Quoting UDIN and Timelines

UDIN shall be mandatorily mentioned in the Certificate, Report and Other Documents along with the Certificate of Practice Number. These guidelines shall be mandatory w.e.f. 1st October, 2019. Provided however that, these guidelines shall be recommendatory with immediate effect.

7. Renewal of Certificate of Practice

The details of UDIN generated by a PCS during a Financial Year shall be auto-filled in the application form for renewal of Certificate of Practice. Provided however that in case of application form for renewal of Certificate of Practice for the Financial Year 2020-21 the details of UDIN generated by a PCS during the six months period commencing from 1st October, 2019 will be auto-filled in the application form for renewal of Certificate of Practice and the data pertaining to the six months period upto and including 30th September, 2019 shall be required to be filled in by the PCS.

8. Consequences of violation

Any non-compliance with these Guidelines shall render the PCS liable for action under the Company Secretaries Act, 1980 read with First Schedule and Second Schedule to the Company Secretaries Act, 1980.

9. Confidentiality

The details uploaded by the PCS at the time of generating UDIN shall remain confidential and not be construed as “information” under the Right to Information Act, 2005.
The present edition titled “National Company Law Tribunal (NCLT) & National Company Law Appellate Tribunal (Practice & Procedure)” is a comprehensive book which covers the entire provisions of the Companies Act, 2013 and Insolvency & Bankruptcy Code, 2016, relating to filing of various types of applications and petitions, misc. applications, interlocutory application, rejoinder, affidavit of compliance of the orders of the Tribunal as well as Appellate Tribunal.

The book also provides the latest National Company Law Tribunal and The National Company Law Appellate Tribunal rules alongwith the prescribed forms, relevant circulars and notifications issued from time to time.

The book is properly divided into 17 chapters and 12 appendixes for systematic presentation of various aspects which includes the jurisdiction of the Benches based on the location of the registered office of the applicant or respondent, etc. For smooth working of the professionals, the author has also given specimen of the required resolutions and has placed at the appropriate places.

This book may be considered as the compendium for understanding the functions of the Tribunal and the Appellate Tribunal by the practising professionals and professionals serving various corporates and provides help for requirements to present the matter under the various provisions of the Companies Act, 2013 as well as the Insolvency & Bankruptcy Code, 2016.

The Tribunal and Appellate Tribunal was constituted on 1st June, 2016 and presently functioning at 15 locations across the Country. The Tribunal is functioning successfully and large number of Company Secretaries, Chartered Accountants, Cost Accountants and Advocates are entering the new venture of legal practice through the Tribunal and Appellate Tribunal. The book will be a ready reckoner for the practicing fraternity especially the new entrants.

In this book, the author has properly analysed all the aspects relating to the requirement of the matters relating to the Tribunal such as historical back ground, constitution of the Tribunal and Appellate Tribunal, powers of the Tribunal/Appellate Tribunal, details of sections in respect of which jurisdiction has been conferred on the Tribunal, etc. It also contains an appendix which covers aspects such as table of fees, required mode of fees, address of the Benches, functions of the Benches, etc.

The author has also provided valuable contribution in his third edition and I consider that this book will be highly insightful for every one proposing to practice before the Tribunal and Appellate Tribunal and will also be useful to the company’s executives dealing with the Company Law and Insolvency & Bankruptcy matters.

I am sure that professionals viz. Company Secretaries, chartered Accounts, Cost Accountants, lawyers etc. who is reading this book will find this a very useful source of knowledge while discharging their role as a legal professionals.

Careful reading of the book will put the concerned with the good knowledge and they will definitely generate confidence while dealing with Tribunal matters.

The author is complemented and appreciated for his third edition on “National Company Law Tribunal (NCLT) & National Company Law Appellate Tribunal (Practice & Procedure)” and wish him for all success.

CS (Dr.) D. K. Jain
Member of the Editorial Advisory Board
12th Southern India Regional Conference of Practising Company Secretaries

CS - Embracing Excellence

Hotel Daspalla, Jagadamba Junction, Visakhapatnam - 530020

Friday & Saturday, December 13-14, 2019

8 PCH for Members / 16 PDP for Students

Hosted by: ICSI - Visakhapatnam & Amaravati Chapters
Supported by: ICSI Hyderabad Chapter

CS Mohan Kumar A
Chairman
ICSI-SIRC

CS Radha Krishna Sista
Chairman
ICSI Hyderabad Chapter

CS Rajavolu Venkata Ramana
Chairman PCS Committee & Treasurer
ICSI-SIRC

CS P Prakash Reddy
Chairman
ICSI Amaravati Chapter

CS P Vithal Kumar
Chairman
ICSI Visakhapatnam Chapter

R K Beach
Kailasagiri
Port
INS Kurusura Submarine
Araku Valley

Visit us online at:
https://www.facebook.com/icsi
https://twitter.com/CSI_CS
# Beauty of Araku Valley Trip

**Fees of Araku Valley Trip**
(Fee Incl. of 18% GST)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAMILY [2 ADULTS &amp; 1 CHILD ABOVE 12 YEARS] (Twin Sharing Basis)</td>
<td>9,000</td>
</tr>
<tr>
<td>FAMILY [2 ADULTS &amp; 1 CHILD BELOW 12 YEARS] (Twin Sharing Basis)</td>
<td>8,000</td>
</tr>
<tr>
<td>SINGLE PARTICIPANTS (Twin Sharing Basis)</td>
<td>4,000</td>
</tr>
<tr>
<td>EXTRA CHILD ABOVE 12 YEARS</td>
<td>1,000</td>
</tr>
</tbody>
</table>

**Date & Time Details**

<table>
<thead>
<tr>
<th>Date &amp; Time</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.12.2019 @ 4.00 pm</td>
<td>Bus will start to Araku Valley</td>
</tr>
<tr>
<td>14.12.2019 @ 9.00 pm</td>
<td>Araku Valley - Check in @ Hotel AP Tourism</td>
</tr>
<tr>
<td>15.12.2019 @ 12.00 pm</td>
<td>Checkout</td>
</tr>
<tr>
<td>15.12.2019 @ 12.45 pm</td>
<td>Local side visits, Trekking, Lunch</td>
</tr>
<tr>
<td>15.12.2019 @ 8.30 pm</td>
<td>Reaches back to Visakhapatnam</td>
</tr>
</tbody>
</table>
**THEME:** CS - Embracing Excellence

### Technical Sessions

1. Dynamics in Corporate Law & e-Governance - A New Era
2. Intellectual Property Rights - Expanding Possibilities
3. GST - Core Practice Areas & New Avenues
4. Promising Role of CS in Setting and Funding for Start-ups
5. NCLT Practice & IBC Matters - Analysis of Case Studies on Financial and Operational Debts
6. Panel Discussion on Role of CS in Inspection, Adjudication & Compounding under Corporate and Economic Laws

### Speakers:
Eminent Speakers with comprehensive exposure to the practical aspects of the topics will address and interact with the participants.

### Participants:
Company Secretaries and other professionals in Secretarial, Legal and Management disciplines would be benefited by participating in the Conference.

### Delegate Fees (Non - Residential) (Fee Incl. of 18% GST)

<table>
<thead>
<tr>
<th>Registration</th>
<th>Up to 15.11.2019 ₹</th>
<th>Up to 30.11.2019 ₹</th>
<th>After 30.11.2019 ₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of ICSI</td>
<td>3,500</td>
<td>4,000</td>
<td>4,500</td>
</tr>
<tr>
<td>Corporate Members of ICSI-SIRC and APS Member of ICSI Hyderabad/Visakhapatnam/Amaravati Chapters</td>
<td>3,000</td>
<td>3,500</td>
<td>4,000</td>
</tr>
<tr>
<td>Students</td>
<td>3,000</td>
<td>3,500</td>
<td>4,000</td>
</tr>
<tr>
<td>Others</td>
<td>4,000</td>
<td>4,500</td>
<td>5,000</td>
</tr>
</tbody>
</table>

The fee will cover organizational expenses including conference kit, Hi-Tea, Lunch & Dinner. Delegate fee once paid shall not be refunded in any case.

Assistance for accommodation may be provided by Visakhapatnam chapter on payment of Delegate fee & charges for the same paid by the delegate directly to the Hotel.
THEME: CS - Embracing Excellence

Registration

The Registration form together with the appropriate delegate fee as above may be sent along with Cash/Local Cheque/ DD favoring “SIRC of the ICSI” payable at Chennai. ICSI-SIRC House, No.9, Wheat Crofts Road, Nungambakkam, Chennai - 600034.

Payment can also be made through Online Transfer Account No.04921110000013 – HDFC Bank RTGS/ NEFT IFSC – HDFC0000492. Payment made through online to be confirmed by email to siro@icsi.edu

Papers for Discussion

It is proposed to bring out a Souvenir containing theme articles and other relevant information. Members who wish to contribute papers for publication in the Souvenir are requested to send the same through email to siro@icsi.edu on or before 5th December 2019. The Paper should not normally exceed 15 typed page.

Advertisement in Souvenir

The Souvenir would be widely circulated to professionals, corporate and regulatory authorities. Advertisement released in the Souvenir would receive wide publicity for Products & Services. Members/Organizations are requested to release advertisements for wide publicity among the delegates.

The Advertisement material along with cheque/demand draft drawn in favour of “SIRC OF THE ICSI”, payable at Chennai may be sent to The Joint Secretary, Southern India Regional Office of ICSI, `ICSI-SIRC House', No.9, Wheat Crofts Road, Nungambakkam, Chennai 600 034. Tel: 044-28279898 / 28268685; email :siro@icsi.edu
### Advertisement Tariff

**Advertisement**

**Back cover page**
- Full back page color advertisement in the Souvenir
- Delegate Fee (Non-Residential) Exemption
  \[ \text{₹ 26,250 (each)} \]

**Inside back cover Page**
- Full Page color cover page advertisement in the Souvenir
- Delegate Fee (Non-Residential) Exemption
  \[ \text{₹ 21,000} \]

**Special Color page**
\[ \text{₹ 15,750} \]

**Full B & W Page**
\[ \text{₹ 10,500} \]

**Half B & W Page**
\[ \text{₹ 5,250} \]

**Sponsorship**

**Platinum Sponsor**
- Special Full Page Advertisement in the Souvenir
- Delegate Fee (Non-Residential) Exemption
- Display at Convention Backdrop
- Special Acknowledgment
  \[ \text{₹ 3,54,000} \]
  \[ (\text{Body Corporates 3,00,000}) \]
  \[ (10 \text{ Delegates}) \]

**Golden Sponsor (more than one)**
- Special Full Page Advertisement in the Souvenir
- Delegate Fee (Non-Residential) Exemption
- Display at Convention Backdrop
- Special Acknowledgment
  \[ \text{₹ 2,36,000} \]
  \[ (\text{Body Corporates 2,00,000}) \]
  \[ (8 \text{ Delegates}) \]

**Silver Sponsor (more than one)**
- Special Full Page Advertisement in the Souvenir
- Delegate Fee (Non-Residential) Exemption
- Display at Convention Backdrop
- Special Acknowledgment
  \[ \text{₹ 1,18,000} \]
  \[ (\text{Body Corporates 1,00,000}) \]
  \[ (6 \text{ Delegates}) \]

**Stalls**
- Stalls for display of products
  \[ \text{₹ 29,500} \]

**Banners**
- Banner(L) 8’ x (B) 3’
  \[ \text{₹ 11,800} \]
- Banner(L) 6’ x (B) 3’
  \[ \text{₹ 8,850} \]

* Inclusive of GST
NOTIFICATION (COORDINATION) NO. 01 OF 2019
Revision in the names of various Chapters of ICSI

In exercise of the power conferred by Regulation 143 of the Company Secretaries Regulations, 1982 as amended time to time, the Council of the ICSI at its 262nd meeting held on 07.08.2019 has approved to change the names of following Chapters of Regional Councils of the ICSI set up by the Council from time to time:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Old Name of Chapter</th>
<th>Region</th>
<th>New Name of Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Allahabad</td>
<td>NIRC</td>
<td>Prayagraj</td>
</tr>
<tr>
<td>2</td>
<td>Bangalore</td>
<td>SIRC</td>
<td>Bengaluru</td>
</tr>
<tr>
<td>3</td>
<td>Calicut</td>
<td>SIRC</td>
<td>Kozhikode</td>
</tr>
<tr>
<td>4</td>
<td>Gurgaon</td>
<td>NIRC</td>
<td>Gurugram</td>
</tr>
<tr>
<td>5</td>
<td>Mangalore</td>
<td>SIRC</td>
<td>Mangaluru</td>
</tr>
<tr>
<td>6</td>
<td>Mysore</td>
<td>SIRC</td>
<td>Mysuru</td>
</tr>
</tbody>
</table>

The change in the names of the above Chapters will be effective from the date of this notification.

By Order of Council

(Ashok Kumar Dixit)
Officiating Secretary
DEAR CORPORATES,

TO AVOID LAST MINUTE RUSH AND SYSTEM CONGESTION ON THE MCA21 PORTAL ON ACCOUNT OF ANNUAL FILINGS DURING THE MONTHS OF OCTOBER AND NOVEMBER, 2019, COMPANIES ARE REQUESTED TO FILE THEIR FINANCIAL STATEMENTS AND ANNUAL RETURNS AT THE EARLIEST, WITHOUT POSTPONING IT TO THE LAST DAYS.

DURING THIS PERIOD THE CORPORATE SEVA KENDRA/HELP DESKS (PH. NO. 0124-4832500) WOULD GIVE PRIORITY TO E-FILING/ANSWERING QUERIES OF COMPANIES FOR FILING FINANCIAL STATEMENTS AND ANNUAL RETURNS.

KINDLY PLAN YOUR ACTIVITIES ACCORDINGLY.
GST REVENUE COLLECTION FOR SEPTEMBER, 2019

The total gross GST revenue collected in the month of September, 2019 is ₹ 91,916 crore of which CGST is ₹ 16,630 crore, SGST is ₹ 22,598 crore, IGST is ₹ 45,069 crore (including ₹ 22,097 crore collected on imports) and cess is ₹ 7,620 crore (including ₹ 728 crore collected on imports).

The total number of GSTR 3B Returns filed for the month of August up to 30th September, 2019 is 75,94 lakhs.

The government has settled ₹ 21,131 crore to CGST and ₹ 15,121 crore to SGST from IGST as regular settlement. The total revenue earned by Central Government and the State Governments after regular settlement in the month of September, 2019 is ₹ 37,761 crore for CGST and ₹ 37,719 crore for the SGST.

The revenue during September, 2019 is declined by 2.67% in comparison to the revenue during September, 2018. During April-September, 2019 vis-à-vis 2018, the domestic component has grown by 7.82% while the GST on imports has shown negative growth and the total collection has grown by 4.90%.

Source: https://pib.gov.in

DECISIONS TAKEN AT 37TH GST COUNCIL MEETING HELD ON 20TH SEPTEMBER, 2019.

The GST Council, in its meeting recommended the following Law & Procedure related changes:

1. Relaxation in filing of annual returns for MSMEs for FY 2017-18 and FY 2018-19 as under:
   a. waiver of the requirement of filing FORM GSTR-9A for Composition Taxpayers for the said tax periods; and
   b. filing of FORM GSTR-9 for those taxpayers who (are required to file the said return but) have aggregate turnover up to ₹ 2 crores made optional for the said tax periods.

2. A Committee of Officers to be constituted to examine the simplification of Forms for Annual Return and reconciliation statement.

3. Extension of last date for filing of appeals against orders of Appellate Authority before the GST Appellate Tribunal as the Appellate Tribunals are yet not functional.

4. In order to nudge taxpayers to timely file their statement of outward supplies, imposition of restrictions on availing of input tax credit by the recipients in cases where details of outward supplies are not furnished by the suppliers in the statement under section 37 of the CGST Act, 2017.

5. New return system now to be introduced from April, 2020 (earlier proposed from October, 2019), in order to give ample opportunity to taxpayers as well as the system to adapt and accordingly specifying the due date for furnishing of return in FORM GSTR-3B and details of outward supplies in FORM GSTR-1 for the period October, 2019 - March, 2020.

6. Issuance of circulars for uniformity in application of law across all jurisdictions: a. procedure to claim refund in FORM GST RFD-01A subsequent to favourable order in appeal or any other forum; b. eligibility to file a refund application in FORM GST RFD-01A for a period and category under which a NIL refund application has already been filed; and c. clarification regarding supply of Information Technology enabled Services (ITeS services) (in supersession of Circular No. 107/26/2019-GST dated 18.07.2019) being made on own account or as intermediary.

7. Rescinding of Circular No.105/24/2019-GST dated 28.06.2019, ab-initio, which was issued in respect of post-sales discount.


9. Integrated refund system with disbursement by single authority to be introduced from 24th September, 2019.

10. In principle decision to link Aadhar with registration of taxpayers under GST and examine the possibility of making Aadhar mandatory for claiming refunds.

11. In order to tackle the menace of fake invoices and fraudulent refunds, in principle decision to prescribe reasonable restrictions on passing of credit by risky taxpayers including risky new taxpayers.

NOTIFICATIONS & CIRCULARS

Notification No.4/2019 –Integrated Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (13) of section 13 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, in order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules, notified following description of services or circumstances as specified in Column (2) of the Table A, in which the place of supply shall be the place of effective use and enjoyment of a service as specified in the corresponding entry in Column (3), namely:-

Table A

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description of services or circumstances</th>
<th>Place of Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supply of research and development services related to pharmaceutical sector as specified in Column (2) and (3) from Sl. No. 1 to 10 in the Table B by a person located in taxable territory to a person located in non-taxable territory.</td>
<td>The place of supply of services shall be the location of the recipient of services subject to fulfillment of the following conditions:- (i) Supply of services from the taxable territory are provided as per the contract between the service provider located in taxable territory and service recipient located in non-taxable territory. Such supply of services fulfills all other conditions in the definition of export of services, except sub-clause (iii) provided at clause (6) of Section 2 of Integrated Goods and Services Tax Act, 2017 (13 of 2017).</td>
</tr>
</tbody>
</table>

Table B

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description of services or circumstances</th>
<th>Place of Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supply of research and development services related to pharmaceutical sector as specified in Column (2) and (3) from Sl. No. 1 to 10 in the Table B by a person located in taxable territory to a person located in non-taxable territory.</td>
<td>The place of supply of services shall be the location of the recipient of services subject to fulfillment of the following conditions:- (i) Supply of services from the taxable territory are provided as per the contract between the service provider located in taxable territory and service recipient located in non-taxable territory. Such supply of services fulfills all other conditions in the definition of export of services, except sub-clause (iii) provided at clause (6) of Section 2 of Integrated Goods and Services Tax Act, 2017 (13 of 2017).</td>
</tr>
</tbody>
</table>
Drug Stability Studies

Bioanalytical studies

Clinical trials

Integrated development

Stability studies

Evaluation of efficacy of new chemical/biological entities in animal models of disease

Evaluation of biological activity of novel chemical/biological entities in in-vitro assays

Drug metabolism and pharmacokinetics of new chemical entities

Safety Assessment/Toxicology

Stability Studies

This process involves discovery and development of molecules by pharmaceutical sector for medicinal use. The steps include designing of compound, evaluation of the drug metabolism, biological activity, manufacture of target compounds, stability study and long-term toxicology impact.

This is in vivo research (i.e. within the animal) and involves development of customized animal model diseases and administration of novel chemical in doses to animals to evaluate the gene and protein expression in response to disease. In nutshell, this process tries to discover if a novel chemical entity that can reduce or modify the severity of diseases. The novel chemical is supplied by the service recipient located in non-taxable territory.

This is in vitro research (i.e. outside the animal). An assay is first developed and then the novel chemical is supplied by the service recipient located in non-taxable territory and is evaluated in the assay under optimized conditions.

This process involves investigation whether a new compound synthesized by supplier can be developed as new drug to treat human diseases in respect of solubility, stability in body fluids, stability in liver tissue and its toxic effect on body tissues. Promising compounds are further evaluated in animal experiments using rat and mice.

Safety assessment involves evaluation of new chemical entities in laboratory research animal models to support filing of investigational new drug and new drug application. Toxicology team analyses the potential toxicity of a drug to enable fast and effective drug development.

Stability studies are conducted to support formulation, development, safety and efficacy of a new drug. It is also done to ascertain the quality and shelf life of the drug in its intended packaging configuration.

Bio-equivalence and Bio-availability Studies

Bio-equivalence is a term in pharmacokinetics used to assess the expected in vivo biological equivalence of two proprietary preparations of a drug. If two products are said to be bioequivalent it means that they would be expected to be, for all intents and purposes, the same. Bio-availability is a measurement of the rate and extent to which a therapeutically active chemical is absorbed from a drug product into the systemic circulation and becomes available at the site of action.

The drugs that are developed for human consumption would undergo human testing to confirm its utility and safety before being registered for marketing. The clinical trials help in collection of information related to drugs profile in human body such as absorption, distribution, metabolism, excretion and interaction. It allows choice of safe dosage.

Bio analysis is a sub-discipline of analytical chemistry covering the quantitative measurement of drugs and their metabolites, and biological molecules in unnatural locations or concentrations and macromolecules, proteins, DNA, large molecule drugs and metabolites in biological systems.

The given notification came into effect from 1st day of October, 2019.

Notification No.43/2019 –Central Tax dated 30th September, 2019

In exercise of the powers conferred under the proviso to the sub-section (1) of section 10 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, notified the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.14/2019-Central Tax, dated the 7th March, 2019.

In the said notification, in the table, after Sl. No. 2 and the entries thereto, the following Sl. No. and entries shall be inserted, namely:

"2A. 2202 10 10 Aerated Water".

This notification came into effect from 1st day of October, 2019.

Notification No. 25/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (2) of section 7 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, notified the following activities or transactions undertaken by the State Governments in which they are engaged as public authorities, shall be treated neither as a supply of goods nor a supply of service, namely:

"Service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or by whatever name it is called."
Notification No. 24/2019-Central Tax (Rate)—Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (4) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, notified the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 07/2019- Central Tax (Rate), dated the 29th March, 2019, namely:-

In the said notification, in the Table, against serial number 2, for the entry in column (2), the following entry shall be substituted, namely: - “Cement falling in chapter heading 2523 in the first schedule to the Customs Tariff Act, 1975 (51 of 1975).”

The given notification is effective from the 1st day of October, 2019.

Notification No. 23/2019-Central Tax (Rate)—Central Tax dated 30th September, 2019

In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, notified the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.4/2018- Central Tax (Rate), dated the 25th January, 2018, namely:-

After paragraph, the following explanation shall be inserted, namely: - “Explanation:-Nothing contained in this notification shall apply with respect to the development rights supplied on or after 1st April, 2019.”

The notification is effective from the 1st day of October, 2019.

Notification No. 22/2019-Central Tax (Rate)—Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, notified the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.13/2017- Central Tax (Rate), dated the 28th June, 2017, namely:-

In the said notification, in the Table, -

(i) for serial number 9 and the entries relating thereto, the following shall be substituted, namely: -

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“9”</td>
<td>“Supply of services by a music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original dramatic, musical or artistic works to a music company, producer or the like.”</td>
<td>Music composer, photographer, artist, or the like</td>
<td>Music company, producer or the like, located in the taxable territory.</td>
</tr>
</tbody>
</table>

(ii) after serial number 9 and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“9A”</td>
<td>Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher.</td>
<td>Author</td>
<td>Publisher located in the taxable territory.</td>
</tr>
</tbody>
</table>

Provided that nothing contained in this entry shall apply where, -

(i) the author has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017), and filed a declaration, in the form at Annexure I, within the time limit prescribed therein, with the jurisdictional CGST or SGST commissioner, as the case may be, that he exercises the option to pay central tax on the service specified in column (2), under forward charge in accordance with Section 9 (1) of the Central Goods and Service Tax Act, 2017 under forward charge, and to comply with all the provisions of Central Goods and Service Tax Act, 2017 (12 of 2017) as they apply to a person liable for paying the tax in relation to the supply of any goods or services or both and that he shall not withdraw the said option within a period of 1 year from the date of exercising such option;

(ii) the author makes a declaration, as prescribed in Annexure II on the invoice issued by him in Form GST Inv-I to the publisher.”

(i) after serial number 14 and the entries relating thereto, the
Provided that

Chapter Services provided

1. I understand that this option, once exercised, shall not be allowed to be changed within a period of 1 year from the date of exercising the option and shall be valid, at least, till the end of Financial Year following the year in which it is made.

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;15</td>
<td>Services provided by way of renting of a motor vehicle provided to a body corporate.</td>
<td>Any person other than a body corporate, paying central tax at the rate of 2.5% on renting of motor vehicles with input tax credit only of input service in the same line of business.</td>
<td>Any body corporate located in the taxable territory.</td>
</tr>
<tr>
<td>16</td>
<td>Services of lending of securities under Securities Lending Scheme, 1997 (&quot;Scheme&quot;) of Securities and Exchange Board of India (&quot;SEBI&quot;), as amended.</td>
<td>Lender i.e. a person who deposits the securities registered in his name or in the name of any other person duly authorised on his behalf with an approved intermediary for the purpose of lending under the Scheme of SEBI.</td>
<td>Borrower i.e. a person who borrows the securities under the Scheme through an approved intermediary of SEBI.</td>
</tr>
</tbody>
</table>

2. The given notification is effective from 1st day of October, 2019.

Annexure I

FORM (9A of Table)

(Declaration to be filed by an author for exercising the option to pay tax on the “supply of service by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher” under forward charge.)

I have exercised the option to pay central tax on the service specified against serial No. 9A in column (2) of the Table in the notification No. 13/2017-Central Tax (Rate) dated 28th June, 2017 under forward charge.

Notification No. 21/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019

In the said notification, -

(i) in the Table, -

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;9AA&quot;</td>
<td>Chapter 99</td>
<td>Services provided by and to Fédération Internationale de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 Women’s World Cup 2020 to be hosted in India.</td>
<td>Nil</td>
<td>Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women’s World Cup 2020.”</td>
</tr>
</tbody>
</table>

2. I understand that this option, once exercised, shall not be allowed to be changed within a period of 1 year from the date of exercising the option and shall be valid, at least, till the end of Financial Year following the year in which it is made.

Signature ___________________
Name ___________________
GSTIN ___________________
(e) against serial number 19B, in the entry in column (5), for the figures “2019”, the figures “2020” shall be substituted;

(f) after serial number 24A and the entries relating thereto, the following serial number and entries relating thereto shall be inserted, namely:

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
</table>
| "24B | Heading 9967 or Heading 9985 | Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea. | Nil | Nil".

(g) after serial number 29A and the entries relating thereto, the following serial number and entries shall be inserted, namely:

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
</table>
| "29B | Heading 9971 or Heading 9991 | Services of life insurance provided or agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force. | Nil | Nil";

(h) against serial number 35, in the entry in column (3), after the entry (q), the entry "(r) Bangla Shasya Bima" shall be inserted;

(i) against serial number 45, in the entries in column (3), for the words and brackets “twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year”, wherever they occur, the following words, brackets and figures shall be substituted, namely, “such amount in the preceding financial year as makes it eligible for exemption from registration under the Central Goods and Services Tax Act, 2017 (12 of 2017)”;

(j) after serial number 82 and the entries relating thereto, the following shall be inserted, namely:

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
</table>
| "82A | Heading 9996 | Services by way of right to admission to the events organised under FIFA U-17 Women’s World Cup 2020. | Nil | Nil".

In the said notification, - (i) in the Table, - (a) against serial number 7, for the entries relating thereto in column (3), (4) and (5), the following items and entries shall be substituted, namely,-

<table>
<thead>
<tr>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>*(i) Supply of “hotel accommodation” having value of supply of a unit of accommodation above one thousand rupees but less than or equal to seven thousand five hundred rupees per unit per day or equivalent.</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Supply of “restaurant service” other than at “specified premises”</td>
<td>2.5</td>
<td>Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to Explanation no. (iv)]</td>
</tr>
<tr>
<td>(iii) Supply of goods, being food or any other article for human consumption or any drink, by the Indian Railways or Indian Railways Catering and Tourism Corporation Ltd. or their licensees, whether in trains or at platforms.</td>
<td>2.5</td>
<td>Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to Explanation no. (iv)]</td>
</tr>
<tr>
<td>(iv) Supply of “outdoor catering”, at premises other than “specified premises” provided by any person other than-</td>
<td>2.5</td>
<td>Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to Explanation (iv)]</td>
</tr>
<tr>
<td>(a) suppliers providing “hotel accommodation” at “specified premises”, or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) suppliers located in “specified premises”.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(v) Composite supply of “outdoor catering” together with renting of premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organising a function) at premises other than “specified premises” provided by any person other than-</td>
<td>2.5</td>
<td>Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to Explanation (iv)]</td>
</tr>
<tr>
<td>(a) suppliers providing “hotel accommodation” at “specified premises”, or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) suppliers located in “specified premises”.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The given notification came into effect from 1st day of October, 2019.

**Notification No. 20/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019**

In exercise of the powers conferred by sub-sections (1), (3) and (4) of section 9, sub-section (1) of section 11, sub-section (5) of section 15, sub-section (1) of section 16 and section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, made the following further amendments in the notification of the Government of India, namely:-
(vi) Accommodation, food and beverage services other than (i) to (v) above

Explanation:
(a) For the removal of doubt, it is hereby clarified that, supplies covered by items (ii), (iii), (iv) and (v) in column (3) shall attract central tax prescribed against them in column (4) subject to conditions specified against them in column (5), which is a mandatory rate and shall not be levied at the rate as specified under this entry.
(b) This entry covers supply of “restaurant service” at “specified premises”
(c) This entry covers supply of “hotel accommodation” having value of supply of a unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.
(d) This entry covers supply of “outdoor catering”, provided by suppliers providing “hotel accommodation” at “specified premises”, or suppliers located in “specified premises”.
(e) This entry covers composite supply of “outdoor catering” together with renting of premises (including hotel, convention center, club, pandal, shawmi or any other place, specially arranged for organizing a function) provided by suppliers providing „hotel accommodation“ at “specified premises”, or suppliers located in “specified premises”.

(a) against serial number 10, in column (2), after the word “vehicles”, the words “with operators” shall be inserted;
(b) against serial number 10, in column (3), in item (iii), the words “or without” shall be omitted;
(c) against serial number 15, in column (3), item (iv) and the entries relating thereto in column (4) and (5) shall be omitted;
(d) against serial number 15, in column (3), in item (vii), the brackets and words “, (iv)” shall be omitted;
(e) against serial number 17, in column (2), the figures and words “, with or” shall be omitted;
(f) against serial number 17, in column (3), item (v) and (vii) and the entries relating thereto in column (4) and (5) shall be omitted;
(g) against serial number 17, in column (3), for item (viii), the following shall be substituted:

<table>
<thead>
<tr>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>(viii) Leasing or rental services, without operator, other than (i), (ii), (iii), (iv), (vi), and (via) above.</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(h) against serial number 21, after item (i) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be inserted, namely: -

<table>
<thead>
<tr>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>(ia) Other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both</em></td>
<td>6</td>
<td>-</td>
</tr>
</tbody>
</table>

(i) against serial number 21, in column (3), in item (ii), for the brackets and words “(i) above”, the brackets and words “(ia) and (ia) above” shall be substituted;
(j) against serial number 24, in column (2), after the numbers “9986”, the brackets, words and figures “(Support services to agriculture, hunting, forestry, fishing, mining and utilities)” shall be inserted;
(k) against serial number 24, in column (3), in item (ii), for the words “Service of”, the words “Support services to” shall be substituted;
(l) against serial number 26, in column (3), in item (i), in clause (c), after the words “products”, the figures and words “other than diamonds,” shall be inserted;
(m) against serial number 26, in column (3), after item (ia) and the entries relating thereto in columns (3), (4) and (5), the following shall be inserted, namely: -

<table>
<thead>
<tr>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>*(ib) Services by way of job work in relation to diamonds falling under chapter</td>
<td>0.75</td>
<td>-</td>
</tr>
<tr>
<td>71 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*(ic) Services by way of job work in relation to bus body building;</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>*(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;</td>
<td>6</td>
<td>-</td>
</tr>
</tbody>
</table>

(n) against serial number 26, in column (3), in item (iv), after the brackets, words and figures “(ia),”, the brackets, words and figures “(ib), (ic), (id),” shall be inserted;

(ii) in the paragraph 2A, the word “registered” shall be omitted;
(iii) in paragraph 4 relating to explanation, after clause (xxxi), the following clauses shall be inserted, namely:-

“(xxxii) Restaurant service” means supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied.

(***xiii) “Outdoor catering” means supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature.

(***xiv) “Hotel accommodation” means supply, by way of accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes including the supply of time share usage rights by way of accommodation.

(***xv) “Declared tariff” means charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.
(xxxvi) “Specified premises” mean premises providing „hotel accommodation” services having declared tariff of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.”

(iv) in the “Annexure: Scheme of Classification of Services”, annexed to the notification, -
(a) against serial number 119 to 124, in column (4), for the words “with or without”, wherever they occur, the word “with” shall be substituted;
(b) against serial number 232 to 240, in column (4), for the words “with or without”, wherever they occur, the word “without” shall be substituted.

The said notification came into effect from the 1st day of October, 2019.

Notification No. 19/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, exempted, all the goods supplied to the Food and Agricultural Organisation of the United Nations (FAO) for execution of projects listed below in the Annexure, from whole of the Central Tax leviable thereon under section 9 of the said Act, subject to the condition that an officer not below the rank of Deputy Secretary to the Government of India in the Ministry of Agriculture and Farmers Welfare certifies, namely:-

(i) the quantity and description of the goods; and (ii) that the said goods are intended for the purpose of use in execution of said projects.

ANNEXURE (1) Strengthening Capacities for Nutrition-sensitive Agriculture and Food systems, (2) Green Ag: Transforming Indian Agriculture for Global Environment benefits and the conservation of Critical Biodiversity and Forest landscape.

The given notification is effective from 1st Day of October, 2019.

Notification No. 18/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, made the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.02/2019-Central Tax (Rate), dated the 7th March, 2019, namely:-

In the said notification, in the Annexure, after Sl. No. 2 and the entries thereto, the following Sl. No. and entries shall be inserted, namely: -

```
2A.  2202 10 10  Aerated Water
```

The said notification is effective from 1st day of October, 2019.

Notification No. 17/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, notified following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.26/2018- Central Tax (Rate), dated the 31st December,2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 1263 (E), dated the 31st December, 2018, namely:-

In the said notification, - (i) for the word “gold”, wherever it occurs, the words, “gold, silver or platinum”, shall be substituted; (ii) in the opening paragraph, for the word and figures, “heading 7108”, the word and figures, “Chapter 71”, shall be substituted; (iii) in the Explanation, for clause (d), the following clause shall be substituted, namely: — “(d) “Chapter” means heading as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).”

This notification came into effect from 1st day of October, 2019.

Notification No. 16/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, made the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.3/2017- Central Tax (Rate), dated the 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 675(E) dated the 28th June, 2017, namely: -

Provided that where the said goods so supplied are sought to be disposed of in non-serviceable form, after mutilation, the recipient of outward supply or the transferee, as the case may be, may at his option, pay the tax at the rate of 9 % on transaction value of such goods subject to the condition that the recipient of outward supply or the transferee, as the case may be, produces before the Deputy Commissioner of Central tax or the Assistant Commissioner of Central tax or the Deputy Commissioner of State tax or the Assistant Commissioner of State tax, as the case may be, having jurisdiction over the supplier of goods, a certificate from a duly authorised officer of the Directorate General of Hydro Carbons in the Ministry of Petroleum and Natural Gas, Government of India, to the effect that the said goods are non-serviceable and have been mutilated before disposal.”

The given notification is effective from 1st October, 2019.

Notification No. 15/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-sections (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, made the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.2/2018- Central Tax (Rate), dated the 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 675(E) dated the 28th June, 2017, namely: -

Provided that where the said goods so supplied are sought to be disposed of in non-serviceable form, after mutilation, the recipient of outward supply or the transferee, as the case may be, may at his option, pay the tax at the rate of 9 % on transaction value of such goods subject to the condition that the recipient of outward supply or the transferee, as the case may be, produces before the Deputy Commissioner of Central tax or the Assistant Commissioner of Central tax or the Deputy Commissioner of State tax or the Assistant Commissioner of State tax, as the case may be, having jurisdiction over the supplier of goods, a certificate from a duly authorised officer of the Directorate General of Hydro Carbons in the Ministry of Petroleum and Natural Gas, Government of India, to the effect that the said goods are non-serviceable and have been mutilated before disposal.”

The given notification is effective from 1st October, 2019.
(ii) after S. No. 114B and the entries relating thereto, the following serial number and the entries shall be inserted, namely: -

| “114C” | 46 | Plates and cups made up of all kinds of leaves/ flowers/bark |

The given notification came into effect from the 1st day of October, 2019.

Notification No. 14/2019-Central Tax (Rate)–Central Tax dated 30th September, 2019

In exercise of the powers conferred by sub-section (1) of section 9 and sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, made the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.1/2017-Central Tax (Rate), dated the 28th June, 2017, namely:-

In the said notification, - A. in Schedule I – 2.5%, - (i) S. No. 33A and the entries relating thereto shall be omitted; (ii) against S. No. 164, in the entry in column (3), after item ii, the following item shall be inserted, namely: - "iii. Marine Fuel 0.5% (FO)";

(iii) against S. No. 224, for the entry in column (2), the entry “63 [other than 6305 32 00, 6305 33 00, 6309], shall be substituted; (iv) after S. No. 234B and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

| “234C” | 8509 | Wet grinder consisting of stone as grinder. |

(v) S. Nos. 235 to 242 and the entries related thereto, shall be omitted;

B. in Schedule II - 6%, -

(i) after S. No. 80A and entries relating thereto, the following S. No. and entries shall be inserted namely:

| “80AA” | 3929 or 6305 | or Woven and non-woven bags and sacks of polyethylene or polypropylene strips or the like, whether or not laminated, of a kind used for packing of goods. |

(ii) S. No. 201A and the entries relating thereto shall be omitted;

(iii) after S. No. 205 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely: -

| “205A” | 8601 | Rail locomotives powered from an external source of electricity or by electric accumulators |
| “205B” | 8602 | Other rail locomotives; locomotive tenders; such as Diesel- electric locomotives, Steam locomotives and tenders thereof |
| “205C” | 8603 | Self-propelled railway or tramway coaches, vans and trucks, other than those of heading 8604 |

“205A 8601 Rail locomotives powered from an external source of electricity or by electric accumulators 205B 8602 Other rail locomotives; locomotive tenders; such as Diesel electric locomotives, Steam locomotives and tenders thereof 205C 8603 Self-propelled railway or tramway coaches, vans and trucks, other than those of heading 8604 205D 8604 Railway or tramway maintenance or service vehicles, whether or not self-propelled (for example, workshops, cranes, ballast tampers, track liners, testing coaches and track inspection vehicles) 205E 8605 Railway or tramway passenger coaches, not self-propelled; luggage vans, post office coaches and other special purpose railway or tramway coaches, not self-propelled (excluding those of heading 8604) 205F 8606 Railway or tramway goods vans and wagons, not self-propelled 205G 8607 Parts of railway or tramway locomotives or rolling-stock; such as Bogies, bissel-bogies, axles and wheels, and parts thereof 205H 8608 Railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing”;

against S. No. 24A, in column (3), after the words “coconut water”, the words “and caffeinated beverages” shall be inserted; (ii) against S. No. 108, in column (3), after the words “other closures, of plastics”, the brackets, words, letters and figures “(except the items covered in Sl. No. 80AA in Schedule II)”, shall be inserted; (iii). in S. No. 400, for the entry in column (3), the entry, “Following motor vehicles of length not exceeding 4000 mm, namely: - (a) Petrol, Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven vehicles of engine capacity not exceeding 1200cc; and (b) Diesel driven vehicles of engine capacity not exceeding 1500 cc for persons with orthopedic physical disability, subject to the condition that an officer not below the rank of Deputy Secretary to the Government of India in the Department of Heavy Industries certifies that the said goods shall be used by the persons with orthopedic physical disability in accordance with the guidelines issued by the said Department”, shall be substituted; (iv). S. No. 446 and the entries relating thereto shall be omitted;
D. in Schedule IV – 14%, - (i) after S. No. 12 and the entries relating thereto, the following S. No. and the entries shall be inserted, namely: - “12A. 22029990 Caffeinated Beverages”;

E. in Schedule V – 1.5%, - (i) S.No. 3 and the entries relating thereto shall be omitted; (ii) S. No. 4 and the entries relating thereto shall be omitted;

F. in Schedule VI – 0.125%, - (i) in S. No. 2, for the entry in column (3), the entry, “precious stones (other than diamonds) and semi-precious stones, whether or not worked or graded but not strong, mounted or set; ungraded precious stones (other than diamonds) and semi-precious stones, temporarily strung for convenience of transport”, shall be substituted; (ii) S. No. 2A and the entries relating thereto shall be omitted;

(iii) in S. No. 3, for the entry in column (3), the entry, “Synthetic or reconstructed precious or semiprecious stones, whether or not worked or graded but not strong, mounted or set; ungraded synthetic or reconstructed precious or semiprecious stones, temporarily strung for convenience of transport”, shall be substituted; (iv) S. No. 4 and the entries relating thereto, shall be omitted;

The given notification is effective from 1st October, 2019.

Notification No. 02/2019- Compensation Cess (Rate) dated 30th September, 2019

In exercise of the powers conferred by sub-section (2) of section 8 of the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017), the Central Government, made the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 1/2017-Compensation Cess (Rate), dated the 28th June, 2017, namely:-

In the said notification, in the Schedule, - (i) after S. No. 4 and the entries relating thereto, the following serial number and the entries shall be inserted, namely: - “

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Tariff item, heading, or Chapter</th>
<th>Description of Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>Tobacco and manufactured tobacco substitutes</td>
</tr>
</tbody>
</table>

(i) in S. No. 2A, for the entry in column (3), the entry “motor vehicles for the transport of not more than 13 persons, including the driver, other than the vehicles of the description mentioned in S. No. 50 and 51”, shall be substituted; (ii) in S. No. 46, for the entry in column (3), the following entry shall be substituted, namely:- “Following motor vehicles of length not exceeding 4000 mm, namely: - (a) Petrol, Liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven vehicles of engine capacity not exceeding 1200 cc; and (b) Diesel driven vehicles of engine capacity not exceeding 1500 cc for persons with orthopedic physical disability, subject to the condition that an officer not below the rank of Deputy Secretary to the Government of India in the Department of Heavy Industries certifies that the said goods shall be used by the persons with orthopedic physical disability in accordance with the guidelines issued by the said Department”, shall be substituted; (iv) in S. No. 50, for the entry in column (2), the entry “8702, 8703 21 or 8703 22”, shall be substituted; (v) in S. No. 51, for the entry in column (2), the entry “8702, 8703 31”, shall be substituted.

The notification is effective from 1st day of October, 2019.

Notification No. 3/2019-Compensation Cess (Rate) dated 30th September, 2019

In exercise of the powers conferred by clause (ii) of the proviso to sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with sub-section (2) of Section 9 of the Goods and Services Tax (Compensation to States) Act, 2017, the Central Government, notified the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, heading, sub-heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, in respect of which no refund of unutilised input tax credit of compensation cess shall be allowed, where the credit has accumulated on account of rate of compensation cess on inputs being higher than the rate of compensation cess on the output supplies of such goods (other than nil rated or fully exempt supplies).

**TABLE**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Description of Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tobacco and manufactured tobacco substitutes</td>
</tr>
</tbody>
</table>

Explanation. – (1) In this Table, “tariff item”, “sub-heading”, “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). (2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

Circular No 112/31/2019- GST dated 3rd October, 2019
Withdrawal of Circular No. 105/24/2019-GST dated 28th June, 2019


Circular No 111/30/2019- GST dated 3rd October, 2019

Procedure to claim refund in FORM GST RFD-01 subsequent to favourable order in appeal or any other forum

In exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), issued clarification as below:

Appeals against rejection of refund claims are being disposed offline as the electronic module for the same is yet to be made operational. As per rule 93 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as “CGST Rules”), where an appeal is filed against the rejection of a refund claim, re-crediting of the amount debited from the electronic credit ledger, if any, is not done till the appeal is finally rejected. Therefore, such rejected amount remains debited in respect of the particular refund claim filed in FORM GST RFD-01.

In case a favourable order is received by a registered person in appeal or in any other forum in respect of a refund claim rejected through issuance of an order in FORM GST RFD-06, the registered person would file a fresh refund application under the category
“Refund on account of assessment/provisional assessment/appeal/any other order” claiming refund of the amount allowed in appeal or any other forum. Since the amount debited, if any, at the time of filing of the refund application was not re-credited, the registered person shall not be required to debit the said amount again from his electronic credit ledger at the time of filing of the fresh refund application under the category “Refund on account of assessment/provisional assessment/appeal/any other order”. The registered person shall be required to give details of the type of the Order (appeal/any other order), Order No., Order date and the Order Issuing Authority. The registered person would also be required to upload a copy of the order of the Appellate or other authority, copy of the refund rejection order in FORM GST RFD 06 issued by the proper officer or such other order against which appeal has been preferred and other related documents.

Upon receipt of the application for refund under the category “Refund on account of assessment/provisional assessment/appeal/any other order” the proper officer would sanction the amount of refund as allowed in appeal or in subsequent forum which was originally rejected and shall make an order in FORM GST RFD 06 and issue payment order in FORM GST RFD 05 accordingly. The proper officer disposing the application for refund under the category “Refund on account of assessment/provisional assessment/appeal/any other order” shall also ensure re-credit of any amount which remains rejected in the order of the appellate (or any other authority). However, such re-credit shall be made following the guideline as laid down in para 4.2 of Circular no. 59/33/2018 – GST dated 04/09/2018.

The above clarifications can be illustrated with the help of an example. Consider a registered person who makes an application for refund of unutilized ITC on account of export to the extent of ₹100/- and debits the said amount from his electronic credit ledger. The proper officer disposes the application by allowing refund of ₹70/- and rejecting the refund of ₹30/-. However, he does not re credit ₹30/- since appeal is preferred by the claimant and accordingly FORM GST RFD 01B is not uploaded. Assume that the appellate authority allows refund of only ₹10/- out of the ₹30/- for which the registered person went in appeal. This ₹10/- shall be claimed afresh under the category “Refund on account of assessment/provisional assessment/appeal/any other order” and processed accordingly. However, subsequent to processing of this claim of ₹10/- the proper officer shall re credit ₹20/- to the electronic credit ledger of the claimant, provided that the registered person is not challenging the order in a higher forum. For this purpose, FORM GST RFD 01B under the original ARN which has so far not been uploaded will be uploaded with refund sanctioned amount as ₹80/- and the amount to be re-credited as ₹20/-. In case, the proper officer who rejected the refund claim is not the one who is disposing the application under the category “Refund on account of assessment/provisional assessment/appeal/any other order”, the latter shall communicate to the proper officer who rejected the refund claim to close the ARN as above only after obtaining the undertaking as referred in para 4.2 of Circular no. 59/33/2018 – GST dated 04/09/2018.

Circular No 110/29/2019- GST dated 3rd October, 2019

Eligibility to file a refund application in FORM GST RFD-01 for a period and category under which a NIL refund application has already been filed

Several registered persons have inadvertently filed a NIL refund claim for a certain period under a particular category on the common portal in FORM GST RFD-01A/RFD-01 in spite of the fact that they had a genuine claim for refund for that period under the said category.

Once a NIL refund claim is filed, the common portal does not allow the registered person to re-file the refund claim for that period under the said category. The Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), issued clarification as below.

1. Whenever a registered person proceeds to claim refund in FORM GST RFD-01A/RFD-01 under a category for a particular period on the common portal, the system pops up a message box asking whether he wants to apply for ‘NIL’ refund for the selected period. This is to ensure that all refund applications under a particular category are filed chronologically. However, certain registered persons may have inadvertently opted for filing of ‘NIL’ refund. Once a ‘NIL’ refund claim has been filed for a period under a particular category, the common portal does not allow the registered person to re-file the refund claim for that period under the said category.

2. It is now clarified that a registered person who has filed a NIL refund claim in FORM GST RFD-01A/RFD-01 for a given period under a particular category, may again apply for refund for the said period under the same category only if he satisfies the following two conditions:
   a. The registered person must have filed a NIL refund claim in FORM GST RFD-01A/RFD-01 for a certain period under a particular category; and

   No refund claims in FORM GST RFD-01A/RFD-01 must have been filed by the registered person under the same category for any subsequent period. It may be noted that condition (b) shall apply only for refund claims falling under the following categories:
      i. Refund of unutilized input tax credit (ITC) on account of exports without payment of tax;
      ii. Refund of unutilized ITC on account of supplies made to SEZ Unit/SEZ Developer without payment of tax; iii. Refund of unutilized ITC on account of accumulation due to inverted tax structure; In all other cases, registered persons shall be allowed to re-apply even if the condition (b) is not satisfied

3. Registered persons satisfying the above conditions may file the refund claim under “Any Other” category instead of the category under which the NIL refund claim has already been filed. However, the refund claim should pertain to the same period for which the NIL application was filed. The application under the “Any Other” category shall also be accompanied by all the supporting documents which would be required to be otherwise submitted with the refund claim.

4. On receipt of the claim, the proper officer shall calculate the admissible refund amount as per the applicable rules and in the manner detailed in para 3 of Circular No.59/33/2018-GST dated 04.09.2018, wherever applicable. Further, upon scrutiny of the application for completeness and eligibility, if the proper officer is satisfied that the whole or any part of the amount claimed is payable as refund, he shall request the taxpayer in writing, if required, to debit the said amount from his electronic credit ledger through FORM GST DRC-03. Once the proof of such debit is received by the proper officer, he shall proceed to issue the refund order in FORM GST RFD-06 and the payment order in FORM GST RFD-05.
The Institute of Company Secretaries of India engaged with the Educators across India through the august Platform of ICSI Teachers’ Week and empowered the torch bearers of knowledge through thread bare sessions on the recent topics related to Companies Act 2013, GST Law etc. along with their updates on latest amendments by the Government of India.

ICSI Teachers’ Conferences on the Theme “Empowering Educators” were organised by ICSI Regional Councils at New Delhi, Chennai, Kolkata and Mumbai and ICSI Chapters during the ICSI Teachers’ Week across India at more than 40 Locations.

Conducted with an aim to bring scholars, educators and professionals to share developments in their respective fields and open the knowledge frontiers, the Conferences witnessed large Scale participation from Commerce/Management and Law Faculty members from various premier institutions, Colleges and Higher Secondary Schools.

The Teachers’ Conferences provided an opportunity for academicians and Professionals to share their knowledge, research findings and educational practices at a common platform.

GLIMPSES of the ‘ICSI Teachers’ Week’ - Conferences held across India

Northern Indian Regional Council and Its Chapters

New Delhi - NIRC

Date: 17th September, 2019
Chief Guest: Shri Sanjay Dhotre, Hon’ble Minister of State for Human Resource Development Electronics and Information Technology and Communications
Number of Participants: 200

Post event tweet from Minister of State for Human Resource Development, Electronics & Information Technology and Communications SHRI SANJAY DHOTRE

On Hon’ble PM’s birthday, participated in another event, the Teachers’ Conference, organised by the ICSI, as Chief Guest. The ICSI rightly calls this event Empowering Educators. The ICSI’s contribution in corporate governance has no parallel globally. I wish them all the best.
Agra Chapter
Date: 11th September, 2019
Chief Guest: Dr P. S. Asthana (Retired Professor from St. Johns College)
Number of Participants: 50

Alwar Chapter
Date: 7th September, 2019
Chief Guest: Mr. Imran Khan, National Teachers Award winner - 2018 & Educational App Developer
Number of Participants: 65

Allahabad Chapter
Date: 8th September, 2019
Chief Guest: Prof. Arun Kumar - Motilal Nehru Institute of Research & Business Administration, University of Allahabad
Guests of Honour: Shri Satyarth Aniruddha Pankaj-Senior Superintendent of Police, Prayagraj
Dr. Om Prakash Tiwari, Associate Professor, Allahabad Degree College, University of Allahabad
Number of Participants: 80

Bareilly Chapter
Date: 8th September, 2019
Chief Guest: Dr. N. L. Sharma, Senior Lecturer, Bareilly College
Number of Participants: 80
Chandigarh Chapter
Date: 11th September, 2019
Chief Guest: CS M. G. Jindal
Number of Participants: 55

Jodhpur Chapter
Date: 8th September, 2019
Chief Guest: Dr. Ravi - IPS (DCP Traffic & HQ)
Guests of Honour: Nirmala Vishnoi (ADCP-PPK) and D K Ranga – (Deputy Commissioner- GST)
Number of Participants: 95

Faridabad Chapter
Date: 28th September, 2019
Chief Guest: Smt. Sonal Goel, IAS, Commissioner MCF
Number of Participants: 80

Kanpur Chapter
Date: 14th September, 2019
Chief Guest: Prof. N.B. Singh Sir, VC, HBTU, Kanpur
Number of Participants: 100
Kota Chapter

Date: 11th September, 2019
Chief Guest: Shri Praveen Bhargava, Controller of Examination, University of Kota
Guests of Honour: Mrs. Rani Sharma, Member of Juvenile Justice Board and Shri Rakesh Kumar Jain, Secretary, Aklank Vidyalaya Association
Number of Participants: 55

Modinagar Chapter

Date: 29th September, 2019
Number of Participants: 40

Ludhiana Chapter

Date: 14th September, 2019
Chief Guest: Ms. Swarnjit Kaur (P.E.S.), District Education Officer, Ludhiana
Number of Participants: 55

Udaipur Chapter

Date: 11th September, 2019
Chief Guest: Mr. G.Soral - HOD Accountancy & Statics, College of Commerce and Management, MLSU Udaipur
Number of Participants: 60
Eastern Indian Regional Council and Its Chapters.

Kolkata - EIRO

Date: 9th September, 2019
Chief Guest: Dr. Dhruba Ranjan Dandpat, Dean, Faculty Council of Commerce, Social Welfare and Business Management, University of Calcutta
Guest of Honour: Dr Ashish Kr Sana, Head, Faculty of Commerce, University of Calcutta
Special Guest: Prof. Arup Choudhari, Ex-Director, Amity Global Business School, Kolkata
Number of Participants: 80

Guwahati (NE) Chapter

Date: 11th September, 2019
Chief Guest: Dr. Hrishikesh Baruah, Principal, KC Das Commerce College, Guwahati
Number of Participants: 70

Bhubaneswar Chapter

Date: 9th September, 2019
Chief Guest: Dr. Pawan Kumar Agarwal, Vice Chancellor, Odisha University of Agriculture & Technology
Number of Participants: 100

Hooghly Chapter

Date: 11th September, 2019
Chief Guest: Mr. Vijay Sagar Mishra, Chairman, Rishra Municipality,
Number of Participants: 30
Patna Chapter

Date: 11th September, 2019  
Chief Guest: Shri Himanshu Shekhar (ROC, Patna)  
Number of Participants: 30

Ranchi Chapter

Date: 7th September, 2019  
Chief Guest: Prof. (Dr.) V.K. Soni, Vice-chancellor, YBN University, Ranchi  
Guest of Honour: Dr. Raman Ballabh, Senior Academician, Ranchi  
Number of Participants: 55

Western Indian Regional Council and Its Chapters

Mumbai – WIRO

Date: 11th September, 2019  
Chief Guest: Dr. (Ms) Vidyagauri Lele, Principal, N G Acharya and D K Marathe College  
Number of Participants: 60

Ahmedabad Chapter

Date: 11th September, 2019  
Chief Guest: Shri Jagdish Bhavsar, Pro- Vice Chancellor of Gujarat University  
Number of Participants: 65
Aurangabad Chapter

Date: 11th September, 2019  
Chief Guest: Dr. Mohd. Razaullah Khan, Head of Department of Commerce, Maulana Azad College of Arts, Science & Commerce, Aurangabad (Maharashtra)  
Number of Participants: 95

Bhopal Chapter

Date: 25th September, 2019  
Chief Guest: Mr. Sanjay Agrawal, Assistant Commissioner, Income Tax  
Number of Participants: 55

Bhayander Chapter

Date: 7th September, 2019  
Chief Guest: Adv. Dharmesh Mehta, Principal, LR Tiwari Law College  
Number of Participants: 50

Indore Chapter

Date: 13th September, 2019  
Chief Guest: Shri Manohar Baheti ji-Chairman, Shri Vaishnav Commerce College & Entrepreneur  
Number of Participants: 100
Kolhapur Chapter
Date: 9th September 2019
Chief Guest: HOD A.M Gurav (Shivaji University, Kolhapur)
Number of Participants: 50

Pune Chapter
Date: 11th September, 2019
Faculty: Prof (Dr) E. B. Khedkar, Vice Chancellor, Ajinkya D Y Patil University, Pune
Number of Participants: 65

Nagpur Chapter
Date: 9th September, 2019
Chief Guest: Dr. S.R. Jichkar, Principal Dhanwate National College
Guest of Honour: Dr. Anant Deshmukh, Dean Faculty of Commerce, RTMNU
Number of Participants: 70

Raipur Chapter
Date: 11th September, 2019
Chief Guest: CS Y. C. Rao
Number of Participants: 50
Rajkot Chapter

Date: 7th September, 2019
Chief Guest: Dr. Nitinkumar M. Pethani Vice Chancellor, Saurashtra University, Rajkot
Number of Participants: 50

Thane Chapter

Date: 11th September, 2019
Chief Guest: Dr. Suchitra Naik, Principal of VPM Joshi Bedekar College
Guest of Honour: Mr. Milind Ballal Chief Editor of “Thane Vaibhav” and “Know Your Town”
Number of Participants: 30

Surat Chapter

Date: 9th September, 2019
Chief Guest: Dr. Bina Paul, Principal, Shree Kaushik Haria Technical Center, Vapi
Number of Participants: 50

Vadodara Chapter

Date: 7th September, 2019
Chief Guest: Dr. U. N. Rathod, District Education Officer, Vadodara
Guest of Honour: Prof. Ketan Upadhyay, Dean, Faculty of Commerce, The M. S. University of Baroda, Vadodara
Number of Participants: 50
Southern Indian Regional Council and Its Chapters

**Chennai - SIRO**
Date: 6th September, 2019  
Chief Guest: Mr. Nandakumar V, IRS Additional Commissioner of Income Tax, Chennai  
Number of Participants: 100

**Bengaluru Chapter**
Date: 11th September, 2019  
Chief Guest: Dr. T Kemparaju, Vice Chancellor, Bengal North University  
Special Guest: CS Gopal Krishna Hegde, Past CCM and Dr. M Muninarayanappa Chairman BOS, Bengaluru North University  
Number of Participants: 60

**Amaravati Chapter**
Date: 11th September, 2019  
Chief Guest: Dr. K. Ramji, Vice Chancellor, Acharya Nagarjuna University  
Number of Participants: 100

**Coimbatore Chapter**
Date: 8th September, 2019  
Chief Guest: Dr. K Murugan, Registrar, Bharathiar University (Govt. University)  
Guests of Honour: Shri C. S. Govindarajan, I.C.L.S, Registrar of Companies, MCA, Tamil Nadu, Coimbatore and Shri. S Gnanakumar, Joint Commissioner (CT) (Intelligence), Tamil Nadu State Commercial Taxes & GST  
Number of Participants: 100
Hyderabad Chapter

Date: 7th September, 2019
Chief Guest: Sr. Velangini, Principal of ST. Pious X Degree & PG College
Number of Participants: 55

Mangalore Chapter

Date: 6th September, 2019
Chief Guest: Dr. P Subrahmany Yedapadithay, Vice Chancellor, Mangalore University
Number of Participants: 65

Madurai Chapter

Date: 11th September, 2019
Chief Guest: Dr. K. Pitchumani, VC, Manonmaniam Sundaranar University
Number of Participants: 100

Mysore Chapter

Date: 11th September, 2019
Chief Guest: Dr. G H Mahadevaswamy, Principal
Number of Participants: 55
Southern Indian Regional Council and Its Chapters

Salem Chapter

Date: 9th September, 2019
Chief Guest: Dr. V. Kumaravel, Director – Academics, Vivekanandha College of Arts & Sciences for Women
Number of Participants: 75

Thrissur Chapter

Date: 7th September, 2019
Chief Guest: Dr. Sathish PK, Dean of Department of Commerce, University of Calicut
Number of Participants: 60

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**Contact**
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