

# CS Foundation Course

(e-bulletin for Foundation Programme Students)



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)

## February 2020



### Message from the President

**Dear Students,**

It gives me immense pleasure to pen down my first message as the President of our Alma Mater and while extending my best wishes to all of you share my thoughts and intent for the year to follow.

The month of February while having held significance for the students of this Institute has gained further connotation this year. The recent deliberations at a global level have given much strength to the concept of “stakeholder capitalism” which believes in the orientation of corporations and other entities to serve the interests of all their stakeholders. Understanding its heightened relevance in the modern day scenario and with a dire urge to align the same with our ideology, the Institute has brought forth the Company Secretaries (Amendment) Regulations, 2020.

These regulations while seeking to strengthen each milestone in the process of becoming a Company Secretary – right from the entry level resulting in equipping the prospective Company Secretaries have also been developed to provide for adequate post membership upskilling measures.

One of the key aspects of these Regulations is the introduction of the CS Executive Entrance Test (CSEET) to replace the existing CS Foundation Programme. The CSEET shall serve as the qualifying test for the candidates aspiring to pursue the Company Secretaryship Course.

As far as the grooming of aspiring professionals is concerned, the Institute has strived to alter and rework the existing Training structure, making ample room for budding Company Secretaries to understand their upcoming responsibilities, the accountabilities attached to them and brace themselves for the expectations of the India Inc.

And while these developments made through the Amendment Regulations have made the month much more significant, yet I would like to extend my heartiest congratulations to all the students who have passed the examinations with flying colours and my eternal best wishes to the students who appeared in the CS Examinations – December, 2019 but could not sail through. I hope that you will keep the mast of your hopes and aspirations and will march forward with greater zeal and motivation to become the Governance Professionals of tomorrow...

Best of luck !!!

**CS Ashish Garg**

*President*

**The Institute of Company Secretaries of India**

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## Academic Guidance

### THE TRAJECTORY OF PAYMENT BANKS IN INDIA\*

#### Introduction

Payment banks are the latest initiative from the Reserve Bank of India (RBI) with the primary motive to promote digital, paperless and cashless banking in our nation. It is an approach in which other non-banking financial organisations are granted the authority to offer basic bank services to every Indian citizen. A payments bank is a differentiated bank with the specific objective of catering to the unbanked and underbanked. Although the Pradhan Mantri Jan Dhan Yojana has brought down the number of unbanked individuals in the country, there are still millions who do not have bank accounts. According to a World Bank report, India is home to 21% of the world's unbanked adults. Payments banks aim to service these customers, especially migrant workers and those from lower income households, as well as bring them into the formal financial system. It also has the added benefit of secured, technology-driven transactions which can easily be tracked without any loop hole for black money.

In September 2013, the Reserve Bank of India constituted a committee headed by Dr Nachiket Mor to study 'Comprehensive financial services for small businesses and low income households'. The objective of the committee was to propose measures for achieving financial inclusion and increased access to financial services.

The committee submitted its report to RBI in January 2014. One of the key suggestions of the committee was to introduce specialised banks or 'payments bank' to cater to the lower income groups and small businesses so that by January 1, 2016 each Indian resident can have a global bank account. The services provided by the payments bank are as follows.

1. Remittance service
2. Automated Teller Machine Service
3. Debit cards for money transaction
4. Net banking service
5. Bill payments service
6. Mobile banking service
7. Third-party fund transfer

#### RBI's guidelines for Payments Banks

- Eligibility criteria of Applicants – Prepaid payment instruments issuers, Professionals, NBFCs, Telecom companies, Supermarket Chains, Corporates etc.,

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\*Dr. Akinchan Buddhodev Sinha, Assistant Director, ICSI.

*The views expressed are personal views of the author and do not necessarily reflect those of the Institute.*

- The Payments Banks would be required to use the word 'Payments' in its name to differentiate it from other banks.
- The minimum capital requirement is Rs 100 crore
- What is the scope of activity? – Payments Banks can offer Deposits (only current/saving accounts), issue ATM / Debit cards, payments and remittances services and can also act as Distributor of Third party products (can cross sell insurance, mutual funds etc.,)
- They would initially be restricted to holding a maximum balance / deposit of Rs 100,000 per customer. *(Based on performance, the RBI could enhance this limit)*
- They cannot issue Credit Cards.
- Payment Bank can not undertake Lending activities. They should not offer loans.
- How safe is your money in a Payments Bank? – A Payments bank will be required to invest 75% of its demand deposits balances in Government Securities (G-Sec) & Treasury Bills. They have to meet Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio requirements set by RBI. A maximum of 25% of its deposits will have to be held in current and fixed deposits with other scheduled commercial banks.

### **Difference between Commercial Banks and Payment Banks**

Commercial banks, like State Bank of India, ICICI Bank etc. operate slightly differently from these payments banks. Some of the differences are:

- a) **Deposit amount:** You can deposit up to Rs 1 lakh in a payments bank, whereas there is no such limit in a commercial bank.
- b) **Credit cards and loans:** Payments banks are allowed to give debit cards to their customers but do not provide credit cards or loans. They can only do so if they have tied up with a commercial bank. Commercial banks, meanwhile, do provide loans and credit cards.
- c) **Minimum capital:** Payments banks need to have a minimum capital of Rs 100 crore, with promoters contributing at least 40% of the capital. Commercial banks, meanwhile, need to have Rs 500 crore as its paid-up voting equity capital.
- d) **Onboard process:** Opening an account in a commercial bank takes time due to documentation, while it is comparatively swifter in the case of payments banks thanks to a paperless process initiated by mobile technology.
- e) **Minimum balance:** Many commercial banks require you to have a minimum balance in your account. Failure to do so may result in a penalty. In a payments bank's case, there is no minimum balance. You can open an account without paying any money upfront. These accounts are known as zero-balance accounts.
- f) **Interest rate:** Payments banks provide relatively higher interest rates than scheduled banks.

The aforesaid differences between Commercial Banks and Payment Banks are presented in exhibit 1 (Comparison of Payment Bank with other Commercial Bank)

**Exhibit 1****Comparison of Payment Bank with other Commercial Bank**

<b>Feature</b>	<b>Payment bank</b>	<b>Traditional bank</b>
Making deposit	YES	YES
Deposit limit	RS.1 LAKH	NO LIMIT
Withdrawal facility	YES	YES
Interest on loan	YES	YES
Availing of loan	NO	YES
Credit card	NO	YES
Debit card /ATM facility	YES	YES

**Challenges for Payment Banks**

PBs, unlike Small Finance Banks, cannot extend loans, yet they pay interest. Making customers switch over from full service banks to a limited set of offerings is a challenge PBs need to address. As avenues to earn are limited, to be viable, they would have to be technology led and innovative. Solutions need to be structured around moving toward a cashless economy. They will also have to look at asset light business models. PBs will have to position themselves to broadly three kinds of customers: the tech savvy young Indian, who is likely to welcome proactive banking services and a secure payment platform; the lower income financially excluded Indian, who deals in cash and is looking for basic banking services on mobile; and to the financially included, although digitally, non savvy customer. This implies presence via a digital and branch platform to cater to divergent sets of customers, till the time technology adoption increases significantly. In order to be successful, they will have to innovate and gain significant market share. They will have to look at providing proactive banking services—use of cloud for services such as storage of receipts, data analytics for generating insights, social interactions, tools for budgeting, user experience, and customized offers based on location and transaction history.

**Partnerships – The Silver Lining**

Partnerships for PBs are perhaps the only option to gain competitive advantage, expand their reach and maximize revenues. For this reason, many applications for the PB license were in Joint Venture format. Applicants could leverage each others' capabilities in technology, branch outreach, mobile networks, ready customer base, merchant distribution services, and ensure capabilities (accounting, regulatory) where they lacked them. Cost containment is another key consideration making partnerships within sales and distribution pivotal.

However, partnerships, although a good strategic consideration, come with their own set of regulatory constraints. For instance, the 3-3-3 rule for bancassurance applies to Payments Banks. This rule limits the set of insurance partners that PBs can tie up with, making a strong case for wisely selecting partners.

Since these banks can operate as Business Correspondents (BCs) to large banks, tie-ups with PBs can help partners that want to extend their reach to remote areas and unbanked states, gain scale and also

provide market insights to them. Companies developing low cost banking technologies, Fin Tech start-ups, and companies setting up Branch infrastructure (furniture, fixtures, etc.) can also find value in forming partnerships with PBs. Innovative partnership models that could also be non-traditional in nature are highly likely. A case in point is a PB-NGO partnership, providing scale to the PB by allowing access to an NGO's vast network. The NGO partnership will also help build awareness about the PB.

### **Conclusion**

Going by recent reports it may be stated that payments banks have entered into turbulent weather which has made its future uncertain. In a report that mentioned about closure of operations by Aditya Birla Payments Bank (ABPB) and extinguishing of operations by Vodafone m-Pesa are an allegory of collapsing structure of payments banks in India. The payments bank model that was conceptualised by Reserve Bank of India on recommendation of the Nachiket Mor Committee for fostering financial inclusion by offering small savings and payments services to the entities in the unorganised sector appears to have developed fissures. However, regulatory and government succour may resuscitate the payments bank.

### **Source:**

<https://bijlipay.co.in/blog/need-payment-banks-india/>

<https://www.relakhs.com/payments-banks-small-banks-meaning-benefits/>

<http://www.jetir.org/papers/JETIRG006021.pdf>

<https://www2.deloitte.com/content/dam/Deloitte/in/Documents/financial-services/in-fs-deloitte-banking-colloquium-thoughtpaper-cii.pdf>

<https://www.livemint.com/industry/banking/future-of-payment-banks-uncertain-says-sbi-report-1563852346159.html>

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### ***Student-ICSI Academic CONNECT***

Students may clarify their subject specific academic queries related to study material between 2.00 p.m. to 3.00 p.m. on all working days (Monday - Friday) at 0120-4082125

Students may also write their academic queries on [academics@icsi.edu](mailto:academics@icsi.edu)

## *Examination*

### 1. DECLARATION OF RESULT OF COMPUTER BASED EXAMINATION FOR FOUNDATION PROGRAMME HELD IN DECEMBER, 2019

The result of CS Foundation Programme examination held on 28th and 29th December, 2019 was declared on Saturday, the 25th January, 2020 at 11:00 A.M. The result along with individual candidate's subject-wise break-up of marks was made available on the Institute's website: [www.icsi.edu](http://www.icsi.edu) on 25<sup>th</sup> January, 2020 from 11:00 A.M. onwards.

### 2. ISSUING OF MARKS-SHEETS

According to the decision taken by the Institute, the dispatch of Result-cum-Marks Statement for Foundation Programme examination in physical form has been discontinued. Instead formal E-Result-cum-Marks Statement for the Foundation Programme Examination December, 2019 has been uploaded on the Institute's website: [www.icsi.edu](http://www.icsi.edu) to facilitate the candidates to download the same for their reference use and records. Students are advised to download the E-Result-cum-Marks Statement accordingly. Please note that no physical copy of Result-cum Marks Statement shall be issued to the candidates of Foundation Programme examination.

### 3. COMPUTER BASED EXAMINATION (CBE), JUNE - 2020

**The next Computer Based Examination for Foundation Programme scheduled in June, 2020 will be held on Saturday, the 6<sup>th</sup> June, 2020 and Sunday, the 7<sup>th</sup> June, 2020 as per the following Examination Time-Table:**

<i>Day and Date of Examination</i>	<i>Subjects</i>		<i>Batch No.</i>	<i>Examination Timings</i>	
				<i>From</i>	<i>To</i>
<b>Saturday, 6th June, 2020</b>	Paper -1	Business Environment and Law <b>AND</b>	I	9.30 A.M.	11.00 A.M.
			II	12.00 Noon	1.30 P.M.
	Paper-2	Business Management, Ethics and Entrepreneurship	III	2.30 P.M.	4.00 P.M.
			IV	5.00 P.M.	6.30 P.M.
<b>Sunday, 7th June, 2020</b>	Paper-3	Business Economics <b>AND</b>	I	9.30 A.M.	11.00 A.M.
			II	12.00 Noon	1.30 P.M.
	Paper-4	Fundamentals of Accounting and Auditing	III	2.30 P.M.	4.00 P.M.
			IV	5.00 P.M.	6.30 P.M.

*\*Allotment of time-slot to each student will be made by the Institute and no request for change of time-slot will be entertained.*

### 4. EXAMINATION CENTRES FOR COMPUTER BASED EXAMINATION- JUNE, 2020

The Computer Based Examination for Foundation Programme scheduled in June, 2020 shall be conducted at 131 examination centres, viz., 1. Agra, 2. Ahmedabad, 3. Ahmednagar, 4. Ajmer, 5.

Akola, 6. Aligarh, 7. Allahabad, 8. Alwar, 9. Ambala, 10. Amravati, 11. Amritsar, 12. Asansol, 13. Aurangabad, 14. Ballary, 15. Bangalore, 16. Bareilly, 17. Beawar, 18. Belgaum, 19. Bhayander, 20. Bhilai, 21. Bhilwara, 22. Bhopal, 23. Bhubaneswar, 24. Bikaner, 25. Bilaspur, 26. Calicut, 27. Chandigarh, 28. Chennai, 29. Chittorgarh, 30. Coimbatore, 31. Dehradun, 32. Delhi (East), 33. Delhi (North), 34. Delhi (South), 35. Delhi (West), 36. Dhanbad, 37. Durgapur, 38. Ernakulam, 39. Faridabad, 40. Gandhidham, 41. Gandhinagar, 42. Ghaziabad, 43. Gorakhpur, 44. Guntur-Amaravati, 45. Gurgaon, 46. Guwahati, 47. Gwalior, 48. Hisar, 49. Hooghly, 50. Howrah, 51. Hubli-Dharwad, 52. Hyderabad, 53. Imphal, 54. Indore, 55. Jabalpur, 56. Jaipur, 57. Jalandhar, 58. Jalgaon, 59. Jammu, 60. Jamnagar, 61. Jamshedpur, 62. Jhansi, 63. Jhunjhunu, 64. Jodhpur, 65. Kanpur, 66. Kolhapur, 67. Kolkata (North), 68. Kolkata (South), 69. Kota, 70. Kottayam, 71. Latur, 72. Lucknow, 73. Ludhiana, 74. Madurai, 75. Mangalore, 76. Mathura, 77. Meerut, 78. Moradabad, 79. Mumbai (CG), 80. Mumbai (GTK), 81. Mumbai (JOG), 82. Muzaffarnagar, 83. Mysore, 84. Nagpur, 85. Nanded, 86. Nashik, 87. Navi Mumbai, 88. Noida, 89. Palakkad, 90. Pali, 91. Panaji, 92. Panipat, 93. Patiala, 94. Patna, 95. Pimpri-Chinchwad, 96. Port Blair, 97. Puducherry, 98. Pune, 99. Raipur, 100. Rajkot, 101. Ranchi, 102. Rewari, 103. Rohtak, 104. Rourkela, 105. Sagar, 106. Salem, 107. Sambalpur, 108. Satara, 109. Shimla, 110. Sikar, 111. Siliguri, 112. Solapur, 113. Sonapat, 114. Srinagar, 115. Surat, 116. Surendranagar, 117. Thane, 118. Thiruvananthapuram, 119. Thrissur, 120. Tiruchirapalli, 121. Tirunelveli, 122. Tumkur, 123. Udaipur, 124. Ujjain, 125. Vadodara, 126. Vapi, 127. Varanasi, 128. Vijayawada, 129. Visakhapatnam, 130. Yamuna Nagar and 131. Overseas Centre — Dubai.

5. **ALL INDIA MERIT LIST- JUNE, 2019 EXAMINATION**

[https://www.icsi.edu/media/webmodules/June19\\_FndProgExam.pdf](https://www.icsi.edu/media/webmodules/June19_FndProgExam.pdf)

6. **NEW EXAMINATION CENTRES**

**ATTENTION STUDENTS!**

**NEW EXAMINATION CENTRES FOR COMPANY SECRETARIES EXAMINATION**

The Institute is pleased to announce opening of new Examination Centres at the following cities for **Company Secretaries examination w.e.f. June, 2020 session**:

S.No.	City & State	Examination Centre Code
1.	Ballary (Karnataka)	325
2.	Mathura* (Uttar Pradesh)	248
3.	Tirunelveli (Tamil Nadu)	326

*\*Already an examination centre for Foundation Programme Examination*

Accordingly, candidates can opt for new examination centre in addition to the existing examination centres while enrolling for Company Secretaries June, 2020 Examination

**JOINT SECRETARY  
DIRECTORATE OF EXAMINATIONS**

## News from Region

### EIRC



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## ICSI-EIRC LIBRARY

E-Library  
Facility  
Available

Dear Students & Members,

Keeping in view for the benefit of Students & Members the EIRC of ICSI is promoting the revamped Library at ICSI-EIRC, House. The EIRC library is equipped with English and Hindi News Papers, Latest Books, Reference Materials & Subscriptions of Leading Journals. You all are requested to please come forward with the suggestions for new inclusions.

#### Books Available

⊙ ICSI Publications ⊙ ICSI Study Materials ⊙ Books on Case Laws ⊙ Bare Acts ⊙ Taxation ⊙ Scanners ⊙ Reference Books ⊙ Guideline Answers ⊙ Chartered Secretary

Library facilities is open from 10:30am to 6:30pm on working days

Particulars	Securities Deposit	Annual Subscription	Documents
Students	Rs. 500/-	Rs. 200/-	Student's / Member's ID Card & 2 Passport size photograph
Member	Rs. 2500/-	Rs. 200/-	
OTC Students	Rs. 500/-	Exempted	

#### Terms & Conditions:-

- Two books from the general section will be issued at a time for two weeks.
  - If the issued book is not returned by the due date, the library member may be required to pay a fine of Rs.5/- for each day of default.
  - Where a book is lost or damaged current publisher's price and a surcharge of not exceeding 25% of the price to meet the cost of acquisition shall be charged.
- The security deposit shall be refundable on cessation of membership of library provided there is no book standing in the name of the person and there are no outstanding dues.
- The annual library subscription once paid shall not be refunded under any circumstances.
- The library membership shall be valid for the financial year and may be renewed on the 1st of April each year by paying annual fee.
- Each member of the Library shall observe necessary and due care while handling books and other material.
- Members or readers shall maintain strict discipline inside and around the Library and conduct themselves in a manner conducive to congenial atmosphere for study.
- Every member of the library shall intimate in writing, changes if any, in his/her professional or residential address and contact number or status i.e. a registered student becoming a licentiate or member or a licentiate becoming a member of the Institute within 14 days

For further details and registration, please contact:

**Ms. Rukmani Nag, ICSI-EIRC Library**

Phone: 033-2290 1065 / 2290 2178 or mail at [rukmani.nag@icsi.edu](mailto:rukmani.nag@icsi.edu)

**ICSI Vision**  
"To be a global leader in  
promoting good  
corporate governance"

**ICSI Motto**  
सत्यं वद। धर्मं चर।  
speak the truth, abide by the law

**ICSI Mission**  
"To develop high calibre  
professionals facilitating  
good corporate governance"



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## REGISTRATION FORM

Photo

Name.....  
.....

Registration No / Membership No.....

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Mobile No.....

Correspondence Address.....  
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Permanent Address.....  
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Security Ammount: Rs. .... Annual Fee: .....

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Signature

Place:

Date:

### For office use only

Security Ammount: Rs.....

Annual Fee.....

Invoice No.:.....

Date: .....

\_\_\_\_\_  
Dealing Officer

## SCHOLARSHIP SCHEME

ICSI-EIRC is pleased to announce Scholarship Scheme for pursuing Company Secretary Course with the support of few Private Charitable Foundation / Trust. The Students who are in need of financial help to pursue CS course may contact Regional Director at the following address for information in detail.

**DR. Tapas Kumar Roy**

Regional Director

ICSI-EIRC House,

3A, Ahiripukur 1<sup>st</sup> Lane,

Kolkata – 700 019

Ph: 033- 22832973

Mail: [eiro@icsi.edu](mailto:eiro@icsi.edu)

## Attention Students

### Refund of fees received from students who have not attended SIP/EDP

1. Those students who have registered with EIRC but not attended SIP/EDP are requested to submit an application for the refund of SIP/EDP fee along with original SIP/ EDP acknowledgement receipt at ICSI-EIRC, House, 3A, Ahiripukur, 1st Lane, Kolkata-700019.
2. Outstation students who are unable to come personally to collect the refund, may opt for electronic transfer to their bank account after sending the duly filled-up undertaking form duly signed by them.

#### For further details contact

**Ms. Rukmani Nag**, Executive Assistant, ICSI-EIRO

ICSI-EIRC House, 3A, Ahiripukur 1<sup>st</sup> Lane, Kolkata – 700 019, Visit : <https://www.icsi.edu/eiro/Home.aspx>

Ph: 033- 2283 2973 / 2290 2178 / 2290 2179 or Email: [rukmani.nag@icsi.edu](mailto:rukmani.nag@icsi.edu)

## **Attention ICSI-EIRC Library Member**

### **Refund of Security Deposit Amount for Library Membership**

Those students who have taken Membership of ICSI-EIRC Library before 1<sup>st</sup> April, 2010 and have not renewed / are not continuing the same as on date should claim for refund of their Security Deposit Money for Library Membership. An application addressed to the Regional Director (E) has to be submitted for the refund of security deposit along with the original acknowledgement receipt and the Library Cards at ICSI-EIRC, House, 3A, Ahiripukur, 1st Lane, Kolkata-700019 within 31<sup>st</sup> December 2019. The unclaimed amount after 31<sup>st</sup> December, 2019 would be forfeited.

**For any clarification may please contact**

**Ms. Rukmani Nag, Executive Assistant, ICSI-EIRO**  
**ICSI-EIRC House, 3A, Ahiripukur 1<sup>st</sup> Lane, Kolkata – 700 019.**

**Visit : <http://www.icsi.edu/irc/Home.aspx>**

**Ph: 033- 2283 2973 / 2290 2178 / 2290 1045 or Email: [rukmani.nag@icsi.edu](mailto:rukmani.nag@icsi.edu)**

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**LAKSHMI ARUN, JOINT DIRECTOR**

**AKANSHA GUPTA, EXECUTIVE (ACADEMICS)**

***Directorate of Academics***

For views/suggestions/feedback please write to : [academics@icsi.edu](mailto:academics@icsi.edu)