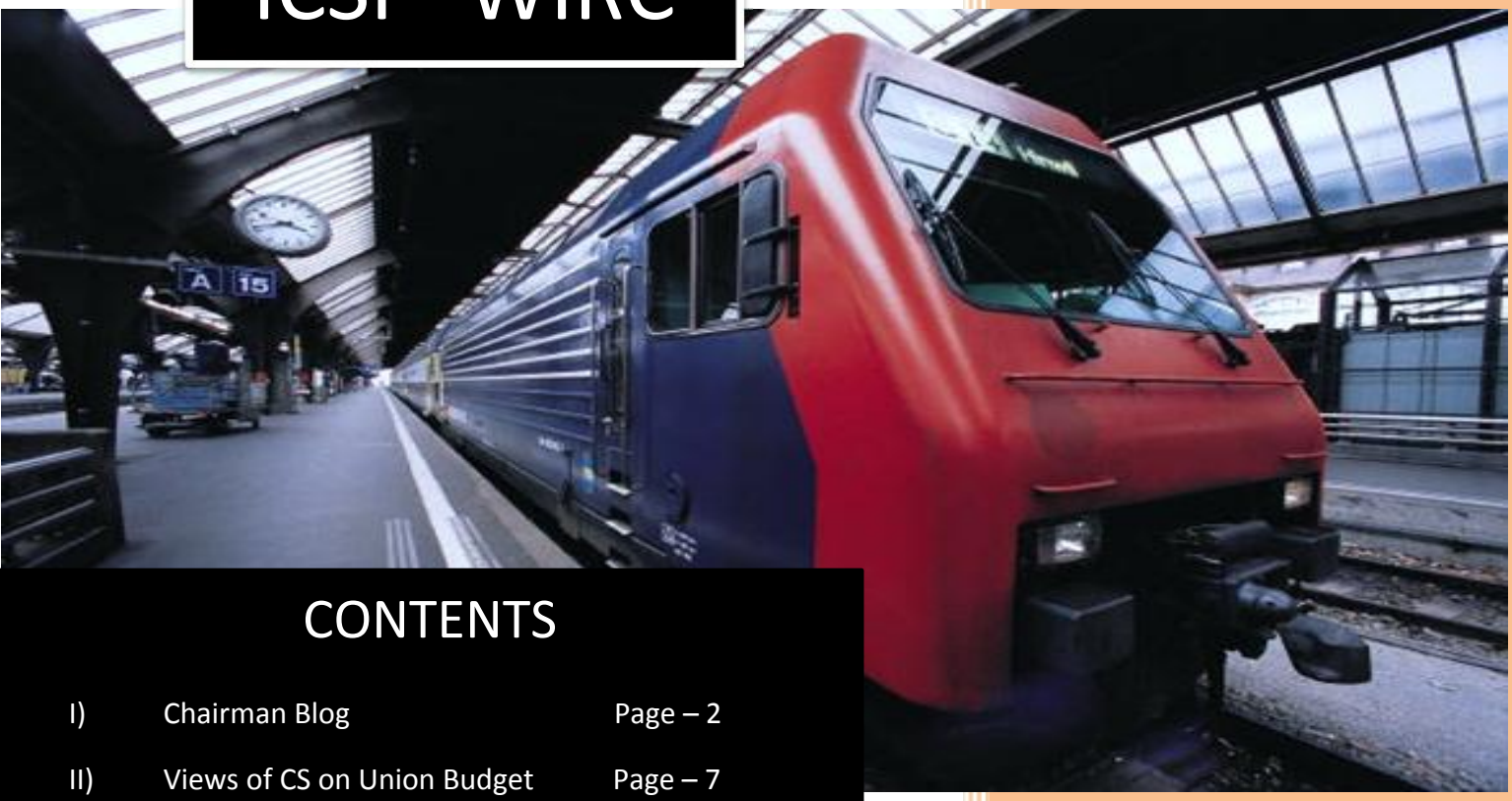
FOCUS

ICSI - WIRC

JANUARY

2015



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Chairman Blog

My Vision My Mission

Dream More Learn More Do More Became More …….

I feel privileged to assume the office of Chairman and I thank WIRC council members for bestowing this honour on me and for reposing their trust in me. This post has been held by many distinguished luminaries of the profession who have laid a strong foundation and moulded this profession through the years. This great responsibility now rests on my shoulders and I accept it with great humility and with full preparedness to continue to lead the profession to greater heights of glory and success and look forward to meet and overcome its challenges during the year. As with all great organizations, they are built on the hard work, dedication and tireless efforts of so many; together we will work towards building on the wonderful accomplishments of my predecessor with a continued focus on being able to provide you with the best of resources, great service, networking capabilities and professional development opportunities that will enhance you all as a world class professional. I am available to each of you, to take cognizance your suggestions and concerns regarding the effective management of the WIRC. I am a firm believer in free exchange of ideas and that a free exchange of ideas only enhances WIRC. Each of us has talents that will, when employed, lend themselves to the enhancement of our profession.

The theme for the year around which the programs are going to be conducted is Knowledge – Skills – Visibility. Current era is an era which is an enigma in itself on the one hand there are wide spread challenges and at the same time there are galore of opportunities. Recognizing the same, it is much required that there is continuous up gradation of Knowledge and at the same time enhancement of the skills set is required to utilize such Knowledge. Along with Knowledge and Skills, Visibility is also of paramount significance.

Visibility creates opportunities for growth and survival. Our professional growth is dependent on the knowledge we possess and the same can be gained and polished only through spread of knowledge in an efficient and timely manner. Skill development is indispensable and is the key for systematic professional development and is of prime importance in stimulating a sustainable development of professionals. It is very crucial to have and make ones presence felt in order to make awareness about the utility and contribution one can make in the eco system where they are existing. The visibility creates opportunities which is required for the growth and survival.

You shall be happy to know that this year WIRC will be coming out with elite publications of international standards. I am happy to inform you that the stage is set and the countdown has begun to the following mega WIRC events which shall take place in coming days for which book your diary

1. Secretarial Audit
2. Two days' Work shop on Appearance before Tribunals and quasi-judicial bodies
3. KMP Conclave
4. HR Conclave
5. PCS Regional Conference
6. Employee Company Secretary Conference
7. Students Regional Conference

This year apart from programs under our core area programs would be conducted under emerging areas more importantly it is very vital not spread the knowledge and for the same you all will be happy to know programs are also webcasted live and also programs are recorded and are available at our website and you tube. The archives are available in the website for those members who could not view the live telecast, which can be viewed at ease as per your convenience.

Over the years we have seen our WIRC change and grow. It has caused us on numerous occasions to pause and reflect on where we needed to go and what we need to become in order to be value-added to you, our stakeholders. We have to excel not only at WIRC but also individually because WIRC is nothing but soul of its stakeholders. I appeal to all of you

to come forward and provide your suggestions, ideas and more importantly constructive criticisms to accelerate the progress and development of WIRC. We also need your feedback to help us serve you better, we need you to tell us what you want to see more of. We would appreciate your thoughts on what we can better do to make our WIRC the best Council.

We are also in the process of providing professional excellence to our students and for the same we have initiated PRIDE – Personal Responsibility in Developing Excellence under our OTC Academic initiative wherein we will be preparing them not only for examination but also enabling them to face professional demands from the first day itself and thereby ensuring 360 degree growth in this process. Also you will be happy to note that this year WIRC will also be focussing on Social and Health issues and we will be focusing two medical ailments Cancer and Diabetes.

Since, all these events will tremendously enhance our professional outlook, I request all of you to take out time from your schedule to actively participate in these mega programmes. It was nice to share my thoughts with you through my first message as Chairman. The vision and targets that we have set out this year are based on Excellence.

Ride your way to success and I hope to see you out at one of our events soon!

Proud to be a Company Secretary
Meri Pechaan Mera Institute

CS Rishikesh Vyas
Chairman

Forthcoming programs of WIRO

1. Workshop on Appearance before Tribunal on Monday & Tuesday, March 23 & 24 2015 at Venue - ICSI-WIRC A/C Auditorium, 5th Floor, Jolly Maker Chambers, No. 2, Nariman Point Mumbai – 400021
2. Conference on Critical Aspects of Secretarial Audit, Saturday, March 28, 2015, at Westin Hotels & Resorts, International Business Park Oberoi Garden City, Goregaon East, Mumbai-400063

Study Circles

Details of study circles. Members are requested to check exact date, time and venue.

Name	Venue	Tentative date and timings	Contact Person	Email
ICSI-WIRC Study Circle Meeting	Venue - ICSI-WIRC A/C Auditorium, 5th Floor, Jolly Maker Chambers, No. 2, Nariman Point Mumbai – 400021	No fix day/date	Mr. Pramod Keot	pdc.icsiwirc@gmail.com 613307900
Borivali Study Circle Meeting	A V Hall, Don Bosco High School, L.T. Road, Vazira Naka, Borivali (West), Mumbai – 400091	Second Sunday of every month (10 am to 12 noon)	SCM Co-ordinators: CS Maulin Salvi and CS Nirav Gala SCM Volunteers: CS Hardik Kothari and CS Namita Vaidya	borivalistudycircle@gmail.com
Andheri Study Circle Meeting	Sardar Vallabhbhai Engineering College, Andheri (West), Mumbai, Bhavan's College Campus, Near Navrang Cinema & Vrindavan Restaurant.	Last Sunday of every month (10.30 am to 12.30pm)	CS Kaushik Jhaveri CS Rajkumar Tiwari	9821034511 (cskmjandco@gmail.com) 9820353378 (raj_nj13@hotmail.com)
Ghatkopar Study Circle Meeting	AV Hall, 1st Floor, New SNDT, Cama Lane, Ghatkopar (W) Mumbai- 400 077	Third Friday of the month (6.30pm to 8.30 pm)	CS Meghna Shah CS Shweta Parwani	meghna@shah3ca.com 98707 99499 shwetaratan@yahoo.co.in 98201 06923
Kandivali Study Circle Meeting	MAYFAIR BANQUET, Above Balaji Restaurant Opp. Kasturba Talkies, Next to M.M Mithaiwala, Station Road, Malad (West), Mumbai 400 064	First Sundayof every month (10 am to 12 noon)	CS Prashant Diwan	9820936819 kandivlistudycircle@yahoo.com

Name	Venue	Tentative date and timings	Contact Person	Email
Thane Chapter's Study Circle	Thane Chapter office Premises 201-202, Sai Plaza Complex, Kaurbavdi Junction, Ghodbunder Road, Thane West	Every third Saturday of the month	Mr. Soujit Das	thane@icsi.edu

INDUSTRY PERSPECTIVE

PERSONAL VIEWS OF COMPANY SECRETARIES ON THE BUDGET – 2015-16

We approached Company Secretaries working with Companies in different sectors across Western India Region for their personal views/ comments on the budget 2015-16.

This is what they said (views are personal and not necessarily views of the organisation they work with):

CS N.Hariharan, Executive vice president & Company secretary, Larsen & Toubro Ltd., Mumbai:

> ***"In the present scenario, the Budget appears to be visionary with emphasis on long term economic reforms & Global competitiveness. Boost to infrastructure reflected, inter alia, in higher allocations, expanded public investment in Roads & Railways, is expected to revive economic growth. The critical success factors will include meeting the Assumptions in the Budget & strong monitoring of the progress of Reforms."***

***CS Sanjeev Kapoor, Company Secretary, Axis Bank Limited, Mumbai*:**

> ***"The Budget has relaxed mid-term fiscal consolidation path, picks most of low hanging fruits, removes inverted duty structure, brings further clarity and simplifies on tax reforms, boosts investment in infrastructure. Distinction between FPI and FDI to be removed with a composite cap which will enable more foreign investments in Banking Companies which was evident from the Banking Industry Stocks today. Autonomous Bank Board Bureau to improve the governance of public sector banks. MUDRA bank to be setup to refinance MFIs."***

***CS Kalidas Ramaswami, Company Secretary, Reliance Power Limited, Mumbai*:**

"The Budget should not be looked at from a micro perspective.It has achieved substantially objectives of the Government to win confidence of investors particularly the overseas investors . It has provided the road map for stability in tax laws and removed the uncertainties in the present law caused by some of the controversial amendments in the recent past.The FM has said he is opposed to retrospective legislation which is an encouraging sign."

CS J Sridhar, Company Secretary & Vice President, Bajaj Auto Ltd, Pune.(Past President of ICSI):

"We are today at an exciting phase. The Budget has come out with many long-term proposals which augur well for our future. We are happy that a lot of emphasis has been placed on development of infrastructure and this should certainly bring down the gap between us and China soon. What is also heart-warming is the focus given to start-ups and small and medium enterprises. Finance Minister has to be complimented for the balancing act that he has done in achieving fiscal consolidation and enhancing public investment. Hoping and expecting that the ideas will be translated into reality, we can perhaps confidently say that India is truly on a cusp of change."

Ms. Supriya Sapre, Head - Compliance and Legal, ICICI Prudential Asset Management Company Limited, Mumbai:

"The budget is well balanced since it gives impetus to long term growth and lays a credible road map of fiscal consolidation. The budget has increased allocations towards infrastructure spending to kick start capex and have subsequently revised fiscal deficit targets that would be achieved over the next three years. The revenue target forecast for next fiscal appears realistic and seems achievable, this is a big positive takeaway from this budget. It is a budget that aims to ramp up growth, aided by a slowed pace of fiscal deficit cuts and a bundle of tax measures to put private domestic and foreign capital to work."

CS Rajat Dutta, Executive Director, Motilal Oswal Investment Advisors Pvt. Ltd., Mumbai:

"RED carpet and Open arms to greets fund houses to participate in INDIA growth story". Conducive environment in terms of easing out procedures makes INDIA attractive. Willingness to embrace transparency is positive stand taken by Government.

CS Khushboo Pasari, Company Secretary, Solar Industries India Limited, Nagpur:

> ***"In line with the "Make-in-India" vision, the Government's intention is emphasised to strengthen the manufacturing sector. Encouraging domestic Investments, developing infrastructure, ensuring easy business in India are key focus areas of Budget 2015 which puts forth the realistic road-map for attaining Economic sustainable growth. "One can say turning vision into reality"***

CS Neeraj Dutt Pandey, Company Secretary, MOIL Limited (A Govt. of India Enterprise), Nagpur:

> ***"The budget 2015-16 has enough to provide boost to infrastructure industry. Infact, NDA Government is focused on development of infrastructure in the country since its formation in May 2014 and following the same a sizeable Rs 70,000 crore increase in investment in the infrastructure sector has been proposed in the budget. Manganese ore industry predominantly depends on growth and demand of steel industry. Steel can't be manufactured without manganese ore. Steel being a vital element in infrastructure development, the growth and demand in this industry will definitely increase demand of manganese ore in times to come which is very good for the manganese ore industry."***

CS Kamlesh Joshi, Company Secretary, Khaitan Chemicals & Fertilizers Limited, Indore:

> ***"Hon'ble Finance Minister Mr. Arun Jaitely while presenting the full year Budget 2015 of the NDA Government led by Prime Minister Mr. Narendra Modi focuses on growth of Indian Economy. The announcement that the much awaited GST will be introduced with effect from 1st April 2016, will definitely rejuvenate the industry. The GST will make manufacturing more competitive and thereby support the 'Make in India' Campaign and Corporate Tax Rate cut to 25 percent from 30% over next four years which will benefit the Corporates at large and will make India more competitive.***
>
> ***The Government has introduced the Gold Monetization Scheme that will allow depositors to earn interest on Gold Holding and also made compulsory disclosure of PAN on property exceeding an amount of Rs. 1 Lacs, which will definitely discourage the Black Money.***
>
> ***The overall budget seems to be a 'GOOD TO INDUSTRIES'."***

CS Vishvesh Vachhrajani, Company Secretary & VP (Legal), Gujarat State Fertilizers & Chemicals Ltd., Vadodara (Past Chairman, ICSI-WIRC) :

"After a long time a balanced and theme based budget is presented. This is the budget with a clear vision for taking the India into the right direction and support the Indian Industry to flourish. The Budget is the ideal mix of growth and economical consolidation. The focus on Swachh Bharat is the reflection of vision of our PM to see that India shines and become clean and corruption free in true sense. The deterrent punishment on the black money is a welcome feature of the budget. I am sure the industrial growth within the country will see the boom in next few years."

CS R. V. Bhimani, Company Secretary, Arvind Limited, Ahmedabad :

"The budget proposals for 2015-16 are much favourable in long run for Industry as a whole. However, it is frustrating for salaried people.

The corporate tax is sought to be reducued by 5% in next four years, but FM has not been specific.

The service tax limit needed to be increased."

Mr. Jatin Jalundhwala, Chief Legal Officer, Adani Enterprises Ltd., Ahmedabad:

1) *growth oriented budget*
2) *it promotes the ease of doing business*
3) *attracts infrastructure projects which benefits in the long run the economy at large and the company' s growth.*
4) *certain proposed amendments in the Income Tax Act will attract Foreign investment in India, which shall have a cascading effect on economic development.*

CS P C Agarwal, Vice-President (Corporate), Aurangabad Electricals Limited, Aurangabad:

"Emphasis on infrastructure development, firm commitment for GST rollout, measures to curb black money and reduction in corporate tax rate by 5% over next four years are some of the major positive features of the budget which will help improving the economy. The demand of auto industry for reduction of excise duty for creating more demand has not been acceded to by the Finance Minister. Though there is not much in the budget for the auto industry except for marginal relief in duty in case of electrically operated vehicles, the budget is positive for corporate sector as a whole. Common man

will have to bear burden of increased service tax impact of 14% or 16%, as the case may be."

CS Rajesh C. Ajgaonkar, Chief Compliance & Legal Officer and Company Secretary, IDBI Federal Life Insurance Company Limited, Mumbai:

"I think, given the economic scenario & the current constraints, the Budget has done fairly good justice to the needs of the Country. In any case, in the last few years, Budget in itself is becoming a non-event and several important initiatives are indeed taken by the Finance Ministry during the two budgets. We shall watch for those. As far as the private life insurance industry is concerned, we were hoping that there would be some tax incentives for people to enhance their investments in life insurance; which have not come true. We have been experiencing a fall in the savings rate by households; within that the financial savings rate is falling further and still within, the life insurance savings numbers are not very encouraging. This is affecting the growth of our industry. However, we do still hope that, as a result of various initiatives outlined in the Budget when the economic activity becomes robust, our industry will benefit as well."

CS Abhishek Shrivastava, Company Secretary, Dilip Buildcon Limited, Bhopal:

The budget has laid out a clear and tangible roadmap to prepare a foundation to sustain growth over the longer term and that will help raise the country's profile as an investment destination. This budget will set the direction for a balanced and inclusive growth. The focus on infrastructure and housing investments is good, as it will kick-start the economy and has a ripple effect across all Industries. The Budget seems to be more credible, with a higher fiscal deficit target and higher allocation for infrastructure. The higher share of revenues for states will encourage many of the progressive states to embark on capex plans. For some infrastructure companies, especially in roads construction companies should do well.

CS Raghav Mulay, Company Secretary, Birla Furukawa Fibre Optics Private Limited, Goa:

"Accolades to the Hon'ble Union Minister for Finance on presenting a 'Growth Oriented Budget'. This budget facilitates the "Make in India" Policy of the Government. It also provides a definitive Roadmap on GST implementation, which was the need of the hour and now has been delivered. The 'Gold Monetisation Scheme' of Government of India is beneficial in the larger perspective and will help create a pool out of unused/ idle lying gold.

Introduction of 'Swachh Bharat Cess' shows commitment of the Government towards this cause and its determination to take this philosophy further. Lowering of Corporate Tax is a nice attempt to promote the corporate culture in the Country. PAN being made mandatory for transactions over Rs.1 lakh is an attempt to keep a track of benami and such related transactions under proper check.

However, the decision of not granting the SAD (Special Additional Duty) exemption for Optical Fibre manufacturers (Information Technology Industry), despite including many other products, is hitch for the entities/ Companies operating in this vital sector."

Article one

Non-Convertible Redeemable Preference Shares: Alternative Form of Raising Capital*

**By Yogesh Chande and Manendra Singh*

Introduction

The Securities and Exchange Board of India (***SEBI***) on 14 June 2013 notified the SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (***NCRPS Regulations***) allowing non-convertible redeemable preference shares (***NCRPS***) as an instrument for fund raising by Indian public companies.

The NCRPS Regulations provide for a comprehensive regulatory framework for public issuance of NCRPS and also for listing of NCRPS through public issue or on a private placement basis. In terms of Basel III norms, banks are permitted to issue non-equity instruments such as Perpetual Non-Cumulative Preference Shares (***PNCPS***) and Innovative Perpetual Debt Instruments (***IPDI***), which are in compliance with the criteria specified by the Reserve Bank of India (***RBI***) for inclusion in Additional Tier I Capital. The NCRPS Regulations will therefore also be applicable to such instruments issued by banks included in the second schedule of the RBI Act, 1934.

RBI has issued detailed guidelines for issuance of PNCPS and IPDI. As regards IPDI, it may be noted that, although RBI has issued separate guidelines for issuance of IPDI denominated in Indian Rupees and those denominated in foreign currency, and although the NCRPS Regulations permit listing of IPDI on stock exchanges, it is not clear whether IPDIs which are denominated in foreign currency could be listed on Indian stock exchanges. The NCRPS Regulations does not deal with this aspect specifically. Listing and trading of IPDIs in foreign currency on Indian stock exchanges may accordingly require necessary infrastructure and checks & balances as far as the electronic trading system of the stock exchanges are concerned, for example, the two-way price quotation ('bid and asked') or the bid-ask spread will have to denominated in foreign currency.

The NCRPS Regulations are mostly on the lines of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as was suggested by the Corporate Bonds and Securitization Advisory Committee.

Following are some of the features of the NCRPS Regulations:

a) An issuer is required to create a capital redemption reserve even in case of private placement of NCRPS;
b) Objects of NCRPS issuance cannot be issued for providing loan to or acquisition of shares of any person which is part of the same group or which is under same management as the issuer company;
c) Obtaining a credit rating is mandatory;
d) Issuance of NCRPS needs to be in dematerialised form;

e) Unlike in case of private placement of NCRPS, in the context of public issue of NCRPS, the NCRPS Regulations specifically state that, the minimum tenure of the NCRPS should not be less than three years;
f) The draft offer document need not be filed with SEBI for its observations, unlike the requirement prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (***ICDR Regulations***), like in case of a public issue, rights issue or follow-on public offering;
g) The offer document should contain all material disclosures which are necessary for investors to take an informed investment decision. The definition of the term "material" under the NCRPS Regulations is wide enough to mean anything which is likely to impact an investor's investment decision;
h) In case of a private placement, the minimum investment size for each investor cannot be less than one million rupees;
i) In case of a public issue, issue price can be discovered either by way of a book building process or the issuance can happen at a fixed price;
j) The offer document should also mention the amount of minimum subscription which the issuer seeks to raise from the public.

Disclosure requirements

An issuer of NCRPS is required to comply with the disclosure requirements prescribed in schedule I of the NCRPS Regulations. It appears that only a public company can list its NCRPS under the NCRPS Regulations through a public issue or otherwise.

Listing of NCRPS

The draft of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations have been approved by SEBI at its board meeting held on 19 November 2014, but are yet to be notified. As it appears from the text of the Chapter V of the draft SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2014, it is expected that the regulations will apply to issue of NCRPS as well.

Issuance of NCRPS under the Companies Act, 2013

The Companies Act, 2013 (***2013 Act***) has ushered and a lot of compliances relating to fund raising process has changed and in this background it is important to understand the inter-play between the NCRPS Regulations and the 2013 Act. The NCRPS Regulations defines NCRPS to mean "*a preference share which is redeemable in accordance with the provisions of the Companies Act, 1956 and does not include a preference share which is convertible into or exchangeable with equity shares of the issuer at a later date, with or without the option of the holder*".

NCRPS can be issued by a public company either on a private placement or public issue basis. Following is the brief analysis of some of the relevant provisions of the 2013 Act:

Private Placement

Private placement can be made under section 42 of the 2013 Act which defines the term "private placement" to mean any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in section 42. Some of the key compliances are:

(a) the offer of securities or invitation to subscribe securities, should be made to such number of persons not exceeding fifty or such higher number as may be prescribed[1], excluding qualified institutional buyers and employees of the company being offered securities under a scheme of employees stock option in a financial year;

(b) no fresh offer or invitation under can be made unless the allotments with respect to any offer or invitation made earlier have been completed or that offer or invitation has been withdrawn or abandoned by the company;

(c) a company making an offer or invitation under private placement should allot its securities within sixty days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it will have to repay the application money to the subscribers within fifteen days from the date of completion of sixty days. If the company fails to repay the application money within the aforesaid period, it will be liable to repay that money with interest at the rate of twelve percent per annum from the expiry of the sixtieth day;

(d) all offers covered under the private placement should be made only to such persons whose names are recorded by the company prior to the invitation to subscribe, and that such persons should receive the offer by name;

(e) company should make the offer or invitation to subscribe to securities through issue of private placement offer letter to the identified persons in Form PAS-4. The private placement offer letter must be accompanied by an application form serially numbered and addressed specifically to the person to whom the offer is made and may be sent either in writing or in electronic mode, within thirty days of recording names of such persons. The Form PAS-4 should contain certain prescribed disclosures.

Public Issue

A public company issuing NCRPS to public is also obliged to comply with the provisions of section 23 of the 2013 Act.

Companies (Share Capital and Debentures) Rules, 2014

Additionally, every company issuing NCRPS is obliged to comply with provisions laid down in rule 9 of the Companies (Share Capital and Debentures) Rules, 2014.

Issuance of NCRPS pursuant to a scheme of arrangement

Based on RBI receiving references from some Indian companies regarding issue of non-convertible/ redeemable bonus preference shares or debentures to non-resident shareholders from the general reserve under a scheme of arrangement by a Court, under the provisions of the Companies Act, 1956 and with a view to rationalize and simplify the procedures, RBI pursuant to a notification dated 6 January 2014 has permitted an Indian company to issue non-convertible/redeemable preference shares or debentures to non-resident shareholders, including the depositories that act as trustees for the ADR/GDR holders, by way of distribution as bonus from its general reserves under a Scheme of Arrangement approved by a Court in India under the provisions of the Companies Act, 1956 as applicable, subject to no-objection from the Income-tax authorities.

Accordingly, RBI has permitted NRIs to also invest, both on repatriation and non-repatriation basis, in non-convertible/redeemable preference shares or debentures issued in compliance with Regulation 7(2) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (***FEMA 20***). RBI has also permitted registered Foreign Institutional Investors, Qualified Foreign Investors deemed as registered Foreign Portfolio investors (***FPIs***), registered FPIs, long term investors registered with SEBI-Sovereign Wealth Funds, Multilateral Agencies, Pension/ Insurance/

[1] Such offer or invitation should be made to not more than 200 persons in the aggregate in a financial year

Endowment Funds, foreign Central Banks to invest on repatriation basis, in non-convertible/redeemable preference shares or debentures issued by an Indian company in terms of A.P. (DIR Series) Circular No. 84 dated January 6, 2014 and listed on recognized stock exchanges in India, within the overall limit of USD 51 billion earmarked for corporate debt. Further, NRIs may also invest, both on repatriation and non-repatriation basis, in non-convertible/redeemable preference shares or debentures. It may be noted that, Regulation 7 of FEMA 20 deals with acquisition of NCRPS or debentures out of general reserves by way of distribution of bonus to the shareholders resident outside India pursuant to a scheme of arrangement, subject to certain prescribed conditions. Neither SEBI nor RBI has so far[2] issued a notification permitting QFIs and FPIs to invest in NCRPS under the portfolio investment route.

Needless to mention, the issue of preference shares (excluding non-convertible/redeemable preference shares) and convertible debentures (excluding optionally convertible/partially convertible debentures) under the Foreign Direct Investment (***FDI***) scheme is subject to the A.P. (DIR Series) Circular Nos.73 and 74 dated June 8, 2007 issued by the RBI. In terms of Regulation 5 of FEMA 20, equity shares, compulsorily and mandatorily convertible preference shares and compulsorily and mandatorily convertible debentures are treated as a part of share capital for the purpose of FDI.

Conclusion

NCRPS can be termed as what are globally known as hybrid instruments, that is, those having characteristics of both equity and debt capital which exhibit all the benefits of debt but can be treated as equity. Considering that earlier, the issuance of NCRPS was neither covered under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 nor under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the NCRPS Regulations is a welcome step.

Yogesh Chande is an Associate Partner and Manendra Singh is an Associate at Economic Laws Practice, Advocates & Solicitors. This article is intended for informational purposes only and does not constitute a legal opinion or advice of Economic Laws Practice. Their email id is yogeshchande@elp-in.com and manendrasingh@elp-in.com

[2] Until the finalization of this write-up on 10 March 2015

Article two

"Court is not a Meticulous Accountant": Bombay High Court in Cadbury India's Capital Reduction case – Analysis of Judgment

[-CS Gaurav Pingle]

Introduction:

Valuation of shares is one of the most debated subjects in corporate restructuring – whether, the proposed corporate action is mergers or amalgamation or demerger or reduction of share capital or delisting of shares etc. Till now, various courts have laid down important benchmark on valuation of shares and broadly speaking, in almost all cases; certain class of shareholders have either objected to a particular resolution in general meeting or opposed contents of scheme or questioned methodology of valuation of shares.

In a very recent matter of Cadbury India Limited; Bombay High Court passed a landmark judgment on valuation of shares in the matter of share capital reduction. The Author has analysed the judgment and presented in following format:

(1) Fact of Case;
(2) Summary of Objections;
(3) Position of Law;
(4) Principles in Judgment;
(5) Conclusion.

Fact of Case

1. Cadbury India Limited ("Cadbury India"-unlisted public company) filed petition under Sections 100 to 104 of Companies Act, 1956 [Corresponding to Section 66 of Companies Act, 2013] for reduction of share capital seeking Bombay High Court's approval;

2. Cadbury India's promoter company is Cadbury Schweppes Overseas Limited ("Cadbury Schweppes"). Cadbury Schweppes is a subsidiary of Cadbury Plc, UK ("Cadbury Plc").

3. Due to stringent FDI regime in India in the past, Cadbury Schweppes was required to dilute its shareholding in Cadbury India from 100% to 60% and hence, Cadbury India ceased to be WOS of Cadbury Schweppes.

4. Later, the economy opened up and Government allowed FDI up to 100% and then Cadbury Schweppes and another group company - Cadbury Mauritius Ltd. ("Cadbury Mauritius") increased their collective holdings in Cadbury India to 90%. Later, through various open offers and buy back offers Cadbury Group increased its shareholding in Cadbury India to 97.583%;

5. In Petition for Capital Reduction filed in the year 2009, Cadbury India relied on Share Valuation Report of two Independent Valuers - M/s. Bansi S. Mehta & Co. and M/s. SSPA & Co. On the basis of valuations, Cadbury India held an Extraordinary General Meeting ('EoGM'), and Special Resolution was put to vote by Poll. Following are the details of the voting at EoGM:

Number of votes polled	3,03,31,248
Votes in favour for Special Resolution	3,03,18,464 [Representing 99.96% of the votes polled]
Votes not in favour for Special Resolution	12,784 [Representing 0.04%]

6. Opposition came from several sets of shareholders; of which only 2 sets of shareholders – Samant Group & Churiwala Group continued the opposition; others shareholders accepted a settlement of their claims and the Gidwani Group's claim was restricted to interest;

7. In April 2010, an Order was passed in Company Petition and objectors took exception to Valuation Report of M/s. Bansi S. Mehta & Co. and SSPA & Co. and Cadbury India agreed to obtain fresh valuation by court appointed Independent Valuer - M/s. Ernst & Young ('E&Y') and accordingly the valuation report was provided based on same material as provided to M/s. Bansi S. Mehta & Co. and M/s. SSPA & Co,;

8. E&Y submitted its Valuation Report based on Comparable Companies Multiples ("CCM") Method of valuation. Later, E&Y was directed to update its valuation report based on Discounted Cash Flow ("DCF") Method to reflect a valuation as on a particular date.

Valuation of Equity Shares at various intervals	
1st Open Offer	Rs. 500.00/- per Equity Share
Series Buy Back Offer	Rs. 750.00/- to Rs. 1,030/- per Equity Share
Valuation as per Reports of M/s. Bansi S. Mehta & Co. and M/s. SSPA & Co	Rs. 1,340.00/- per Equity Share
E&Y Report (Report 1)	Rs. 1,743.00/- per Equity Share
E&Y Report (Report 2)	Rs. 2,014.50/- per Equity Share

Summary of Objections:

1. There is no disclosed basis of valuation in either of E&Y's Valuation Reports;

2. There is a lack of transparency while filing Cadbury India's share valuations;

3. Valuation of shares by E&Y is incorrect. DCF method and not CCM method ought to have been followed;

4. E&Y has given an incorrect weightage to both methods;

5. There are infirmities in the 2nd E&Y Report;

6. Valuation is depressed;

7. Cadbury India's conduct inspires no confidence;

8. Cadbury India's shares have been deliberately undervalued; and

9. Submissions in relation to what ought to be the approach of a Court in matters like these.

Position of Law:

1. The Sandvik Division Bench held itself to be bound by the decision of the Supreme Court in Ramesh B. Desai & Ors. V/s. Bipin Vadilal Mehta & Ors. The Division Bench held:

> *"……. In our opinion once it is established that non-promoter shareholders are being paid fair value of their shares, at no point of time it is even suggested by them that the amount that is being paid is any way less and that even overwhelming majority of the non-promoter shareholders having voted in favour of the resolution shows that the Court will not be justified in withholding its sanction to the resolution……..."*

2. Supreme Court decision in Ramesh B. Desai followed decision of the House of Lords in British & American Trustee and Finance Corporation Ltd and held:

> *"…… Vexed question of legality of purchase by a limited company of its own shares was set at rest by the decision of the House of Lords in (Trevor Vs. Whitworth), 1887 (12) AC 409, since which it has been clear law that a limited company cannot purchase its own shares except by way of reduction of capital with the sanction of the court. (See Buckley on the Companies Act, 14 the Edn.p.1499.) In the same decision it was also held that even express authority to the contrary in the memorandum is unavailing. The main reasons for this prohibition were that such a purchase could either amount to "trafficking" in its own shares, thereby enabling Company in an unhealthy manner to influence the price of its own shares on the market, or it would operate as a reduction of capital which can only be effected with the sanction of the Court and in the manner laid down in the statute (see Palmer's Company Law, 23rd Edn.p.440), in Guide to the Companies Act by A. Ramaiya (16th Edn.,.951) apart from Trevor Vs. Withworth, British & American Trustee and Finance Corporation Vs. Couper, 1894 AC 399 has also been referred to as a leading authority on the subject. ..."*

The judge relied on the above decisions stating that before a Court can decline sanction to scheme on account of valuation, an objector to scheme must first show that valuation is *ex-facie* unreasonable, i.e. valuation is so unreasonable that it cannot be accepted or it is discriminatory; or that it has not been approved by requisite majority or that substantial

number or percentage voted against it at an EoGM. Also noted that basic requirements of Section 100 of Companies Act, 1956 are as follows:

(1) Articles of Association permits reduction of share capital;
(2) Scheme must be approved as Special Resolution; and
(3) Court's sanction must be obtained to such a resolution, if passed by requisite majority.

The Court has to ensure the following:
(1) Scheme is not against public interest;
(2) Scheme is fair and just; and
(3) Scheme does not unfairly discriminate against or prejudice a class of shareholders.

Principles in the Judgment: Final blow to Minority Shareholders:

The judgment was based on following principles:

(1) Section 100 of Companies Act, 1956 requires provision in Articles of Association to permit reduction of share capital, Scheme must be approved as Special Resolution and Court's sanction must be obtained to such a resolution, if passed by requisite majority;

(2) One test of reasonableness might be to consider past open offers, extinguishments or buy-backs, and rate at which these were effected. Where it is found, for instance, that present offer is significantly higher than previous ones, the burden on an objector is exponentially higher to show that even this enhanced rate, price or valuation is unfair or unreasonable;

(3) Before Court can decline sanction to Scheme on account of valuation, an objector to Scheme must first show that valuation is *ex-facie* unreasonable, i.e., so unreasonable that it cannot be accepted;

(4) In considering an application for Court's sanction, minimum following tests are to be met:

(a) Is a fair and reasonable value being offered to minority shareholders?
(b) Have majority of non-promoter shareholders voted in favour of resolution?
(c) Can it be said, on reading a valuation as any fair-minded and reasonable person would do, and without microscopic scrutiny, that valuation is so egregiously[3] wrong that judicial conscience will not permit it?
(d) Has valuer gone so far off-track that results his valuation returns cannot but be wrong?

(5) Court called upon to sanction such scheme is not bound by ipse dixit[4] of majority. It must weigh scheme and look at it from all angles. It must see whether the scheme is fair, just

[3] Meaning 'extremely' / 'remarkably'

[4] Meaning 'dogmatic and unproven statement'

and reasonable, not unconscionable and is not contrary to any provisions of law and it does not violate any public policy. But, it must also balance the commercial wisdom of the shareholders expressed at a properly convened meeting against the desires and fancies of the few. The court will take into account, but not be bound by, views of the majority. ***In particular, the court will see what the views are of most of the non-promoter (minority) shareholders at the meeting. If the bulk of them have voted in favour, the court will not lightly disregard this expression of an informed view, one that lies in the domain of corporate strategy and commercial wisdom***;

(6) ***Sanctioning court has no power or jurisdiction to exercise any appellate functions over scheme. It is not a valuer. It does not have the necessary skills or expertise. It cannot substitute its own opinion for that of the shareholders. Its jurisdiction is peripheral and supervisory, not appellate. The Court is not "a carping critic, a hair-splitting expert, a meticulous accountant or a fastidious counsel; the effort is not to emphasize the loopholes, technical mistakes and accounting errors"****;*

(7) Valuation is not an exact science. It is always and only an estimation, a best judgment assessment. The fact that a particular estimation might not catch an objector's fancy is no ground to discredit it. All valuations proceed on assumptions. ***To dislodge a valuation, it must be shown that those assumptions are such as could never have been made, and that they are so patently erroneous that end result itself could not but be wrong, unfair and unreasonable. The court must not venture into the realm of convoluted analysis, extrapolation, and taking on itself an accounting burden that is no part of its remit or expertise, and no part of a statutory obligation;***

(8) It is impossible to say which of several available valuation models are "best" or most appropriate. In a given case, the CCM method may be more accurate; in another, the DCF model. There are yet others. No valuation is to be disregarded merely because it has used one or the other of various methods. It must be shown that the chosen method of valuation is such as has resulted in an artificially depressed or contrived valuation well below what a fair-minded person may consider reasonable.

Conclusion:

It was concluded that there is no valid or tenable objection to scheme relating to capital reduction. Valuation of Rs.2,014.50/- per fully paid up equity share arrived by Court-appointed valuer [E&Y] in its second (supplementary) report was accepted. The scheme for reduction of share capital was sanctioned by the High Court and rejected all the claims of the objectors on aforementioned principles.

This judgement is an eye opener for shareholder Activists that miniscule minority should not hold the corporate at ransom for their own trivial benefits.

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Article three

Frequently asked questions on Section 186 of Companies Act 2013

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Q.1. What types of specified transactions are covered under the Section?

Ans. Section 186 covers 3 types of specified transactions entered into by a company directly or indirectly:

a) Loans to any person or other body corporate;
b) Guarantee or security given in connection with a loan to any other body corporate or person; and
c) Acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate.

Q.2 What is the date of applicability of Section 186?

Ans.*:* Section 186 is applicable from 1.4.2014. All transactions entered into upto 31.3.2014 will be covered by corresponding Section 372A of Companies Act 1956 which is not in force now.

Q.3. What is the ceiling on the specified transactions that Board of Directors of a company can enter into?

Ans.: Board of Directors of a company can approve transactions as specified above if the aggregate of all such existing and proposed transactions does not exceed higher of the following two limits:

a) 60% of its paid-up share capital, free reserves and securities premium account; or
b) 100% of its free reserves and securities premium account.

Q.4. What is the meaning of free reserves for this purpose?

Ans.: Section 2(47) defines "free reserves"as such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend:

Provided that—

(*i*) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or

(*ii*) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value,

shall not be treated as free reserves.

It may be noted that surplus in Statement of Profit & Loss is not included in the definition of free reserve. Hence it will be advisable to transfer some amount to reserve to avail higher limit under the Section.

Q.5. What if the ceiling of the specified transactions exceeds above limit?

Ans.: Prior approval of shareholders by way of special resolution is required in case the above limit is exceeded. However, as per Rule 11 of Companies (Meetings of Board and its powers) Rules 2014 this will not be applicable in case of specified transactions entered into by a holding company with its wholly owned subsidiary company or to a loan or guarantee given or security provided by a company to a joint venture company.

Q.6. Upto what limit shareholders can give approval for such transactions?

Ans.: The Act does not prescribe any limit upto which the shareholders can give approval for such transactions. However, on a query under corresponding Section 372A of Companies Act 1956, the erstwhile Department of Company Affairs vide circular No.8 dated 4.6.1999 had clarified as under:

"(i) The companies are expected to obtain the approval for making investments into securities or grant of loan to other companies of amounts which are linked with company's available financial resources and the resolution, for investment much beyond the net worth should not be passed by the companies.

(ii) The companies should specifically indicate in the explanatory statement to the resolution, the specific securities in which it is proposed to invest the amount. En bloc approval should normally be avoided (except in the case of guarantee where the resolution can indicate an amount on annual basis).

***2.** If the above broad parameters are not complied with, the Government will be constrained to take suitable action against those who contravene these."*

Hence above clarification may be kept in mind while passing special resolutions under Section 186 of Companies Act 2013 also.

Q.7. What types of companies are covered under the Section?

Ans.: Section 186 is applicable to all types of companies including private limited companies irrespective of their size. However, it is not applicable to following transactions (except restriction of investment through not more than two layers of investment companies):

a) Loan made, guarantee given or security provided by a banking company or aninsurance company or a housing finance company in the ordinary course of business or a company engaged in the business of financing of companies or of providing infrastructural facilities as specified in Schedule-VI to the Act;

b) Any acquisition:
   i. Made by an NBFC registered under Chapter IIIB of the RBI Act and whose principal business is acquisition of securities (exemption shall be in respect of its investment and lending activities);
   ii. Made by a company whose principal business is the acquisition of securities
   iii. Of shares allotted on rights basis pursuant to Section 62(1)(a)

iv. Made by a banking company or an insurance company or a housing finance company, making acquisition of securities in the ordinary course of business. [Clause (iv) added vide Companies (Removal of Difficulties) Order 2015]

Q.8. What is the meaning of 'body corporate' in the Section?

Ans.: Section 2(11) provides that 'body corporate' or 'corporation' includes a company incorporated outside India, but does not include---

i) A cooperative society registered under any law relating to cooperative societies; and
ii) Any other body corporate not being a company as defined in this Act), which the Central Government may, by notification, specify in this behalf.

General characteristics of body corporate are:
- Incorporated under some law
- Perpetual succession
- Ability to hold property in its own name
- Legal entity apart from the members

Examples of 'body corporates':

1. All companies registered under Indian Companies Act
2. All companies registered under any Act outside India
3. Any Corporation registered under any special law in India or abroad
4. Public financial institutions u/s 2(72) of Companies Act 2013
5. Nationalised banks incorporated under Banking Companies (Acquisition & Transfer of Undertakings) Act 1970
6. LLPs

These are not bodies corporates:

1. Proprietorship concerns
2. Partnership firms (other than LLPs)
3. HUFs
4. Societies registered under Societies Registration Act
5. Mutual funds managed by trustees

Q.9. What is the meaning of the word 'Person' used in the Section?

Ans.: The word 'Person' has not been defined in the Act. Section 3(42) of General Clauses Act 1897 provides that 'Person' shall include any company, association or body of individuals, whether incorporated or not.

Q.10. Whether loans to employees are also covered under the Section?

Ans.: Section 186 is applicable to loans to 'any person' or other body corporate. 'Any person' will include employees also. Hence loans to employees will also be covered under the Section. This has created practical difficulty in implementation and MCA is expected to come out with some relief in such cases.

Q.11: Whether various advances and deposits will also be covered under the Section?

Ans.: There is a difference between advance and loan. Loan is lending of money with absolute promise to repay whereas advances is to be adjusted against supply of goods and services. Genuine trade advances given to suppliers against orders for supply of goods will not be considered as loans and hence will be out of purview of Section 186.Similarly, advances given to employees against current month's salary will also not be in the nature of loans.

There is a difference between loan and deposit also. However, in case of Section 295 of Companies Act 1956 courts have held that the difference is immaterial and the Section cannot be evaded by describing monies of a company advanced to a director as deposits. Corresponding Section 372A of 1956 Act specifically provided that loan includes deposits. However, there is no such mention in the 2013 Act.

Sale on credit is also not a loan. [Bombay High Court in Fredie Ardeshir Mehta v. Union of India (1991)]

Q.12. Whether book debts will also be considered as loans?

Ans.: Courts have held in various judgements that credit extended beyond normal credit period may be considered in the nature of loans and hence provisions of the Section may get attracted to such book debts also.

Q.13. What is the meaning of 'securities' in the Section?

Ans.: Section 2(81) provides that 'securities' means the securities as defined in Section 2(h) of Securities Contracts (Regulation) Act 1956. As per Section 2(h) of SCRA:

"securities" include—

(*i*) shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;

(*ia*) derivative;

(*ib*) units or any other instrument issued by any collective investment scheme to the investors in such schemes;

(*ic*) security receipt as defined in clause (*zg*) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(*id*) units or any other such instrument issued to the investors under any mutual fund scheme.

Explanation.—For the removal of doubts, it is hereby declared that "securities" shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a combined benefit risk on the life of the persons and investment by such persons and issued by an insurer referred to in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938);

(*ie*) any certificate or instrument (by whatever name called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;

(*ii*) Government securities;

(*iia*) such other instruments as may be declared by the Central Government to be securities; and

(*iii*) rights or interest in securities;

Q.14. Whether investment in mutual funds are also covered under the Section?

Ans.: As per SEBI regulations, most of the mutual funds are managed by trusts which are not body corporates. Hence investment in mutual funds are not covered under the Section.

Q.15. Is there any restriction on entering into specified transactions through layers of investment companies?

Ans.: It has been provided that unless otherwise prescribed, investment cannot be made through more than two layers of investment companies. However, this restriction will not be applicable if the applicable law so permits. Further, investment can be made through more than two layers of companies other than investment companies (e.g. manufacturing companies). This provision is prospective in nature and will not apply to existing investments made by companies through more than two layers of investment companies.Giving loan, providing guarantee or security beyond two layers of investment companies is permitted.

Q.16. What is the procedure for entering into specified transactions?

Ans.:

1. Take prior approval of members by special resolution in case the ceiling exceeds specified limits as above.
2. File return with ROC in Form MGT.14 with copy of special resolution.
3. Take prior approval of public financial institutions in case any term loan is subsisting and there is any default in repayment of loans and/or payment of interest or if the total amount of specified transactions is exceeding limit as specified above.
4. Pass Board resolution in a meeting with the approval of all directors present in the meeting.
5. File return with ROC in Form MGT.14 with copy of Board resolution.
6. Disclosure to be made in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security.
7. Particulars of loans/guarantees/security/investments to be entered into register maintained for this purpose at the registered office, which shall be open for inspection and extracts may be taken by members on payment of prescribed fee.

Q.17. What is the penalty prescribed in case of contravention of provisions of the Section?

Ans.: If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to two years and with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.

Q.18. Whether offence under the Section can be compounded?

Ans.: Section 441 of the Act provides for compounding of offences punishable with:

a) Fine only
b) Fine or imprisonment
c) Fine or imprisonment or both.

Offences punishable with imprisonment only or imprisonment and fine both are not compoundable.

However, Section 441 has not yet come into force and hence presently offences under the Act are not compoundable. However, in case of delay in filing resolutions with ROC, application for condonation of delay can be made under Section 460 of the Act.

Q.19. Whether a company can give interest-free loan?

Ans.: No company can give loans at rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan.

Q.20. Whether there is any other restriction on entering into specified transactions by a company?

Ans.: No company which is in default in the repayment of any deposits accepted before or after 1.4.2014 or in payment of interest thereon, can give any loan or give any guarantee or provide any security or make an acquisition till such default is subsisting. Other restrictions to be kept in mind are:

- Company cannot give loan for purchase of its own shares (Section 67).
- Section 2(22)(e) of Income Tax Act 1961 which provides that even loan can be deemed to be dividend in certain cases
- RBI Act (for provisions relating to NBFC)

Q.21. Whether there are any special provisions for various intermediaries associated with securities market?

Ans.: Various intermediaries associated with securities market and registered under Section 12 of SEBI Act, such as stock brokers, sub-brokers, share transfer agents, bankers to issue, trustees of trust deed, registrar to issue, merchant banker, underwriters, portfolio managers, investment advisors etc. and covered under such class of companies as may be notified by the Government in consultation with SEBI, cannot take inter-corporate loans or deposits in excess of the limits specified under regulations applicable to such companies pursuant to which certificate of registration has been obtained from SEBI. Such companies are required to disclose details of loans or deposits in their financial statements.

Q.22. Whether a resolution passed under Section 372A of Companies Act 1956 is still valid?

Ans.: Section 465 of the Act provides that any resolution passed under Companies Act 1956 will be valid under the 2013 Act also. Although this Section is yet to be notified, since the Act is being implemented in phases, it can be presumed that the intention of the law is to give protection to existing actions and hence this Section will be applicable to the extent of provisions of the Act notified. However, in similar situation MCA in its circular has restricted validity of resolutions passed under Section 292 to one year from the date of notification of corresponding Section 180 of the new Act. Hence in order to avoid litigation, it would be advisable to pass fresh resolution under Section 186, although the same may not be legally mandatory.

Q.23. Whether the Board can delegate its powers under the Section?

Ans.: Section 179(3) authorizes the Board to delegate its powers to enter into above specified transactions to any committee of directors, the managing director, the manager or any other principal

officer of the company or in the case of a branch office of the company, the principal officer of the branch office. However, Section 186 requires consent of all directors present in the meeting for approving such transactions. There seems to be a conflict between Section 186 and Section 173 on this issue. However, applying the principle of harmonious construction it can be said that Board can delegate its powers with the consent of all directors present in the meeting.

Q.24. Is there any cut-off limit on amount of transactions which will not be covered under the Section?

Ans.: The Act has not prescribed any basic exemption limit for the specified transactions. Hence all specified transactions will be covered under the Section even if the same are for nominal amount. This may pose practical difficulty in implementation.

Q.25. Whether specified transactions with parties coveredunder Section 185 will also be governed by Section 186?

Ans.: Section 186 applies to all specified transactions generally. However, Section 185 of the Act prohibits loans to specific related parties. Since 185 deals with parties where conflict of interest is involved, it will prevail over Section 186.If the clause “Save as otherwise provided in the Act” used in Section 185 is construed in a manner to negative the restriction imposed therein, the very object with which the provision has been enacted will be frustrated. We have, therefore, to construe the expression "save as otherwise provided by or under the Act" in a harmonious manner so that provision of Section 185(1) is not reduced to a nullity. [Based on *State of Rajasthan* v. *Noor Mohammad* AIR 1973 SC 2729]. Section 67(3)(b) permits giving loans by a company for purchase of its own shares in certain cases. Due to the term “Save as otherwise provided in the Act” used in Section 185, loan under Section 67(3)(b) will not be hit by Section 185.

Accordingly, loans to following parties covered under Section 185 cannot be given:

1. Any director of the lending co. or of a co. which is its holding co.
2. Any partner or relativeof any such director
3. Any firm in which any such director or relative is a partner
4. Any private company of which any such director is a director or member
5. Any body corporateat a general meeting of which not less than 25% of total voting power may be exercised or controlled by any such director or by 2 or more such directors together
6. Any body corporate, the Board, MD or Manager whereof is accustomed to act in accordance with the directors or instructions of the Board or of any director(s) of lending company

Exceptions:

Above restriction will not apply to

a) The giving of any loan to MD or WTD as a part of the conditions of service extended by the company to all its employees, or pursuant to any scheme approved by the members by a special resolution; or

b) A company which in the ordinary course of its business provides loans or gives guarantees or securities for the due repayment of any loan and in respect of such loans an interest is charged at a rate not less than the bank rate declared by the Reserve Bank of India.

Section 188 of the Act deals with contracts or arrangements with related parties. Since 188 is specific in nature and aims to control transactions with related parties involving conflict of interest, it appears that Section 188 will prevail over Section 186 in such cases.

Article four

LEGAL PROVISIONS FOR CIRCULAR RESOLUTION

— CS Bhumitra V. Dholakia and CS Chirantan H. Patni.

Section 175 of the Companies Act, 2013 and Rule 5 of the Companies (Meetings of Board and its Powers) Rules, 2014 make provisions for a Resolution by Circulation.

Birth of Circular Resolution

The Company Secretary comes across a situation when an urgent Business decision is to be dealt with and decided by Directors and possibly after some time of the conclusion of the last Board Meeting but before the next Board Meeting. Normally the Board Meetings are convened at every quarter or four Meetings in a year by Listed and Unlisted Public Companies having Independent Directors on the Board. It is also possible that all/ majority of Directors for the Board Meeting are not available for the meeting.

Under the situation the Company Secretary puts up a note to the Managing Director or Chairperson as the case may be explaining in brief the urgency of the proposed Agenda to be passed by Circular Resolution .On consensus therefrom he drafts a suitable Agenda attaching required documents as referred in the Agenda. He also prepares a letter addressed to all the Directors as formatted hereunder and the last page as customary states Subject of the Circular Resolution with its Number and Year followed by a Table stating signatures which will again be divided " in Favour" or " Assent" and " Against / " Dissent " for facilitating Directors either to approve or disapprove the same.

Under the provisions of the Companies Act, 2013 and Rules framed thereunder read with the Listing Agreement there are very few items which can be decided through Resolution by Circulation. Only administrative and procedural agenda items find place for affirmative list of the resolutions to be passed by circulation.

When there is a confusion as regards to interpretation of the provisions of the Act and Rules as to whether decision can be taken through Resolution by Circulation the provisions as contained in Table F may help the Company Secretary and/or the Directors to adopt the method suggested therein. It provides "Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the Members of the Board or of a Committee thereof, for the time being entitled to receive notice of a

Meeting of the Board or Committee, shall be as valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held".

Procedure

1. The draft of the Circular Resolution shall be circulated in duplicate (if it is in physical form) to all the Directors then in India with all required documents as referred to in the Agenda Note drafted for the purpose.
2. A Draft of forwarding letter should state followings:-
    a. Date when last board meeting was held.
    b. Reference of Article of Articles of Association permitting the Directors to resolution by circulation.
    c. Need for resolution to be passed urgently.
    d. Guidance to directors for signing "for" or "against", declaration of interest if any and forwarding the resolution to another director, if single document is to be circulated to all the directors.
    e. Deemed date of passing or give response within certain days.
3. For those Directors who are stationed abroad at the time of passing Circular Resolution the Circular Resolution has to be sent at their usual addresses in India. Draft Resolution along with the supporting/document may be sent through email or fax to the Directors stationed abroad.
4. Provisions contained in the Articles of Association or Joint Venture Agreement or the Board Process document are to be followed for proper Corporate Governance and mainly enable the Directors to discharge their duties effectively and efficiently.
5. Approval will be received from an individual Director and portion containing decision of every Director to be co-joined and conclusion to be made whether resolution is passed or not.
6. If all the Directors or majority of the Directors are residing in the same City, single document with the text of the resolution may be sent one by one to each of the Directors and the said single document will contain the decision of all the Directors whether in favour or against and accordingly the fate of Resolution by Circulation can be decided.
7. The Circular Resolution is to be approved or disapproved normally by majority of the Directors unless Articles of Association prescribes for all the Directors and is considered as passed when it is approved by the last Director constituting majority of the Directors. Here if some of the Directors are out of India at the time of passing Circular Resolution, then majority of those Directors in India can approve the said Circular Resolution provided that such majority is not less than the number of quorum.
8. If alternate director (normally resident in India) signs the resolution then in that event signature of Original Director should not be obtained. If Original Director signs (through electronic mode) the documents then in that event signature of alternate director should not be obtained. Either of the practice is valid and legal. In case of dispute it is the Original Director whose decision shall prevail. In the electronic age the importance of appointment of alternate director is greatly reduced but still few companies are required to appoint alternate Director.
9. In the draft resolution or the forwarding letter may state the date upon which the resolution shall be deemed to be passed once the majority of the Directors being disinterested in the item approves the said resolution.

10. Any director having interest in the item may declare, if not declared earlier, his/her interest by sending separate intimation to the Company Secretary and should abstain from signing the said resolution.
11. Draft of resolution along with the supportive documents can be sent electronically (through email) and Directors can sign the document through their DSCs in the respective column for "for" or "against". The Company Secretary should encourage paperless process of obtaining the decisions of the Directors electronically. If i-pad has been given to the Directors then the process will be very fast.
12. A copy of the Circular Resolution shall be enclosed to the Agenda of the next Board Meeting mentioning that the said Circular Resolution was noted for or against by so many of Directors and that it was passed by majority of Directors.
13. No need to circulate the text of the resolution along with the Board Agenda if the said Resolution by Circulation is lost.
14. While recording the Minutes of the Board Meeting it must be ensured that entire text of the Circular Resolution finds place in the Minutes of the Board Meeting.
15. The Company Secretary should mention in the said Board Agenda that interested Director has not signed the said circular resolution.
16. The Exposure Draft on Secretarial Standard -7 on resolution by circulation provides following additional parameters:-
    a. Directors shall append the date on which they have signed the resolution.
    b. In case a Director does not append a date, the date of receipt by the company of the signed resolution shall be taken as the date of signing.
    c. In case the Director doesn't respond on or before the last date specified for signifying assent or dissent, it shall be presumed that the Director has abstained from voting.
    d. If the approval of the majority of Directors entitled to vote is not received by the last date specified for receipt of such approval, the resolution shall be considered as not passed.
    e. Giving Retrospective effect to a resolution shall be avoided unless permitted by law.
17. Few unlisted Companies makes the resolution by circulation in a certified form and obtain the signature of all the Directors on single and one document evidencing that the resolution by circulation passed by all the directors and certified by all. No formality of explaining the reasons or forwarding the covering letter. This is possible when the Board is compact one. This will help the Company to minimize the paper work. Provisions of Law is complied with in spirit.

ITEMS WHICH CANNOT BE PASSED THROUGH RESOLUTION BY CIRCULATION.

The following is the list of matters which are to be passed only at a duly convened Board Meeting and not by Circular Resolution:-.

(a) If one-third of Total Strength of Directors desire to pass a Resolution not by Circulation but at a Board Meeting. *{(S-175(1)(proviso)}*
(b) To appoint a Director in casual vacancy unless Articles permits for Resolution by Circulation. *{(S-161(4)}*
(c) To make calls on shareholders in respect of money unpaid on their Shares; *{S-179(3)(a)}*
(d) To authorise buy-back of Securities under section 68; *{S-68(2)(b) and 179(3)(b)}*

(e) To issue Securities, including Debentures, whether in or outside India. *{S-179(3)(c)}*
(f) To borrow monies. *{S-179(3)(d)}*
(g) To invest the funds of the Company. *{S-179(3)(e)}*
(h) To grant loans or give guarantee or provide security in respect of loans. *{S-179(3)(f)}*
(i) To approve Financial Statement and the Board's Report; *{S-179(3)(g)}*
(j) To diversify the business of the Company; *{S-179(3)(h)}*
(k) To approve amalgamation, merger or reconstruction; *{S-179(3)(i)}*
(l) To take over a Company or acquire a controlling or substantial stake in another Company. {S-179(3)(j)}
(m) To delegate powers of borrowings, granting loans etc and investment of the funds of the Company to the Committee of Directors, Managing Director, Manager or any other Principal Officer of the Company; *{S-179(3)(first proviso)}*
(n) To make Political Contributions *{S-182(1) (second proviso) and Rule 8 (1) of the Companies (Meetings of Board and its Powers) Rules, 2014}*

(o) Appointment and removal of the Chief Financial Officer (CFO) and the Company Secretary (CS) . *{Rule 8 (2) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 Annexure X (Item No. 5) of the Listing Agreement }*
(p) To take note of appointment(s) or removal(s) of one level below the Key Management Personnel (KMP). *{Rule 8 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 Annexure X (Item No. 5) of the Listing Agreement }*
(q) To appoint Internal Auditors and Secretarial Auditors. *{Rule 8 (4) of the Companies (Meetings of Board and its Powers) Rules, 2014}*
(r) Noting of Directors' Interest *{S-184(1) and (2) and Rule 8 (5) of the Companies (Meetings of Board and its Powers) Rules, 2014}*
(s) Noting of Directors' Shareholdings. *{Rule 8 (5) of the Companies (Meetings of Board and its Powers) Rules, 2014}*
(t) To buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the Paid -up Share Capital and free reserves of the investee Company. *{Rule 8 (6) of the Companies (Meetings of Board and its Powers) Rules, 2014}*
(u) To invite or accept or renew Public Deposits and related matters. *{Rule 8 (7) of the Companies (Meetings of Board and its Powers) Rules, 2014}*
(v) To review or change the terms and conditions of Public Deposit. *{Rule 8 (8) of the Companies (Meetings of Board and its Powers) Rules, 2014}.*
(w) To approve Quarterly, Half-Yearly and Annual Accounts or results as the case may be. *{Rule 8 (9) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 Annexure X (Item No. 3) of the Listing Agreement }*
(x) To remove Trustee for Depositors from Office after the issue of Circular or an Advertisement and before the expiry of his term except with the consent of all the Directors present at a meeting of the Board.*{Rule 7(4) of the Companies (Acceptance of Deposits) Rules, 2014.}*

(y) To make investment in shares of other Companies. *{S-186(5) }*

(z) To make inter-corporate loan or providing guarantee.*{S-186(5) }*

(aa) To sale, purchase or supply of any goods or materials. *{S-188(1)(a) }*

(bb) To selling or otherwise disposing of, or buying, property of any kind; *{S-188(1)(b) }*

(cc) To make leasing of property of any kind. *{S-188(1)(c) }*

(dd) Availing or rendering of any services. *{S-188(1)(d) }*

(ee) Appointment of any Agent for purchase or sale of goods, materials, services or property. *{S-188(1)(e) }*

(ff) such Related Party's appointment to any Office or Place of Profit in the Company, its Subsidiary Company or Associate Company. *{S-188(1)(f) }*

(gg) Underwriting the subscription of any Securities or Derivatives thereof, of the Company: *{S-188(1)(g) }*

(hh) Appointment of and payment of remuneration to Managing Director or Whole-time Director or Manager.*{(S-196(4)}*

(ii) Appointment of a Managing Director /Manager as a Managing Director/Manager in not more than second Company; *{S-203(3) (third proviso)}*

(jj) To make Declaration of Solvency with respect to Voluntary Winding up.*{S-305(1)}*

(kk) Minutes of Meetings of Audit Committee and other Committees of the Board. *{Clause 49 Annexure X (Item No. 4) of the Listing Agreement}*

(ll) To fill in resultant vacancy of any Key Managerial Personnel (KMP) within six months;*{S-203(4) and Clause 49 Annexure X (Item No. 5) of the Listing Agreement }*

(mm) Annual Operating Plans and Budgets. *{Clause 49 Annexure X (Item No. 1) of the Listing Agreement}*

(nn) Capital Budgets and any updates *{Clause 49 Annexure X (Item No. 2) of the Listing Agreement}*

(oo) Noting of Statutory Compliance Reports, Show Cause Notices, Prosecutions and Penalty Notices of material nature. *{Clause 49 Annexure X (Item No. 6) of the Listing Agreement}*

(pp) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems. *{Clause 49 Annexure X (Item No. 7) of the Listing Agreement}*

(qq) Any material default in Financial Obligations to and by the Company, or substantial non-payment for goods sold by the Company. *{Clause 49 Annexure X (Item No. 8) of the Listing Agreement}*

(rr) Noting of Statutory Compliance Reports, Show Cause Notices, Prosecutions and Penalty Notices of material nature. *{Clause 49 Annexure X (Item No. 6) of the Listing Agreement}*

(ss) Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding

another Enterprise that can have negative implications on the Company. *{Clause 49 Annexure X (Item No. 9) of the Listing Agreement}*

(tt) Transactions that involve substantial payment towards Goodwill, Brand Equity, or Intellectual Property. *{Clause 49 Annexure X (Item No. 11) of the Listing Agreement}*

(uu) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc. *{Clause 49 Annexure X (Item No. 12) of the Listing Agreement}*

(vv) Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business. *{Clause 49 Annexure X (Item No. 13) of the Listing Agreement}*

(ww) Quarterly details of Foreign Exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material. *{Clause 49 Annexure X (Item No. 14) of the Listing Agreement}*

(xx) Non-compliance of any Regulatory, Statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc. *{Clause 49 Annexure X (Item No. 15) of the Listing Agreement}*

(yy) To enter into Joint Venture and Collaboration Agreement. *{Clause 49 Annexure X (Item No. 10) of the Listing Agreement}*

(zz) To place Minutes of the unlisted subsidiary before the Board Meeting of Listed Company. *{Clause 49 (V)(C) of the Listing Agreement}*

NOTING OF RESOLUTION & VALIDITY

As mentioned above Circular Resolution as is passed by Directors then the same should be noted at the very next Board Meeting of the Board or Committee of Directors as the case may be and the Minutes of the same should record the text of the whole Circular Resolution duly passed. Minutes should also record the fact that an Interested Director did not vote on the resolution. It will be a good secretarial practice if the Board is informed of the Action Taken Report on the resolution by circulation.

Passing of Resolution by Circulation will be treated as if it had been passed at a duly convened Meeting of the Board or Committee but the same does not dispense with the requirement for the Board to meet at least four times in a year and there should not be a gap of more than 120 days between two consecutive Board Meetings. However, Resolution by Circulation may dispense with the need of the physical or Video Conferencing Meeting for few Committees namely CSR Committee, Stakeholders Committee etc.

The Company Secretary is aware that Circular Resolution can be sent even by hand delivery or by post or by courier, or through such electronic means which may include e-mail or

facsimile . Thus section 175 of the Companies Act 2013 now recognizes Courier mode and electronic mode for the first time as valid mode of despatch of documents.

EXCEPTION

It is interesting to note that 1/3rd (one –third) of the total number of Directors insist on holding a Board Meeting rather than passing a Circular Resolution, now the same has to be complied with accordingly and subject matter will be placed before the Board. This is the new concept / provision introduced under the Companies Act, 2013 . The Company Secretary should have persuasive power to persuade such Directors to agree to Resolution by Circulation. He should provide all the information and documents to satisfy the concern of the Directors and try to obviate a need for convening a Board Meeting.

WITHDRAWAL OF RESOLUTION

Once the Draft Resolution is circulated or despatched to all the Directors the same cannot be withdrawn unless consented by all the Directors.

SIGNING RESOLUTION BY CIRCULATION THROUGH ELECTRONIC MODE

If the Company decides to allow electronic signature or any director desires to sign the resolution by circulation the Company Secretary should ensure that such electronically signed documents should be preserved in accordance with Rule 28 of the Companies (Management and Administration) Rules, 2014.

DOCUMENT TO BE PRESERVED

Though there is no period prescribed for preservation of all the documents relating to resolution passed by circulation but it is advisable to preserve at least for a period of 8 years being the standard period for most of the documents. No need to preserve permanently as the text of the resolution and date of passing the resolution is incorporated in the minutes of the next board meeting.

CONCLUSION

The Company Secretary should use the tool of getting the decision from the Directors through Resolution by Circulation sparingly particularly in the case of emergency only. The Company Secretary having right to attend Board Meeting should encourage and foster the Board Process through which the opinion of the Directors is elicited through proper discussion.

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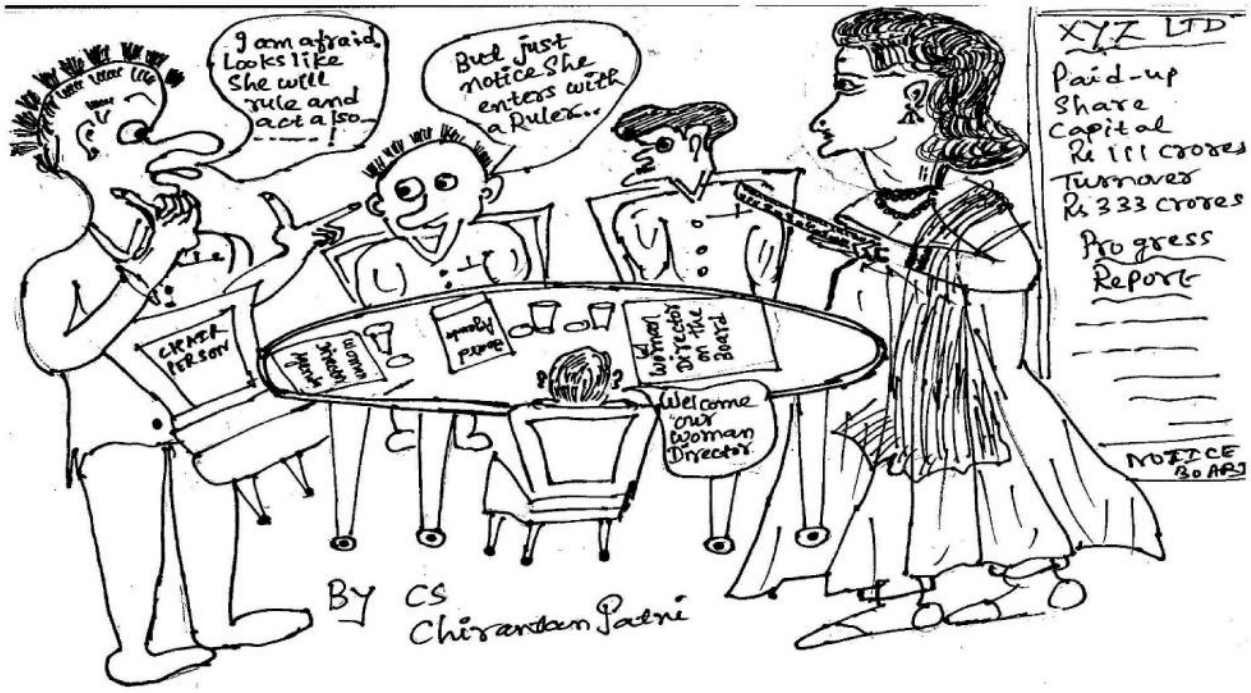
Cartoon



Updates

MCA

- CS Kaushik Jhaveri, B.Com, LL.B (Gen.),FCS, Practising Company Secretary

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1. **MCA Notification No. GSR(E) dated 16th January 2015 – Amendment to Companies (Accounts) Rules 2014**

MCA has issued Rule called The Companies (Accounts) Rules, 2014 for the purposes of the first proviso to sub-section (l) of section 128 of the Companies Act, 2013 and Rule 2A of Companies (Accounts) Rules, 2014, the notice regarding the address at which books of account may be kept shall be in Form AOC-5. The Annexure of this Rule contains the Form AOC -5.

Form AOC – 5 - Notice of address at which books of account are to be maintained.

The Rule came into force from the date of their publication in the Official Gazette. A Board Resolution passed to this effect shall be attached in the Form. For the complete text of this circular please refer to the link:

http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_2015_19012015.pdf

2. **MCA Notification No. GSR(E) dated 19th January 2015 – Amendment to Companies (Appointment and Qualification of Directors) Amendment Rules – 2014**

MCA has issued Rule called The Companies (Appointment and Qualification of Directors) Amendment Rules – 2014 clarifying that in case a company has already filed Form DIR-12 with the Registrar under rule 15, a foreign director of such company resigning from his office may authorise in writing a Practising Chartered Accountant or Cost Accountant in Practice or Company Secretary in Practice or any other resident director of the company to sign Form DIR-11 and file the same on his behalf intimating the reasons for the resignation.

For the complete text of this circular please refer to the link:
http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_2015_20012015_1.pdf

3. **MCA Notification No. GSR(E) dated 19th January 2015 – Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules – 2014**

MCA has issued Rule called The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2015 under section 135 and sub-sections (1) and (2) of Section 469 of the Companies Act, 2013, the Central Government hereby makes the following rules wherein for the words “established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise”, the words “established under section 8 of the Act by the company, either singly or alongwith its holding or subsidiary or associate company, or alongwith any other company or holding or subsidiary or associate company of such other company, or otherwise” be substituted.

In the proviso, in clause (i), for the words “not established by the company or its holding or subsidiary or associate company, it”, the words “not established by the company, either singly or alongwith its holding or subsidiary or associate company, or alongwith any other company or holding or subsidiary or associate company of such other company” shall be substituted.

This rule shall come in force from the date of their publication in the Official Gazette.
For the complete text of this circular please refer to the link:

http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_2015_20012015.pdf

RBI

- CS Mayur Buha, M. Buha & Co., Company Secretaries, Vadodara

RBI - A.P. (DIR Series) Circular No. 55 dated January 01, 2015

Security for External Commercial Borrowings

Under the extant ECB guidelines, the choice of security to be provided to the overseas lender / supplier for securing ECB is left to the borrower. With a view to liberalising, expanding the options of securities and consolidating various provisions related to creation of charge over securities for ECB at one place, it has been decided by the RBI that AD Category-I banks may allow creation of charge on immovable assets, movable assets, financial securities and issue of corporate and / or personal guarantees in favour of overseas lender /security trustee, to secure the ECB to be raised / raised by the borrower, subject to satisfying themselves with respect to (i) the underlying ECB is in compliance with the extant ECB guidelines, (ii) there exists asecurity clause in the Loan Agreement requiring the ECB borrower to create charge, infavour of overseas lender / security trustee, on immovable assets / movable assets /financial securities / issuance of corporate and / or personal guarantee, and (iii) No objection certificate, wherever necessary, from the existing lenders in India has been obtained subject to the conditions enumerated in said Circular.

For the complete text of this circular please refer to the link:
http://rbidocs.rbi.org.in/rdocs/notification/PDFs/55APD010115.pdf

RBI - DNBR(PD).CC.No.009/03.10.42/2014-15 dated January 2, 2015

Know your Customer (KYC) Norms/Anti-Money Laundering (AML) standards/ Combating of Financing of Terrorism (CFT)/ Obligation of NBFCs under Prevention of Money laundering Act (PMLA), 2002 - Client Due Diligence measures

The Circular addressed to all NBFCs. As per Master Circular DNBS(PD) CC.No.387/03.10.42/ 2014-15 July 1, 2014, NBFCs are required to undertake 'Client Due Diligence' and apply such measures to existing clients based on risk categorisation. The periodicity of such updation should not be less than once in five years in the case of low risk category customers and not less than once in two years in case of high and medium risk categories but due to practical difficulties/constraints expressed in obtaining/submitting fresh KYC documents at frequent intervals as the relative documents submitted earlier specially by low-risk customers have remained

unchanged in most of the accounts. Accordingly, it has been decided to bring 5 years term to 10 years for law risk category customer and 2 years term to 8 years for medium risk category customer but limit of 2 years for term high risk categories customer remain unchanged.

For the complete text of this circular please refer to the link:
Source: RBI Website

RBI - DNBR.CC.PD.No.010/03.10.01/2014-15 dated January 09, 2015
Inter-Governmental Agreement (IGA) with United States of America (US) under Foreign Accounts Tax Compliance Act (FATCA) – Registration

This circular addressed to all NBFCs. Government of India has now advised that to avoid withholding tax, Foreign Financial Institutions (FFIs) in Model 1 jurisdictions, such as India, need to register with IRS and obtain a Global Intermediary Identification Number (GIIN) before January 1, 2015. The FFIs who have registered but have not obtained a GIIN should indicate to the withholding agents that the GIIN is applied for, which may be verified by the withholding agents in 90 days.

For the complete text of this circular please refer to the link:
Source: RBI Website

RBI - A.P. (DIR Series) Circular No.58 dated January 14, 2015

To
All Category - I Authorised Dealer Banks
Madam / Sir,

Risk Management and Inter Bank Dealings: Hedging under Past Performance Route - Liberalisation of Documentation Requirements in the OTC market

Attention of Authorised Dealers Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 (Notification No. FEMA/25/RB-2000 dated May 3, 2000) as amended from time to time and A.P. (DIR Series) circular no. 32 dated December 28, 2010, as amended from time to time.

2. In order to further rationalise the documentation process for exporters and importers relating to hedging of probable exposures based on past performance, the extant guidelines in this regard have been revised as follows:

a) In terms of paragraph (2)(g)(ii) of section B contained in the annex to the above circular, importers and exporters are required to furnish a quarterly declaration, as per Appendix M, duly certified by the Statutory Auditor, to the AD Category I banks regarding amounts booked with other AD Category I banks under this facility. It has now been decided that importers and exporters shall, henceforth, be required to furnish a quarterly declaration to the same effect as per the format in Annex I to this circular signed by the Chief Financial Officer (CFO) and the Company Secretary (CS).

In the absence of a CS, the Chief Executive Officer (CEO) or the Chief Operating Officer (COO) shall co-sign the undertaking along with the CFO.

b) Further, in terms of paragraph (2)(g)(iv), aggregate outstanding contracts in excess of 50 per cent of the eligible limit may be permitted by AD Category I banks on being satisfied about the genuine requirements of their customers after examination of the following documents:
   - A certificate from the Statutory Auditor of the customer that all guidelines have been adhered to while utilizing this facility; and
   - A certificate of import/export turnover of the customer during the past three years duly certified by their Statutory Auditor in the format given in Appendix K.

   It has now been decided that, henceforth, AD Category I banks may permit aggregate outstanding contracts in excess of 50 per cent of the eligible limit on being satisfied about the genuine requirements of their customers after examination of a document as per the format in Annex II to this circular, signed by the CFO and CS, containing the following:
   - A declaration that all guidelines have been adhered to while utilizing this facility; and
   - A certificate of import/export turnover of the customer during the past three years.

   In the absence of a CS, the CEO or the COO shall co-sign the undertaking along with the CFO.

c) As part of the annual audit exercise, the Statutory Auditor shall also certify the following:
   i. The amounts booked with AD Category-I banks under this facility; and
   ii. All guidelines have been adhered to while utilizing this facility over the past financial year.

3. All other operational guidelines, terms and conditions shall remain unchanged.

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

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

For the complete text of this circular please refer to the link:
Source: RBI Website

RBI - A.P. (DIR Series) Circular No. 60 dated January 22, 2015
Foreign Direct Investment (FDI) in India – Review of FDI policy –Sector Specific conditions- Construction Development

The extant FDI policy for Construction Development sector has since been reviewed. Accordingly, effective December 3, 2014 100% FDI under automatic route shall be permitted in construction development sector subject to the conditions specified in

the Press Note 10 (2014 Series) dated December 3, 2014. You may find copy of Press Note No.10 (2014 Series) dated December 3, 2014 on http://dipp.nic.in/English/acts_rules/Press_Notes/pn10_2014.pdf

Moreover, the Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Sixteenth Amendment) Regulations, 2014 notified vide Notification No. FEMA.329/2014-RB dated December 8, 2014, c.f. G.S.R. No. 906(E) dated December 22, 2014.

For the complete text of this circular please refer to the link:
Source: RBI Website

RBI - DBR.Leg.No.BC.64/09.07.005/2014-15 dated January 22, 2015
Display of information by banks

This circular addressed to All Scheduled Commercial Banks (Excluding RRBs). The extent circulars DBOD.Leg.No.BC.33/09.07.005/2008-09 dated August 22, 2008 and DBOD.Leg.BC.42/09.07.005/2008-09 dated September 12, 2008 on display of information for promoting transparency in the operations of banks.

In order to further enhance transparency in pricing of credit, based on the recommendations of Working Group on Pricing of Credit, banks are advised to adhere to the following additional instructions:

i. Display on their website the interest rate range of contracted loans for the past quarter.
ii. The total fees and charges applicable on various types of loans to individual borrower should be disclosed at the time of processing of loan as well as displayed on the website of banks.
iii. Banks should publish Annual Percentage Rate (APR) or such similar other arrangement of representing the total cost of credit on a loan to an individual.

In order to give banks sufficient time to comply with the above instructions, it has been decided that the above additional guidelines will come into force with effect from **April 1, 2015**.

For the complete text of this circular please refer to the link:
Source: RBI Website

RBI - A.P. (DIR Series) Circular No.64 dated January 23, 2015
External Commercial Borrowings (ECB) Policy – Simplification of Procedure

Undernoted A.P. (DIR Series) Circulars through which powers have been delegated to deal with cases related to change in draw-down and repayment schedules of ECBs subject to conditions stipulated therein:

i. Provisions contained in the paragraph 3 (a) of A.P. (DIR Series) Circular No. 33 dated February 09, 2010
ii. Provisions contained in paragraphs 3 (a) and (b) of A.P. (DIR Series) Circular No. 75 dated February 07, 2012
iii. Provisions contained in the A.P. (DIR Series) Circular No. 128 dated May 09, 2014.

In order to simplification of the existing procedure for rescheduling / restructuring of ECBs and in supersession of aforesaid provisions, it has been decided to delegate powers to the designated AD Category-I banks to allow subject to such conditions:

i. Changes / modifications (irrespective of the number of occasions) in the draw-down and repayment schedules of the ECB whether associated with change in the average maturity period or not and / or with changes (increase/decrease) in the all-in-cost.
ii. Reduction in the amount of ECB (irrespective of the number of occasions) along with any changes in draw-down and repayment schedules, average maturity period and all-in-cost.
iii. Increase in all-in-cost of ECB, irrespective of the number of occasions.

It has also been decided to delegate powers to the designated AD Category-I banks to permit changes in the name of the lender of ECB after satisfying themselves with the bonafides of the transactions and ensuring that the ECB continues to be in compliance with applicable guidelines. Further, the AD Category-I banks may also allow the cases requiring transfer of the ECB from one company to another on account of re-organisation at the borrower's level in the form of merger / demerger / amalgamation / acquisition.

These measures of simplification will be applicable for ECBs raised both under the automatic and approval routes. FCCBs will, however, not be covered within these provisions.

The modification to the ECB policy will come into force with immediate effect. All other aspects of the ECB policy shall remain unchanged.

For the complete text of this circular please refer to the link:
Source: RBI Website

Recent Case Laws

A BIRD'S EYE VIEW: RECENT JUDGEMENTS ON COMPANY LAW

[- CS Ajay Kumar, Ajay Kumar & Co., Practising Company Secretary, ajayfcs@gmail.com]

1) POWER OF REGISTRAR TO STRIKE DEFUNCT COMPANY OFF REGISTER

Sub- section (6) of Section 560 (Corresponding Section 248 of Companies Act, 2013) contemplates two situations in which company Court could order restoration, one is when company is carrying on business or is in operation at time of striking off its name and second situation which is an alternative situation, is one where it appears 'just' to company Court that name of company be restored to register. Name of company had been struck off records by Registrar of Companies and, therefore, suit filed by petitioner could not be proceeded. Petitioner submitted that unless name of company was restored, suit filed by petitioner would become meaningless and there would be no effective remedy available to petitioner to proceed against company for loss caused to him. Since company was a defendant in Trial Court and if its name was not restored, it would cause injustice to petitioner and also cause prejudice to trial as a whole, it would be 'just' to restore name of company to register of companies. **M. A. PANJWANI V. REGISTRAR OF COMPANIES [2014] 128 SCL 150/44 (DELHI)**

2) VACATION OF OFFICE BY DIRECTORS

Respondent company filed application praying for leave to submit Form 32 with ROC to intimate vacation of office as director by petitioner in main petition under Sections 397 and 398. No leave could be granted because it would tantamount to an advance ruling in respect of invoking relevant provision of Act before action contemplated in requisite provision is actually undertaken. However, respondent company would have right to invoke provision of section 283(1)(g) (Corresponding section 167 of Companies Act, 2013) after getting satisfied that inbuilt criteria, as laid down in said provision, have been duly fulfilled in accordance with law. **DR. PRAMOD KANOI V. SAPOI TEA CO. LTD., [2014] 128 SCL 80/50 (CLB – KOLKATA)**

3) OPPRESSION AND MISMANAGEMENT

Appellant – promoter director of R- 1 Company filed an application under section 397/398 before CLB. In meantime, R- 1 company filed an application under section 224(7) (Corresponding section 139 of Companies Act, 2013) before Regional Director for removing statutory auditor. Regional Director held that after application was filed under section 397/398, issue of removal of statutory auditor could only be dealt by CLB under section 402. Thereafter, an application was filed before CLB, not by company but by R-3 shareholder who was not authorised to file same. R-3 contended that since order of Regional Director affected right of

shareholder, R-3 was entitled to file an application before CLB. However, CLB directed R – 1 company to file fresh application before Regional Director, as supreme authority was Regional Director as delegatee of Central Government. Appointment or removal of auditors is an act of company as a distinct and separate entity and it cannot be said to be act of shareholder merely because company exercises such right in general meeting, and, hence, act of R-3 shareholder in filing an application for removal of auditor was not valid. Notwithstanding fact that section 224(7) (Corresponding section 139 of Companies Act, 2013) of 1956 Act names Central Government as authority competent to accord previous approval for removal of auditors on application of company, it would be open to CLB to accord or refuse such approval while dealing with petition under section 397/398 provided exercise of such power has nexus with object sought to be achieved by ultimate order passed under section 402 of 1956 Act. **S. P. GUPTA V. PACKWELL MANUFACTURERS (DELHI) (P.) LTD. [2014] 128 SCL 163/38 (DELHI)**

4) RESTORATION OF NAME OF COMPANY STRUCK OFF BY REGISTRAR OF COMPANIES

Petitioner Company's name had been struck off from register of company on its application under a scheme. However, subsequently petitioner sought for restoration of its name in register of company. Respondent opposed restoration on ground that company's name was struck off on its own request. It was found that there was no allegation against Petitioner Company with regard to misdemeanor on their part and application for striking off company was not sought for any collateral purpose. Claims put by petitioner considering that striking off had been in circumstance when they were unable to manage affairs of company would have to be accepted. Therefore ROC, was to be directed to restore name of company in register subject to statutory compliance. **DECCAN CONVERYORS (P.) LTD. V. REGISTRAR OF COMPANIES [2014] 128 SCL 161/ 49 (KARNATAKA)**

5) CHARGES

A creditor registered as a secured creditor with the Registrar of Companies shall remain a secured creditor, and cannot be treated as an unsecured creditor. Sections 125, 138 and 139 of Companies Act, 1956 (Corresponding to Sections 77, 82 & 83 of Companies Act, 2013) **INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD. V. BPL LTD. [2015] 124 CLA 417 (SC)**

6) OFFENCES AND PROSECUTION

Where a penal provision is made compoundable, ordinarily, the accused have an option to seek compounding of the offence rather than contesting the case and inviting judgment on merits. Sections 309(1) (Corresponding section 197 of Companies Act, 2013) and 629A (Corresponding to section 450 of Companies Act, 2013) of 1956 Act. **UNION OF INDIA V. TECH MAHINDRA LTD. [2015] 124 CLA 65 (T&AP)**

7) OVERRIDING PREFERENTIAL PAYMENTS

In case of company which is being wound up, proceeds of its assets must ensure firstly to secured creditors and workers and then, if any proceeds remain, it is to be distributed among others including State which may be creditors with unsatisfied demands. **ASSTT. CIT V. OFFICIAL LIQUIDATOR [2015] 129 SCL 451/ 53 (KERALA)**

WIRO News

Kandivali Study Circle Meeting On Economic War & Geo Political Interests	
Date	Sunday, February 01, 2015 – 9:30 a.m. to 1:30 p.m.
Venue	Sarovar Banquet Hall, 2nd Floor, Payyade International Hotels Pvt. Ltd., Vasanji Lalji Road, Near Railway Station, Kandivali (West), Mumbai – 400 067.
Topic	**Economic War & Geo Political Interests**
Chief Guest / Speakers	**C.A Rashmin Sanghvi**
Delegates	112 Participants had attended the Meeting
Other features	**C.A Rashmin Sanghvi explained in detail Economic War & Geo Political Interests with Power Point presentation. He has also briefed about the effect of Currency War on the Indian Economy. The session was very interesting and interactive.**

Borivali Study Circle Meeting on External Commercial Borrowings	
Date	Sunday, February 08 , 2015
Venue	A V Hall, Don Bosco High School, Borivali (West), Mumbai – 400091
Topic	External Commercial Borrowings
Speakers	CS Raju Ananthanarayanan, Practising Company Secretary
Delegates	116 Participants had attended the Meeting

Ghatkopar Study Circle Meeting on Insider Trading	
Date	Friday , February 20, 2015
Venue	AV Hall, 1st Floor, New SNDT, Cama Lane, Ghatkopar (W) Mumbai- 400 077

Topic	Insider Trading
Chief Guest / Speakers	Ms. Shailashri Bhaskar, Practising Company Secretary & former Deputy General Manager, Securities and Exchange Board of India (SEBI)
Delegates	65 Participants had attended the Meeting

Andheri Study Circle Meeting on Overview Of Board Process, Risk Management Policy & Secretarial Audit

Date	Saturday, February 21, 2015
Venue	Sardar Vallabhbhai Engineering College bldg, Bhavan's College Campus , Near Navrang Cinema& Vrindavan Restaurant, Andheri (West), Mumbai
Topic	Overview Of Board Process, Risk Management Policy & Secretarial Audit
Chief Guest / Speakers	CS Kiran Thacker, Company Secretary, Tata Teleservices Limited

ICSI-WIRC Study Circle Meeting on One of its kind Interactive Session on Companies Act 2013

Date	Saturday, February 21, 2015
Venue	ICSI-WIRC A/C Auditorium, 5th Floor, Jolly Maker Chambers, No. 2, Nariman Point Mumbai – 400021
Topic	One of its kind Interactive Session on Companies Act 2013
Chief Guest / Speakers	CS Makarand Joshi – Practising Company Secretary
Delegates	35 Participants had attended the Meeting

ICSI-WIRC Workshop on Annual Compliances under Companies Act, 2013 and Listing Agreement / Regulations	
Date	Saturday, February 07, 2015
Venue	ICSI-WIRC A/C Auditorium, 5th Floor, Jolly Maker Chambers, No. 2, Nariman Point Mumbai – 400021
Topic	Workshop on Annual Compliances under Companies Act, 2013 and Listing Agreement / Regulations
Chief Guest / Speakers	CS Narayan Shankar, Vice President and Company Secretary Mahindra & Mahindra Ltd., CS Yogesh Chande, Associate Partner, Economic Laws Practice, Advocates & Solicitors, CS Savithri Parekh, Company Secretary and Compliance Officer, Pidilite Industries Ltd, CA Sushrut Chitale, Partner, Mukund M Chitale & Co.
Delegates	74 Participants had attended the Meeting

ICSI-WIRC Half Day Program on Transaction based Provisions under the Companies Act 2013 & Company Secretary as a Corporate Motivator	
Date	**Friday, February 27 , 2015**
Venue	ICSI-WIRC A/C Auditorium, 5th Floor, Jolly Maker Chambers, No. 2, Nariman Point Mumbai – 400021
Topic	Transaction based Provisions under the Companies Act 2013 & Company Secretary as a Corporate Motivator
Chief Guest / Speakers	CS Makarand Joshi – Practising Company Secretary Mr. Sunil Ullal – Management Consultant
Delegates	66 Participants had attended the Meeting

ICSI-WIRC Study Circle Meeting on Budget Analysis and its Tax Implications	
Date	Saturday, February 28, 2015
Venue	ICSI-WIRC A/C Auditorium, 5th Floor, Jolly Maker Chambers, No. 2, Nariman Point Mumbai – 400021
Topic	Budget Analysis and its Tax Implications
Chief Guest / Speakers	CA Anish Mehta, Chartered Accountant CA Ashutosh Thaker, Partner, NMAH & CO, Chartered Accountants CA Nilpa Gosrani, Associate Director, Walker Chandiok & Co LLP
Delegates	24 Participants had attended the Meeting

Chapter news

Indore Chapter [Discussion on Companies (Cost Records & Audit) Rule 2014]	
Date	10 January, 2015
Venue	Indore Chapter
Topics	Discussion on "The Companies Cost Records & Audit Rules"
Delegates **— Target / Total capacity** **— Actual attendance**	 25 24

Indore Chapter (Republic Day Celebration)	
Date	26 January, 2015
Venue	Indore Chapter
Topics	Republic Day Celebration
Delegates **— Target / Total capacity** **— Actual attendance**	 25 25

Pune Chapter of ICSI FREE LECTURE ON BASIC ACCOUNTING CONCEPTS	
Date	24.01.2015
Venue	Pune Chapter
Topics	Basic Accounting concepts
Chief Guest / Speakers	CMA Smita Chapekar
Delegates **– attendance**	20

Pune Chapter of ICSI TWO DAYS' SEMINAR ON "PRACTICAL ASPECTS UNDER FEMA	
Date	16.01.2015 & 17.01.2015
Venue	Hotel Rammy Grand, Pune
Topics	Practical Aspects under FEMA
Chief Guest / Speakers	Mr K. Parmeswaran- Retired GM RBI, Mr K Ramasubramanian Retired GM RBI, Mr A Salvi- Retired GM RBI, Ms Mistry – Retired GM RBI
Delegates – attendance	80
Other features	Eight (8) PCH was awarded to members attending the same & students were awarded sixteen (16) PDP for the same.

Pune Chapter of ICSI TWO DAYS' SEMINAR ON "CRITICAL ISSUES IN COMPANIES ACT 2013	
Date	20.02.2015 & 21.02.2015
Venue	Saj Resorts, Mahabaleshwar
Topics	Critical issues in Companies act
Chief Guest / Speakers	CS Dr K R Chandratre, Past President ICSI
Delegates – attendance	71
Other features	Eight (8) PCH was awarded to members attending the same

Pune Chapter of ICSI FELICITATION OF CS STUDENTS	
Date	25.02.2015
Venue	Pune chapter
Topics	Felicitation of CS students
Chief Guest / Speakers	Chairman Pune chapter

Thane Chapter	
Date	17th January'2015
Venue	ICSI-Thane Chapter
Topics	Study Circle Meeting on " Introduction &Commercialisation of IPR"
Chief Guest / Speakers	Advocate ShailendraThatte

BHAYANDER CHAPTER **Republic Day Celebration**	
Day & Date	Monday' 26th January'2015
Venue	In front of Bhayander Chapter Office Premises
Topics	Celebration of 66th Republic Day, Hosting of National Flag, followed by light refreshment
Chief Guest / Speakers	Chief Guests President The ICSI : CS Atul Mehta Chairman WIRC of ICSI : CS Rishikesh Vyas
Participants	35 Members &students + 6 Managing Committee Members + 2 Staff

Other features	CS Atul Mehta , President ICSI hosted the National Flag at 10.00 am CS Rishikesh Vyas, Chairman WIRC of ICSI also present. CSCAManak Chand Daga, Chairman of Bhayander Chapter Managing Committee, Welcomed "President" and "Chairman of WIRC of ICSI". CS ManojMimani, Vice Chairman & CS Sunil Agarwal, Treasurer, CS DhirendraMaurya, Member, CS Manish Baldeva, Member & CS Priyanka Bajaj, Member of Bhayander Chapter Managing Committee also actively participated in the programme and made the programme successful. CS Atul Mehta & CS Rishikesh Vyas spoke on ICSI's achievements and future planning of the Institute. They also spoke how ICSI was playing a vital role in developing India through Corporate Governance. Light refreshment was given to all the participants after hosting national flag. 12 School children were also present to welcome the President of ICSI and President awarded them small momento as a gift of affection.

NAGPUR CHAPTER STUDY CIRCLE MEETING AND GROUP DISCUSSION	
Date	11TH February 2015
Venue	IMA Hall, Beside Hadas School, North Ambazari Road, Nagpur
Time	5.30 PM to 8.30 PM
Topics	1. Study Circle Meeting on "Recent Cost Audit Rules -Companies Act,2013" & 2. Group Discussion on "Critical Issues in Companies Act,2013
Chief Guest / Speakers	CMA Ujjawal Loya for Study Circle Meeting & CS Vilas Nichat for GD
Delegates — **Target / Total capacity** — **Actual attendance**	41 CS Members of ICSI were present.
Other features	NIL

NAGPUR CHAPTER STUDY CIRCLE MEETING AND GROUP DISCUSSION	
Date	21st February 2015
Venue	IMA Hall, Beside Hadas School, North Ambazari Road, Nagpur
Time	5.30 PM to 8.30 PM
Topics	1. Study Circle Meeting on "Know About Service Tax" & 2. Group Discussion on "Critical Issues in Companies Act,2013
Chief Guest / Speakers	CA Atul Sarda for Study Circle Meeting & CS Parag Dasarwar for GD
Delegates — **Target / Total capacity** — **Actual attendance**	37 CS Members of ICSI were present.
Other features	NIL

NAGPUR CHAPTER STUDY CIRCLE MEETING	
Date	28TH January 2015
Venue	IMA Hall, Beside Hadas School, North Ambazari Road, Nagpur
Time	3.30 PM to 6.30 PM
Topics	"Private Limited Company - Companies Act, 1956 vs Companies Act, 2013"
Chief Guest / Speakers	CS RamanujAsawa

Delegates — attendance	50Members of ICSI were present.

Kolhapur Chapter (Study Circle Meeting)	
Date	
Venue	Kolhapur Chapter Premises
Topics	Group Discussion on " Annual Return "
Delegates — Target / Total capacity — Actual attendance	20 14
Other features	Study Circle Meeting was in form of Group Discussion. Members and Students appreciated the pattern introduced. However due to shortage of time it was not possible to cover the entire topic. Therefore it was decided to continue with the sessions in next study circle meeting on 07-02-2015.

Kolhapur Chapter (Study Circle Meeting)	
Date	07.02.2015
Venue	Kolhapur Chapter Premises
Topics	Group Discussion on " Annual Return "
Delegates — Target / Total capacity — Actual attendance	20 11
Other features	Due to shortage of time it was not possible to cover the entire topic in the last study circle meeting held on 31.01.2015. Continuation of topic was appreciated by Members and Students.

Kolhapur Chapter (Study Circle Meeting)	
Date	
Venue	Kolhapur Chapter Premises
Topics	Group Discussion on " Annual Return – Form MGT-8 "
Delegates — Target / Total capacity	20

— Actual attendance	11
Other features	Study Circle Meeting was in form of Group Discussion. Members and Students appreciated the pattern introduced

Goa Chapter of WIRC - ICSI FOUNDATION DAY CELEBRATION PROGRAMME	
Date	21ST February, 2015
Venue	Hotel Delmon, Caetano De Albuquerque Road, 6th Floor, Panaji, Goa
Topics	1. Interaction with Registrar of Companies, Goa Daman & Diu, Panaji Goa and 2. Internal Financial Controls & Board Evaluation
Delegates — Target / Total capacity — Actual attendance	20 Members & 10 Students (Target 30) 60 people capacity 32 members, 16 students & 3 non-members (Total = 51 Attendees)
Other features	The Foundation Programme,2015 was inaugurated by Chief Guest, Registrar of Companies(RoC) Goa Daman & Diu, Shri V.P Katkar by lightening lamp and also by some senior members of Goa Chapter followed by a small presentation on journey of Goa Chapter since 1978 till date. Shri V. P. Katkar addressed the members on how to deliver the services diligently and with spirit of professionalism .The foundation day programme was also followed by a technical session by Shri Rajesh Varma, Partner, Governance Risk & Compliances Services, KPMG, who deliberated on Internal Financial Controls & Board Evaluation. The foundation programme clubbed with technical session was a half –day programme with over whelming response from members & students. Attached are the photos of the event

Rajkot Chapter (Lecture Meeting)	
Date	21st February, 2015 (Saturday)
Venue	**Marwadi Shares and Finance Limited,** 'Marwadi Financial Plaza', 7th Floor, Nana Mava Main Road, Opp. 150 feet Ring Road, Rajkot
Topics	**"Important Provisions of Chapter VII - Management and Administration"**
Chief Guest / Speakers	**CS Nalin Ganatra**, Practicing Company Secretary, Rajkot **CS Sejal Palan,** Practicing Company Secretary, Rajkot
Delegates **— Target / Total capacity**	25/30
— Actual attendance	24

Photo Feature

WIRC Program on Talk on New Opportunities for Company Secretaries under The Companies Act, 2013 on occasion on Udai Divas

Flag hoisting at Bhayander Chapter

Gathering on Republic Day at Indore Chapter

Goa Chapter's Managing Committee Members from right to Left: Beena Mhambre, Shweta Kharangatkar, Manisha Naik, Urjita Damle (Chairperson), Girija Nagvekar (Secretary), Teja Gadekar (Treasurer), Pratika Shenvi Desai.

On left hand side: Members & Students attending the Foundation Day Programme held by the Goa Chapter of ICSI on 21st February, 2015. On right hand side, Shri Rajesh Varma, Governance Risk & Compliance Services, KPMG; addressing the members & students on Foundation day Programme held on 21st February, 2015

Shri V. P. Katkar, RoC, Goa Daman & Diu addressing the members & students on Foundation day Programme held on 21st February, 2015

Seminar held on 21st February, 2015 at Royal Orchid Central, Vadodara
Dignitaries on Dias (L to R): CS Hemant Nandaniya, Secretary, Vadodara Chapter; Mr. Amit Patel, President, Federation of Gujarat Industries, Vadodara; CS Atul Mehta, President, The ICSI; CS Nishant

Javlekar, Chairman, Vadodara Chapter and CS Ashish Doshi, Central Council Member, The ICSI. On right hand side: Participants of Seminar held on 21st February, 2015 at Royal Orchid Central, Vadodara

From left to right: CS Atul Mehta - President, The ICSI, CS Rishikesh Vyas - Chairman WIRC of ICSI, were present at Full day seminar of Bhayander Chapter on 08.02.2015.

From left to right: Mr Shailendra Thane speaker for the meeting , CS Nitin Upadhye, Secretary ICSI Thane Chapter presenting memento to Speaker at Study Circle Meeting of Thane Chapter on 21.02.2015.

The Audience gathering at Study Circle Meeting of Thane Chapter on 21.02.2015.

Program on Talk on New Opportunities for Company Secretaries under The Companies Act, 2013 on occasion on Udai Divas

From Left :- CS Suresh Thakur Desai, Past Chairman, ICSI-WIRC & Practising Company Secretary Ms. Ragini Chokshi, Chairperson, ICSI-WIRC, CS N L Bhatia, President, IEWA & Past Chairman, ICSI-WIRC Practising Company Secretary, CS B. V. Dholakia, Practising Company Secretary, CS Ragini Chokshi, Chairperson, ICSI-WIRC addressing the participants

Mr. Atul Mehta addressing the Members and Students at the Andheri- Study Circle held on 25th January, 2015

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