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NIRC-ICSI *Insight*

NEWSLETTER

"Special Focus
on
Corporate Compliance
Management"

Theme of NIRC - 2014: Change, Emerge & Lead

National Best Regional Council (2004, 2007, 2008, 2009, 2010 & 2011)



"I am a very optimistic man and only
an optimistic man can bring
optimism in the country"

Narendra Modi
The Prime Minister of India

NIRC-ICSI WELCOMES



Shri Arun Jaitley
Hon'ble Union Minister for Finance,
Corporate Affairs and Defence

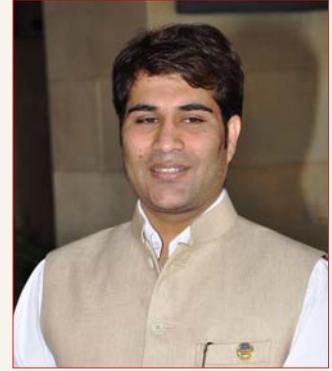


Smt. Nirmala Sitharaman
Hon'ble Minister of State for Commerce
& Industry (Independent Charge),
Finance & Corporate Affairs

The Regional Council

Chairman	• CS Shyam Agrawal	09314923451
Vice-Chairman	• CS NPS Chawla	09958535300
Secretary	• CS Manish Gupta	09212221110
Treasurer	• CS Dhananjay Shukla	09873347280
Members	• CS Ashu Gupta (Ms.)	09899021740
(In alphabetical order)	• CS Avtaar Singh	09999789891
	• CS Deepak Kukreja	09871315000
	• CS M.G. Jindal	09814170354
	• CS Punit K. Abrol	09872600007
	• CS Rajiv Bajaj	09811453353
	• CS Ranjeet Pandey	09810558049
	• CS Vineet K Chaudhary	09811577123
Ex-officio Members	• CS Atul Mittal	09810065744
	• CS Harish K. Vaid	09810188683
	• CS Nesar Ahmad	09810044367
	• CS Pradeep K. Mittal	09811044365
	• CS Sanjay Grover	09810144530
Regional Director	• S K Nagar	09313339897

"Man often becomes what he believes himself to be. If I keep on saying to myself that I cannot do a certain thing, it is possible that I may end by really becoming incapable of doing it. On the contrary, if I have the belief that I can do it, I shall surely acquire the capacity to do it even if I may not have it at the beginning." —Mahatma Gandhi



Dear Professional Colleagues,

At the outset, I am glad to share with you a news of utmost importance to our profession that Ministry of Corporate Affairs (MCA) has amended the rules and through gazette notification dated 9th June, 2014 announced that "A company other than a company covered under rule 8 which has a paid up share capital of five crore rupees or more shall have a whole-time company secretary." (For details visit http://www.icsi.edu/portals/0/kmp_amendment.pdf)

Unfailing commitment of Team ICSI led by president, ICSI in this time of crisis and untiring efforts and support of members and students of institute has led the Ministry of Corporate Affairs to bring the changes in the rules considering the concerns of our profession. We are optimistic that further deliberations with Ministry of Corporate Affairs on contentious issues will be resolved amicably in the favor of our profession with the dedicated efforts of our president and team ICSI.

Once again, I congratulate you all and assure you that your Regional Council (North) is conscious of its responsibilities towards the profession and committed to provide all quality inputs for necessary and timely action in regard to above and any other steps for development of profession.

Coming on to the prevailing national scenario, I would like to congratulate you all for participating in the grand exercise of democratic election of a new government at the centre, which is expected to bring the economy back to a high-growth trajectory. The people of the Country on the 16th May'14 have given a decisive mandate and have made Shri Narendra Modi as the Prime Minister of the nation. Our new Prime Minister, Shri Narendra Modi who has risen from his humble origins and worked through the ladder of hard work and perseverance is a true embodiment of optimism, which was also reflected in his recent speech where he was quoted as "I am a very optimistic man and only an optimistic man can bring optimism in the country". When the people of this great country were reeling under the pessimism and gloom of the uncertain future, Shri Narendra Modi's arrival at the top has brought exuberance and filled every person with new bound hope of revival of their sagging fortunes.

As what was evident through the results of the recently conducted Lok Sabha elections, there is huge churning of ideologies, thoughts and perception in the society. What was abundantly made clear by the public at large was that it can no longer be taken for granted and it proved that complacency in the end will always have adverse results.



Taking a cue from this, we as professionals also have various obligations towards our profession and fraternity at large. When we thought we have reached the level of saturation, we were thrown a new challenge in the form of changes in the policies and laws. We need to overcome our complacency and work through these challenges and emerge as a winner. The NIRC at its end is committed to provide all means to make this an opportunity and turn the obstacles into a milestone.

I have already communicated to the President, ICSI, about the various concerns of our members on Pre-Certification of e-Forms, monitoring of quality and conduct of Secretarial Audit and Annual Return Certification, Provisions and rules relating to Registered Valuer and Internal Audit, Provisions relating to Appearance of our members before National Company Law Tribunal (NCLT), etc. and also requested to issue guidance note clearly defining do's and don'ts for Company Secretaries while performing their duties as KMP in addition to the role and duties prescribed under companies Act and same shall be recognised by Ministry of Corporate Affairs so that our members can be safeguarded from unnecessary legal complications and also requested to make a tie up or review an existing one with an Insurance Company for taking individual/group professional liability insurance for the members in employment and in practice to safeguard or mitigate their risk associated in discharge of their professional duties. (Details can be downloaded from NIRC portal <https://www.icsi.edu/niro>). We are also in the process of forwarding other various concerns to the President, ICSI.

Since Company Law is core to our professional learning, I urge upon you through this communication to build your capacities in the new areas given under the Companies Act, 2013 by attending the various programmes being organised on company law. In this direction, NIRC is duty bound to organize professional development programs specifically focusing on the Companies Act, 2013 throughout the Northern Region so that they can provide quality and value added services to their organization/clients. During the Month, NIRC has organised Mega Seminars, series of One Day Workshops, Study Circle & Study Groups Meetings, etc. on the various topics of Companies Act, 2013 and other topics of corporate relevance. We are ensuring a quality discussion in these workshops, and the response of the members is very encouraging and motivating for us particularly in the seminar by Dr. K R Chandratre, Past President, ICSI on Companies Act, 2013 specifically covering critical analysis of Chapters XI, XII & XIII and regular panel discussion and question answer sessions.

In order to have focussed and fruitful discussions during these programs, we have moved away from ceremonial inaugural sessions. We have also tried to reach at the door step of every member by live streaming of sessions through web with the facility to live interact with the speakers and for members who are unable to attend these programs live can have their videos accessed through

the web links sent through mail. To ensure interactive participation by the members during the seminars we have started with the process of sending the detailed backgrounder beforehand. Also questions/queries raised in the seminar and also put up in the mail to the NIRC are compiled to be made available in the FAQ format for which due process has been initiated.

For the better development of our students, besides the regular student activities, NIRC has taken an initiative to organise Guidance Programs for the students appearing for the examinations of the Institute and as a process invites various subject experts to guide the students on how to attempt the papers during examinations and provide an opportunity to the students to clarify their doubts and help them build confidence in their studies. Further we are in process of organizing a Training Placement Camp, Regional Student Conference, Skill Development Programs, Moot Court and various competitions to enhance the capabilities of our students. We are also in process of coming with e-newsletter for students to equip them with the latest changes in the global economy, business and profession.

I am glad to share that NIRC, in its constant endeavour to coordinate the best possible placement for our young members, had been successful in placing young members in the month of May, 2014 as well. NIRC will continue to focus on providing best of placements to our members and we are in process of organising further placement camps for the members of the institute in the first week of July, 2014.

After having interaction with members and students of various chapters we have decided to provide services, specially training and placement at the door step of the members and students and for that we are encouraging our chapters to organise various training programs and professional development programs and assuring them full support from our side. We also recommended various chapters lacking in quality infrastructure to shift their offices to better premises.

In addition to monthly seminars, workshops and meetings, in order to provide the members an opportunity to have detailed deliberations and understanding of the various provisions of the Companies Act, 2013 and also the Notified Rules, NIRC is also organizing a 15 Day Classroom Series on Companies Act, 2013 covering the entire Companies Act, 2013. The detail of the program is published elsewhere in the Newsletter for your reference.

With a view to guide young members intending to take up practice and to prevent them from stepping into the quagmire of unintended non-compliance with the provisions of the CS Act, 1980, CS Regulations, Code of Conduct for Company Secretaries and various other regulatory prescriptions and also to familiarise them with Basic Infrastructure required to start practice,



Record Maintenance, Interaction with clients and Billing, Certification of e-forms, Drafting of Deeds & Documents, Opinion writing, Appearance before authorities & Major areas of practice for CS etc., NIRC is organising a Two Day Induction Programme for Company Secretaries in practise. The detail of program is published elsewhere in the Newsletter for your reference.

Similarly, for members who are already employed or intending to take up employment as Company Secretary, NIRC is organising a Two Day Induction Program covering Familiarization with the Best Corporate Practices, Company Secretaries Act & Rules, Code of Conduct, Work Ethics, Integrity, Pressure & Time Management, Soft Skills & Body Language, Role as a KMP, Compliance Management & Board Handling, Developing Strategic Thinking and other Practical Aspects for Working Professionals etc. The detail of program is published elsewhere in the Newsletter for your reference.

NIRC is also in a process to create a separate webpage for female members of NIRC-ICSI on NIRC portal in order to enhance the professional opportunities for female members. This webpage may be a good initiative for Women Empowerment. It may cover important announcements, articles relating to female members, facility for uploading the resume, health tips etc. Through this portal we may create opportunity for female members to be appointed as women director as per the requirement of new companies act apart from other various opportunities.

We are in the process to formalise a mechanism to accept payments online for various programs organised by NIRC for the convenience of the members.

I am glad to inform that the Council has implemented Guidelines for Formation, Recognition and Functioning of Study Circles, 2014 w.e.f. April 1, 2014 (for detail visit www.icsi.edu/niro) to provide Continuing Professional Education (CPE) for the members of the Institute. The prime objective of the Study Circles is to support the learning initiatives of the Institute. Now, we are at a crucial juncture and the capacity building is a must and we want to reach out to large section of members. Under the said guidelines, corporates including their subsidiaries, associates and joint Ventures, are also allowed to form Study Circles. Thus, seamless learning process will be available for the members to choose and update their knowledge.

The Institute is offering various PMQ & certificate courses to concentrate on capacity building. I take this opportunity to appeal all of you to pursue Post Membership Qualification in Corporate Governance & Corporate Restructuring and Insolvency which would enhance the scope for practising members and members in employment. (For detail visit www.icsi.edu/niro)

Based on the public comments and suggestions already received from various quarters on the earlier Exposure

Drafts, The ICSI has now once again brought out Revised Exposure Drafts of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2). Based on further public comments received, these two Standards would be finalised and sent to the Central Government for their consideration and subsequent notification u/s 118(10) of the companies Act, 2013. Once it is approved by the Central Government, these Standards would become the law of the country and corporates & professionals would be responsible for compliance and implementation of these Standards. In the light of the above, your specific comments or suggestions are solicited on the Revised Exposure Drafts latest by Monday, June 30, 2014 on chairman.nirc@icsi.edu. For texts of the Exposure Drafts, please visit the www.icsi.edu.

I request all of you to kindly give your suggestions on the specific theme & structure of the forthcoming programs organized by NIRC-ICSI. In addition thereto, members who are interested in taking sessions on the provisions of the New Act and Rules in the programs to be organized by NIRC, may kindly provide their details with the topic/ theme, to NIRO at chairman.nirc@icsi.edu. Further, we also request all the members to write articles on various provisions of the New Act and the Rules, which we shall, after screening, get published in our Newsletters/NIRC portal.

I would like to state that understanding and implementation of the new company law require a helping hand and for that we are in process to create a panel of our senior members to help solve the practical difficulties of companies act. You may communicate your difficulties to NIRC while implementing the new companies act through email at chairman.nirc@icsi.edu.

Every nation in the world has its moment of glory and for us the moment is now. We have all the resources; natural, human & mental; what we needed was a catalyst to transform it into something glorious and bring us back to the forefront of the nations and re-live history in its totality. India of the past has to be replicated in the future and we have to find our foothold in the comity of nations. We as company secretary professionals can be one of the many contributors in the economic growth of this country and mark our place in history.

"I am only one, but I am one. I cannot do everything, but I can do something. And because I cannot do everything, I will not refuse to do the something that I can do."
Edward Everett Hale

Regards,

Yours sincerely,

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ROLE OF COMPANY SECRETARY IN IMMEDIATE CORPORATE COMPLIANCE*

—CS (Dr.) S. Chandrasekaran, sankara@cacsindia.com



The Ministry of Corporate Affairs (MCA) in its initiative to introduce the Companies Act, 2013 (Act) and notified the provisions of the Act in tranches. Still almost half of the Act is yet to be notified. Corporate entities are, in fact, complying with the provisions of the Companies Act, 1956 (old Act) in letter and spirit. Introduction of the

Act in tranches put the corporate sector in a tight spot. In the Act, several provisions are with the phrase "as may be prescribed" and MCA has come out with various rules for compliance of the provisions of the Act. There are some inconsistencies between the Act and the Rules which needs to be clarified by MCA from time to time. Similarly, the forms have been completely re-drafted and introduced by not even giving 72 hours for the corporate entities to understand and file the forms. MCA, in this transition allowed some grace period for filing of new forms and at the same time in some cases levying additional fees for late filing of forms and returns.

The Act, prescribes various provisions for immediate compliance effective 1st April, 2014 and of course in some provisions provided few months/year for compliance. MCA has not given any sunset clause and for proper compliance of the Act and its Rules the role of company secretary in a company is more tedious with lot of responsibility and accountability. The penal provisions in the Act threatens CS to be more vigilant and expects him to function without fear and favour.

Key Managerial Personnel:

The concept of key managerial personnel is introduced in the Act. The old Act has recognised the functions, responsibilities of managing/whole time director and company secretary. Now, the Act, included the head of finance and put in place the mandatory appointment of Chief Financial Officer (CFO). All such functional heads as grouped together, are collectively called as "Key Managerial Personnel" (KMP). The role of managing or whole time director or Chief Executive Officer (CEO) is to carry on the business for which a company is incorporated, the role of Company Secretary (CS) is to look after the compliance of all corporate laws and plays the role of advisory to the Board on compliances. The third important function is the controlling of financial activities of a company and is entrusted to the CFO.

The Act also placed them in the same sequence and defined the term KMP as, "key managerial personnel", in relation to a company, means-

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed;

Functions of Company Secretary:

The Act placed onerous responsibility on the Company Secretary in a company. There is an exclusive section in the Act defining the functions of Company Secretary.

His functions include to report to the Board about compliance with the provisions of the Act, the rules made thereunder and also to ensure compliance of applicable secretarial standards. He is also to report the status of other laws applicable to the company and therefore a company secretary at first place has to identify what are all the laws applicable to the company in which he is employed.

The relevant rules specifying the duties of Company Secretary are many fold. Basically, he is duty bound to take care of all proceedings of directors' meetings, shareholders' meetings, and representation before various regulators. He is also to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices and other duties as may be assigned by the Board from time to time. Last but not the least, is to discharge such other duties as have been specified under the Act or rules. Overall, it is not as easy task for a company secretary to comply all and he needs thorough knowledge, periodical updating of all changes in the laws and has to take care of every stakeholders' interest.

No doubt, the position of company secretary has been elevated by recognising him as one of the KMPs. The term officer in default includes KMPs and as such a company secretary shall, for the provisions which enacts penalty for officer in default, be treated as an officer in default. The penal provisions are so stringent that a company secretary cannot take it everything lightly and he has to devote his utmost attention for every compliance of the Act and rules made thereunder.

*CS (Dr.) S Chandrasekaran is fellow member ICSI and holds Doctorate Degree on the thesis "Investor Protection with special reference to role of SEBI". He is Senior partner with Chandrasekaran Associates, Company Secretaries based out of New Delhi. He has conducted Secretarial Audit for listed companies for last 15 years. He was member of Secretarial Standards Board of ICSI. He is prolific writer of Articles in Chartered Secretary, SEBI Corporate Laws, Business Law etc..

*Views expressed by the Author are solely his own view and the Firm, NIRC or ICSI does not accept any responsibility.

Immediate compliances:

The Act, as explained above introduced several provisions which are with immediate effect. The concept of KMP is also introduced with immediate effect. Several listed companies in compliance with the listing agreement have already appointed Chief Financial Officer (CFO) and such officer automatically satisfies the provisions of appointment of KMP. Now, there is no appointment and one needs clarification about filing of return for such CFOs. In Government companies, the functional head of finance division is the Director Finance who is also a member of the Board of Directors (Board). Here again, is there a need to appoint another person as CFO to meet the requirements of the Act or to designate him as Director (Finance) cum CFO or the Director (Finance) would satisfies the conditions of KMP as CFO? The Company Secretary is in a fix to give his advice to the Board and he has to remember that he is also one of the KMPs and responsible for proper compliance of the Act and its Rules.

Memorandum of Association:

One of the clauses in the memorandum of association of a company is the objects clause. A company is permitted to carry on its business only within the objects for which a company is incorporated. The objects clause which was hitherto in three parts namely, the main objects, objects ancillary to attain the main objects and the other objects have been changed into two parts by deleting the requirement of mentioning other objects. The Act now permits to have only one clause of objects and a company has to restrict itself to the business in which it would like to carry on its business and to contain the same in its objects clause. Existing companies, having other objects in its memorandum cannot commence such objects. It requires to amend its object clause in such a situation. There is no need for immediate switch over to amend the objects clause by the existing companies and only whenever, such company proposes to commence new business activities, the object clause have to be amended in line with the new provisions of the Act.

Articles of Association:

The articles of a company shall contain the regulations for management of the company. The first duty of a director of company in terms of the new provisions of the Act is that subject to the provisions of the Act, a director of a company shall act in accordance with the articles of the company. The Act has now introduced several new definitions including "chief executive officer", "chief financial officer", "key managerial personnel" and so on. New concepts such as corporate social responsibility, class action suits, code for independent directors are in place. It also amended the concept of balance sheet and profit and loss account into financial statements and all such matters require the articles of association to be amended. However, during the transition period, it is anticipated that several amendments and clarifications will be issued by the Government. Therefore,

a company secretary has to identify all such issues, chalk out a programme of amendments to be carried out and once the dust is settled down, one time amendments can be made and fresh set of Articles of Association can be adopted by the Company.

Registered Office of the Company:

The requirement of the old Act was that the name and registered office of the company have to be in all letter heads, bills, all notices and other official publications and the Act now requires that all such papers to include the Company Identification Number (CIN) allotted by MCA, the telephone number and email address with immediate effect.

In addition, the registered office address has to be at every office or place of business and that too both in English and in vernacular language.

One another compliance related to this provision is that Where a company has changed its name during the last 2 years, it shall paint or affix or print, as the case may be, along with its name, the former name so changed during the last 2 years on outside of every office or place of its business and business letters, billheads, letter papers, all its notices and other official publications. In my view, such compliance is necessary when a company changes its names after 1st April, 2014 and need not for companies who have changed its name in the last two years. The Company Secretary of the company has to ensure that the compliance is in place effective 1st April, 2014.

Service of documents:

Ministry have included electronic mode as one of the mode for service of documents by a member to a company and vice-versa. A company secretary has to consider and put in place the different methods of communication by electronic media such a sending and receiving e-mails, hosting the documents on company's website etc.

Authentication of documents:

The Act clearly spells out that a company needs to pass a board resolution authorising any officer of the company to authenticate documents, proceedings, signing of contracts and so on. The intention of such introduction of a provision is that only an officer of a company can be authorised to authenticate documents and not an outsider as an authorised signatory.

Secretarial Standards:

Companies follow divergent practices for things silent in the Act and Rules. The Institute of Company Secretaries of India, in order to integrate, harmonise and standardise diverse secretarial practices followed by different Companies has constituted Secretarial Standards Board. The said Board constitutes secretarial standards. These standards are not meant to supersede but to supplement existing laws, rules and regulations. The Institute has released ten secretarial standards. The Act has also recognised the

importance of such secretarial standards and adherence by a company to the Secretarial Standard with respect to general and Board meetings is mandatory as per the provisions of the Act.

Now, SSB has consolidated some of the existing standards in both the recognised board and general meeting secretarial standards. The secretarial standards are now being formulated on fast track basis and till such time the same is introduced, the role of Company Secretary is to run through the existing secretarial standards applicable for both board meetings and general meetings so that it would be convenient and easy to comply when the same are introduced.

Minutes Books and Statutory records:

The Act now prescribes the responsibility on a company secretary in maintaining, preserving and keeping in his safe custody all the minutes' books and statutory registers and records. He is the watch dog for all such important statutory registers, some of which are open for inspection too. The role of Company Secretary is enormous in such responsibility. Interestingly, whenever a company secretary joins an organisation his first and foremost task is to collect, check all such registers and records since, the day he joins, such responsibility starts automatically.

The minutes' books are evidence before the courts of laws. The Company Secretary plays a significant role in all such statutory registers and records.

Corporate Social Responsibility:

The provisions relating to corporate social responsibility are effective 1st April, 2014. MCA, in fact, has notified this particular section some time before, as a separate notification signifying its serious intention about the commencement of the said provisions without any delay. No doubt, the Board has to constitute a separate committee as "Corporate Social Responsibility Committee". Such committee has to formulate policy, undertake activities, monitor their implementation and so on. Company Secretary has to give advice to the Board as well as to the committee, for the fulfilment of the compliances of the Act and schedule exclusively provided for corporate social responsibility. He acts as the Secretary of such committee and his role is important for proper and timely advice on the provisions of the Act, its Rules and Schedule. He has further to confirm that the committee's report is part of the Board's report and circulated to the shareholders.

Auditors:

Internal Audit is again one of the new provision in the Act. The provisions and its relevant rules explains the applicability and appointment of internal auditors. Some of the companies, hitherto, appointed private limited companies as internal auditors and with the requirement of the provisions of the Act and rules made thereunder, such

private limited companies cannot function as internal auditors. Such provision is also effective 1st April, 2014 and it is the duty of the company secretary to appraise the board and recommend passing of an appropriate board resolution for appointment of right professional.

The appointment of statutory auditors has also underwent changes. While a cooling period of three years is given for proper compliance of this provision, it is the duty of the company secretary to understand clearly the provision and to appraise the board. At the same time, one another new provision is inserted namely section 144 which prohibits auditors from rendering certain services. The existing professional services being rendered by the statutory auditors may fall into the prohibited services. Company secretary has to identify such professional services, discuss with the statutory auditors and to place a proper opinion before the Board for their arriving a decision on this issue.

A company secretary may face a situation where at an annual general meeting, shareholders does not ratify the appointment of auditors and therefore, the auditors are not qualified for continuation of office of auditors. At the same time, it would not tantamount to removal of auditors since, the Act has prescribed certain provisions for removal of auditors. There is no clarity on such a situation and the Ministry has to come out with proper clarification or amendments.

Constitution of Board of Directors:

The Act has also made changes in the constitution of Board of Directors. This is a sensitive provision and a company secretary has to carefully examine all such changes for proper guidance to the Board.

a) The concept of Independent director has been introduced. Certain class of companies have to appoint at least two independent directors on the Board. While such a mandatory appointment of independent directors is with a one year cooling period but the constitution of corporate social responsibility committee requires an independent director which is with immediate effect of 1st April, 2014.

b) One another concept of Women Director is in place. Certain classes of companies requires to have representation of at least one women director on the board and the time frame is one year and in the case of listed company six months from 1st April, 2014 and 01st October, 2014 respectively. As the appointment of directors is to be in a board meeting, a company secretary has to play a crucial role in timely advice to the board for identifying a women director for such applicable companies.

c) Similarly, the role of a company secretary is similar as of above in respect of requirement for every company to have at least one resident director. There is no time period given for appointment of resident director.

Powers of the Board:

The Act also made several changes in the powers of the board. Different committees have to be constituted and the Board has to take timely action for constitution of committees. Company Secretary has to brief the Board about the need, role and powers of all such committees to be constituted including the requirement of members' eligibility for such committees.

The requirement of passing of resolutions in a board meeting is further increased. The Act has also added to the workload of a company secretary by prescribing filing of several board resolutions with the Registrar of Companies.

Directors' disclosure is another important area requiring the concentration and attention of company secretary. Directors have to make several disclosures and it is the duty of a company secretary to confirm that all such disclosures are placed at the board meetings, and noted by all other directors and correct recording of all such disclosure are made in the appropriate register.

Committee of Directors:

Companies which satisfy the conditions of corporate social responsibility have to constitute a separate committee named as "corporate social responsibility (CSR) committee". The CSR committee shall have at least one independent director. The Ministry has issued a circular that where a private company has only two directors, it need not appoint one another director as independent director and such private companies can constitute its CSR committee only with the existing two directors. However, with such a clarification, one may feel that same is inconsistent with the provisions of the Act, which mandates a minimum of three directors.

Audit committee has also underwent some changes. Companies satisfying any one of the conditions namely, paid up share capital or turnover or outstanding loan, borrowings, debentures, deposits need to have at least three directors as members. The audit committee shall be constituted with majority of independent directors and a company may have to re-constitute its existing constitution of audit committee. A time period of 1 year has been prescribed for such re-constitution. A company secretary is required to update the Board on need for such re-constitution of audit committee.

One another committee corresponding to the provisions of Schedule XIII of the old Act needs to be re-constituted under the name "Nomination and Remuneration Committee". The role of such committee includes identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The constitution of such committee requires three or more non-executive directors

out of which not less than one-half shall be independent directors.

The fourth important committee required to be in place is the stakeholders Relationship Committee and such committee shall consider and resolve the grievances of security holders of a company. The existing committee shall be constituted with such number of members as may be decided by the Board, however chairperson shall be a non-executive director. Interestingly, there are two issues requiring careful examination. One is that the provision does not specifically provide that the committee shall only be constituted with directors. In the absence of such specification, the members of such a committee may include senior management positions. The second is that there is no ceiling either to the minimum or maximum number for the constitution of such a committee and all it needs that the chairperson shall be the non-executive directors and left open the additional number of members to the board. A company secretary of a company may also be one of the members of the said committee and his importance and role is well recognised.

Overall, the role of a company secretary is crucial in placing all material information to the board including the need, role and constitution of committees.

Board resolutions to be filed with Registrar

One another important thing a company secretary has to note for his functions is filing of several board resolutions with the Registrar of companies. The old Act has required filing of only board resolution relating to appointment, re-appointment or renewal of the appointment or variation of the terms of appointment of managing director. Now, the Act has listed several resolutions of the Board which are required to be filed with the Registrar. The following are such board resolutions which are required to be filed with Registrar of Companies.

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under section 68;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow monies;
- (e) to invest the funds of the company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statement and the Board's report;
- (h) to diversify the business of the company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) any other matter which may be prescribed
- (l) to make political contributions;

- (m) to appoint or remove key managerial personnel (KMP);
- (n) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
- (o) to appoint internal auditors and secretarial auditor;
- (p) to take note of the disclosure of director's interest and shareholding;
- (q) 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;
- (r) to invite or accept or renew public deposits and related matters;
- (s) to review or change the terms and conditions of public deposit;
- (t) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Related Party Transactions:

One of the complicated compliance is related party transactions. The Act separately defined "related party" and "related party transactions" but in the Act and the applicable rules for related party transactions several issues needs proper clarification.

There is no proper meaning assigned to "in the ordinary course of business" and "arm's length" transactions.

The related party does not have a right to vote on related party transactions and it is the top most duty of a company secretary to concentrate on all disclosures made by all directors and to work out a chart about the related party transactions and to provide the same to the Board for proper decision.

It is not only the transactions but also matters relating to loans and investments and providing guarantees and securities which require serious discussion and therefore are to be placed before the Board. Similarly, transactions between holding company and its wholly owned subsidiary and other subsidiary companies needs through understanding by a company secretary.

Board's Report:

The preparation of board's report is the responsibility of the Board. The duty for such preparation is generally handed over to the Company Secretary. The board's report has underwent drastic changes with attachments such as extract of annual return, corporate social responsibility certificate, secretarial audit report and so on. Directors' responsibility statement has also been enlarged and one of the important task of a company secretary is to compile a draft directors' report for final approval by the board.

No doubt, the board's report for this year is to be prepared in compliance of the old Act. At the same time, several issues which have been changed after 1st April, 2014 till the

time of approval of directors' report have to find a place in the directors' report. One such matter is the constitution of CSR committee and the fact needs to be provided in the directors' report

Annual Return:

The Annual Return format has been so designed that it requires disclosure of several matters in the overall interest of shareholders. The particulars are to be provided as on the date of end of financial year instead of the date of annual general meeting. A company secretary has to devote much time in just compiling and consolidating the particulars of annual return.

Further, certain class of companies in addition to listed companies require the certification by a practising company secretary. Therefore, a company secretary has to be vigilant in not only preparing the annual return but also to provide enough proof for correctness of the particulars provided therein.

E-voting:

The Act has come out with yet another method of voting by shareholders. The newly introduced method of voting is for all listed companies and companies having a shareholder base of 1000 and above. There are utter confusions in the system and the need of the hour is a detailed clarification from MCA. In the absence of any such clarification, the role of company secretary is in a fix. Related parties do not have voting rights in related party transactions and identifying such votes in e-voting is one of the challenges. He is with number of alternatives and has to exercise due care in complying the provisions not only in letter and spirit but also to the utmost satisfaction of all shareholders.

Conclusion:

Corporate Compliance Management is an art. It requires utmost concentration for proper compliance. The Act, barring few provisions are effective 1st April, 2014 but was notified just at the close of March, 2014. It has made the role of company secretary in a tight corner for compliance. The Act also deals with iron hand for non-compliance of the Act and Rules made thereunder. It seems the Rules "overrule" the Act.

No doubt, company secretaries are well equipped with knowledge and expertise to meet all such eventualities for proper compliance. MCA needs to give supporting strength to the KMPs by issuing timely clarifications on all issues which are either confusing or unclear.

The above submission is an illustrative for immediate compliance by a company secretary and it may change depending upon the company and its status. The order of the day is compliance, compliance and nothing beyond and company secretaries have to be well equipped to meet the challenge.



COMPLIANCE CHECKLIST FROM 01ST JUNE TO 10TH JULY, 2014

Compliance Checklist

Central Excise Related Compliance

S. No.	Activities	Sections/Rules/Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
1.	Last Date for payment of Excise Duty Non SSI units (May) *(in case of Payment through Internet banking)	Rule 8	Central Excise Rules, 2002	05 th June *06 th June	Central Excise Authorities
2.	Monthly Return of information relating to Principal Inputs (May, 2014) (Form No. ER-6)	Rule 9A	CENVAT Credit Rules, 2004	10 th June	Central Excise Authorities
3.	Filing of Return of Central Excise and Cenvat Credit for the month of May, 2014 (Form No. ER-1) (Non SSI Units)	Rule 12 / Rule 9(7)	Central Excise Rules, 2002/ CENVAT Credit Rules, 2004	10 th June	Central Excise Authorities
4.	Monthly Excise return by EOU for the month of May, 2014 (Form No. ER-2)	Rule 17(3)	Central Excise Rules, 2002	10 th June	Central Excise Authorities
5.	Last Date for payment of Excise Duty SSI units (May) *(in case of Payment through Internet banking)	Rule 8	Central Excise Rules, 2002	15 th June *16 th June	Central Excise Authorities
6.	Last Date for payment of Excise Duty Non SSI units (June) *(in case of Payment through Internet banking)	Rule 8	Central Excise Rules, 2002	05 th July *06 th July	Central Excise Authorities
7.	Monthly Return of information relating to Principal Inputs (June, 2014) (Form No. ER-6)	Rule 9A	CENVAT Credit Rules, 2004	10 th July	Central Excise Authorities
8.	Filing of Return of Central Excise and Cenvat Credit for the month of June, 2014 (Form No. ER-1) (Non SSI Units)	Rule 12 / Rule 9(7)	Central Excise Rules, 2002/ CENVAT Credit Rules, 2004	10 th July	Central Excise Authorities
9.	Monthly Excise return by EOU for the month of June, 2014 (Form No. ER-2)	Rule 17(3)	Central Excise Rules, 2002	10 th July	Central Excise Authorities
10.	Quarterly Return of Central Excise and Cenvat Credit in Form ER-3 (SSI units)	Rule 12	Central Excise Rules, 2002	10th July	Central Excise Authorities

Service Tax Related Compliances

S. No.	Activities	Sections/Rules/Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
11.	Pay Service Tax in Challan GAR – 7, collected for the month of May 2014 by persons other than individuals proprietors and partnership firms. *(in case of Payment through Internet banking)	Section 68 Read with Rule 6	Finance Act, 1994 Service Tax Rules, 1994	05 th June *06 th June	Service Tax Authorities
12.	Pay Service Tax in Challan GAR – 7, collected for the month of May 2014 by persons other than individuals proprietors and partnership firms. *(in case of Payment through Internet banking)	Section 68 Read with Rule 6	Finance Act, 1994 Service Tax Rules, 1994	05 th July *06 th July	Service Tax Authorities



13.	Pay Service Tax in Challan GAR 7 collected during the previous Quarter (April to June) by individuals, proprietors and partnership firms *(in case of Payment through Internet banking)	Rule 6	Service Tax Rules, 1994	05 th July *06 th July	Service Tax Authorities
Income-tax Related Compliances					
S. No.	Activities	Sections/Rules/Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
14.	Contractor's Bill / Advertising / Professional service Bill - TDS collected for the previous month Section 194J (May, 2014)	Section 194C Section 194J	Income-tax Act, 1961	07 th June	Income Tax Authorities
15.	Monthly payment of TCS (May, 2014)	Section 206	Income-tax Act, 1961	07 th June	Income Tax Authorities
16.	TDS from Salaries for the previous month (May 2014)	Section 192	Income-tax Act, 1961	07 th June	Income Tax Authorities
17.	Deposit TDS from salaries for the previous month in Challan No.281 (May)	Section 192	Income-tax Act, 1961	07 th June	Income Tax Authorities
18.	Advance Tax Payment	Section 211	Income tax Act, 1961	15th June	Income Tax Authorities
19.	Contractor's Bill / Advertising / Professional service Bill - TDS collected for the previous month Section 194J (May, 2014)	Section 194C Section 194J	Income-tax Act, 1961	07 th July	Income Tax Authorities
20.	Monthly payment of TCS (June, 2014)	Section 206	Income-tax Act, 1961	07 th July	Income Tax Authorities
21.	TDS from Salaries for the previous month (June 2014)	Section 192	Income-tax Act, 1961	07 th July	Income Tax Authorities
22.	Deposit TDS from salaries for the previous month in Challan No.281 (June)	Section 192	Income-tax Act, 1961	07 th July	Income Tax Authorities
RBI Related Compliances					
S. No.	Activities	Sections/Rules/Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
23.	Monthly return (NBS-6) on exposure to capital market	Para 13B	NBFC Prudential Norms (Reserve Bank) Directions, 1998	07 th June	RBI
24.	Monthly Return on Important Financial Parameters	DNBS (RID) C.C. No.57/02.05.15/2005-06 dated Sep 6, 2005	Circular	07 th June	RBI
25.	Reporting of actual transactions of ECB in form ECB-2 within 7 working days (May)	ECB Rules	FEMA, 1999	09 th June	RBI through Authorized Dealer
26.	Monthly statement of short term dynamic liquidity in Form ALM-I	DNBS (PD).CC.No.15 /02.01/2000-2001 dated June 27, 2001	Circular	10 th June	RBI



27.	Half yearly return on prudential norms in Form NBS- 2	DNBS.PD.CC.No.227/03.10.042 / 2011-12 dated July 01, 2011	Master Circular	30th June	RBI
28.	Annual Return of Capital Funds, Risk Asset Ratio	DNBS.PD.CC.No. 227/03.10.042 / 2011-12 dated July 01, 2011	Master Circular	30th June	RBI
29.	Monthly return (NBS-6) on exposure to capital market	Para 13B	NBFC Prudential Norms (Reserve Bank) Directions, 1998	07 th July	RBI
30.	Monthly Return on Important Financial Parameters	DNBS (RID) C.C. No.57/02.05.15/ 2005-06 dated Sep 6, 2005	Circular	07 th July	RBI
31.	Reporting of actual transactions of ECB in form ECB-2 within 7 working days (June)	ECB Rules	FEMA, 1999	08 th July	RBI through Authorized Dealer
32.	Monthly statement of short term dynamic liquidity in Form ALM-I	DNBS (PD).CC.No.15 /02.01/2000-2001 dated June 27, 2001	Circular	10 th July	RBI
Economic, Industrial & Labour Law Related Compliances					
S. No.	Activities	Sections/Rules/ Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
33.	Monthly payment of Provident Fund (PF) (Non Corporate)	(a) Paragraph 38 of Employees Provident Funds Scheme, 1952 (b) Section 418 of the Companies Act, 1956	(a) Employees' Provident Funds and Misc. Provisions Act, 1952 (b) Exempted Scheme	15 th June	Provident Fund Authorities Trustees of Provident Fund
34.	File monthly return for employees leaving / joining during the month of May (Form No.5)	Paragraph 20(2) read with Paragraph 36(1) & (2)	The Employees Pension Scheme, 1995 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)	15 th June	Provident Fund Commissioner
35.	i) File monthly Return of employees entitled for membership of Insurance Fund (Form No.2(IF)) ii) File monthly Return for members of Insurance Fund leaving service during the month of May (Form no. 3(IF)) iii) File monthly return of members joining service	Paragraph 10	The Employees Deposit Linked Insurance Scheme, 1976 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)	15 th June	Provident Fund Commissioner



	during the month of May (Form no.F4(PS))				
36.	Payment of ESI contribution for the previous month	Regulation 31	Employees' State Insurance Act, 1948 and Employees State Insurance (Gen.) Regulations, 1950	21 st June	ESIC Authorities
37.	Monthly return of Provident Fund for the previous month (May) Provident funds	Paragraph 38 of Employees' Provident Act, 1952	Employees Provident Funds and Misc. Scheme, 1952	25 th June	Provident Fund Authorities
38.	Monthly return of Provident Fund for the previous month with respect to International Workers.	Paragraph 36	The Employees' Provident Funds Scheme, 1952	25 th June	Provident Fund Authorities

Company Law Related Compliances

S. No.	Activities	Sections/Rules/ Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
39.	Filing of return of Public Deposits for Companies having deposits in Form DPT 3	Rule 16 & Section 74	Companies (Acceptance of Deposits) Rules, 2014	30th June	Registrar of Companies
40.	To obtain declaration of Interest from Directors (Form MBP 1).	Section 184	Companies Act, 2013	30th June	To the Board of Directors of the Company
41.	Intimation by the Directors to the Company (Form DIR 8)	Section 164	Companies Act, 2013	30th June	To the Board of Directors of the Company

Stock Exchange / Listing Compliance

S. No.	Activities	Sections/Rules/ Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
42.	Publish the audited yearly results in newspaper	Clause 41	Listing Agreement	30th June	Stock Exchange

Depositories

S. No.	Activities	Sections/Rules/ Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
43.	Submit monthly statement on substitution of names of depositories in the previous quarter.	Regulation 54(5)	SEBI (Depositories & Participants) Regulations, 1996	07th June	Depositories
44.	Submit monthly statement on substitution of names of depositories in the previous quarter.	Regulation 54(5)	SEBI (Depositories & Participants) Regulations, 1996	07th July	Depositories

Note : While every care has been taken in the preparation of this Compliance Check List for the Month of June, 2014, to ensure its accuracy at the time of publication, NIRC – ICSI assumes no responsibility for any errors which despite all precautions, may be found therein. Members are requested to check the latest position with the original sources before acting upon the information published in this newsletter. Neither this Newsletter nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/ substitute professional advice that may be required before acting on any matter.

LEGAL UPDATES**UNITED DECORATIVES PVT LTD**

... Petitioners

Vs.

DOLPHIN FOOTWEAR PVT LTD

... Respondents

CO.PET. 173/2013

The petitioner has filed the petition under Section 433 (e) of the Companies Act, 1956 (hereinafter referred to as the "Act") alleging that the respondent has been unable to pay its admitted dues to the petitioner. The respondent contends that no amount is payable to the petitioner and on the contrary certain amounts are recoverable from the petitioner on account of defective goods supplied by the petitioner.

The only controversy that needs to be addressed is whether the defence raised by the respondent is bonafide or a sham defence.

Facts of the case

The petitioner is in the business of manufacturing, trading and distribution of synthetic leather (Rexine). The said material is used by the respondent in manufacturing shoes. The petitioner has been supplying the said goods to the respondent since over two years and the business relations amongst the parties are stated to have been cordial. The only complaint that the petitioner had was regarding minor delays in payment of the invoices. However, there is no dispute that the payments, for the goods delivered in the past, were effected.

The petitioner supplied certain goods in the month of November and December, 2012. The goods were supplied on credit and the invoices were due and payable after a specified period.

The aggregate amount payable by the respondent in respect of the said goods adds upto Rs. 9,07,263/-. The last of the aforesaid invoices was required to be paid by the respondent on or before 07.03.2013. The petitioner sent a reminder on 07.01.2013 to the

respondent calling upon the respondent to ensure that the invoices are paid on or before the due dates. The letter dated 07.01.2013 was followed by a reminder dated 12.01.2013. The petitioner also unequivocally put the respondent to notice that if the said invoices were not paid in time the petitioner would be constrained to take legal action. In response to the said letter the respondent sent a letter dated 22.01.2013. It is relevant to note that the payments due to the petitioner were not disputed in the said letter. However, the respondent alluded that the goods supplied by the petitioner had certain defects which required to be addressed. The said letter was immediately responded to by the petitioner by a letter dated 30.01.2013 and the allegation that there were any defects which had been pointed out earlier was stoutly disputed. The petitioner also exercised its right to curtail the credit period and called upon the respondent to immediately discharge the entire payment against the pending invoices. No further communication was issued by the respondent in this respect thereafter.

Given the fact that the payments due had not been effected by the respondent, the petitioner was constrained to issue a notice dated 16.02.2013, under Section 434 (1)(a) of the Act, calling upon the respondent to make the payment. This notice also elicited no response from the respondent.

In view of the fact that the payments against the invoices had not been made by the respondent despite the notice under Section 434 (1)(a) of the Act, the petitioner was constrained to file the present petition. The notice of this petition was served on the respondent on 01.05.2013.

It has been contended on behalf of the petitioner that the dispute raised by the respondent that there was any defect in the goods is ex-facie a sham defence since the payments due to the petitioner were not disputed at any stage prior to filing of the present petition. Although the respondent in its letter dated 22.01.2013 had alluded to certain defects, the same was refuted at the material time. It is contended that apart from the said letter being mischievous it is also

obvious that the said letter would have no relevance since the goods were supplied much earlier in November and December, 2012 and no specific complaint in regard to those goods had been received. The learned counsel for the petitioner has also pointed out the terms and conditions which are printed on the rear side of the invoices. The learned counsel for the petitioner pointed out that as per the terms and conditions of the agreement, any complaint regarding the quality of the goods was required to be made within a period of 10 days. This, admittedly, had not been done by the respondent.

The learned counsel for the petitioner has also drawn the attention of the Court to the statement of account furnished by the respondent along with its reply. The said account indicates that the sums as claimed by the petitioner were duly reflected as payable to the petitioner as on 01.05.2013. The said date is relevant as the notice of the petition was served on the respondent on the said date.

The learned counsel of the respondent states that this is a case of a bonafide dispute, inasmuch as, the respondent had already communicated to the petitioner that the goods supplied were defective. He has also pointed out certain complaints that were received in the month of April, 2013 from certain customers which, according to him, indicated that the goods supplied by the petitioner were defective. The learned counsel for the respondent has also pointed out certain photographs which, according to the petitioner, indicate unused goods of the petitioner lying at the factory premises as well as the stock of defective shoes. It is submitted on behalf of the respondent that on account of the complaints received, credit notes were issued to its customers and their respective accounts duly reflect the same.

Judgement

The only aspect that is required to be considered in the present proceedings is whether the defence raised by the respondent is a sham defence. The defence raised by the respondent has to be tested on this anvil. In the present case, the facts clearly indicate that the invoices were due and payable and there has been

no specific complaint which has been produced on record prior to this period. The letter dated 22.01.2013 is only in response to the demands being made by the petitioner and even this letter does not specify that the amount claimed by the respondent is disputed or not payable. The complaints which have been adverted to by the respondent are also generic in nature and it is material to note that all the complaints are in the month of April, 2013 i.e. much after the payments of the invoices had become due and payable. The debit note on the basis of which the respondent claims that amounts are not payable to the petitioner is dated 08.05.2013 which is more than two months after the last invoice became due and payable and after the respondent had received the notice of the present petition.

It is also material to note that the notice issued under Section 434 (1)(a) of the Act had elicited no response and even at that stage, the respondent had not crystallized any issue.

Thus, the defence raised by the respondent is spurious and created for the purposes of resisting the present petition. The petition is admitted. The petitioner is directed to publish the citation in "Statesman"(English) and "Jansatta"(Hindi). The citation be also published in Delhi Gazette for hearing to be held on 17.07.2014.

The interim order passed on 17.04.2013 shall continue till disposal of the present petition. The application stands disposed of

Conclusion

It is trite law that winding up proceedings cannot be preferred in order to pressurize a party to make payments which are disputed. However, it is equally well accepted that a defence which is spurious and illusory and created only for the purposes of defeating a legitimate claim of the creditor would not be entertained

Compiled by

CS Abhishek Gupta, abhishek@rmgcs.com

CS Manish Gupta, manish@rmgcs.com



Date	Program	Chief Guest(s)/Guest of Honour(s)/Speakers
17.5.2014	One day Mega Workshop on "Companies Act 2013" Coverage: Extensive discussion on Chapters XI to XIII of Companies Act, 2013 (Directors, Meetings of the Board and Appointment & Remuneration of Managerial Personnel) & Extensive discussion on e-voting	Dr. K R Chandratre, Past President, ICSI) & CS Ankur Mittal, Senior Expert, National Securities Depository Limited(NSDL)
24.5.2014	One day Workshop on "Companies Act 2013" Topic: Impact on Merger & Amalgamation Deals (Covering Share Sale, Slump Sale, Joint Ventures, Private Equity & Scheme of Arrangements) Topic: Annual Return Certification -Issues and Challenges	CS Lalit Kumar, Partner, J. Sagar Associates & CS Arvind Kohli, Practising Company Secretary
26.5.2014 to 11.6.2014	193 rd Management Skills Orientation Program	Chief Guest – CS Rajiv Bajaj, Past Chairman, NIRC
31.5.2014	One day Mega Workshop On "Companies Act, 2013 - Preparedness To Handle Contentious Issues"	Guest Speaker - CS Nesar Ahmad & Panel Discussion (Panellists) CS (Dr.) S Chandrasekaran, CS Atul Mittal, CS N K Jain, Mr. Sanjay Gupta, MCA
07.6.2014	One day Workshop On "Immediate Secretarial Actions to be taken under the New Companies Act,2013"	CS Rajevee Goel & CS Rajesh Arora
07.6.2014	Vaishali Study Group Meeting on "Loans & Investment And Deposits"	CS J K Chowdhery Sr Vice President , ISGEC Heavy Engineering Limited

LIGHTER SIDE OF THE PROFESSION

"Has Paramjeet Singh become very sincere,dedicated and hardworker for the Company?"

"No,he is just the same."

"Then how come he is getting double increment every year for the last three years?"

"He has started sitting late in the evening and his work is getting recognition more than what is due."

"Sir, did my performance lack in any respect in the current year?"

"Why you are asking this question?"

"Because I have not been given the annual increment."

"In the current year the company has adopted the criteria of reviewing only cost to the company instead of annual work performance."

—CS PRAMJEET SINGH, pslawadvisers@yahoo.com

Members may send their contribution for this column at e-mail niro@icsi.edu for publication in the NIRC Newsletter-Insight. Decision of the Editorial Board of Newsletter in this regard will be final.



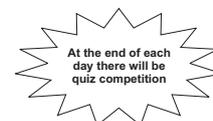
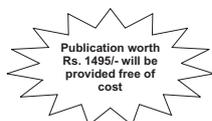
SUMMARY OF FORTHCOMING PROGRAMS FOR THE MONTH OF JUNE

Day , Date, Time	Program Details	Venue	Credit Hours	Fees
Friday, 13.06.2014 5.00 PM onwards	South Zone Study Group Meeting on Prospectus and Allotment of Securities & Share Capital (Chapter III & IV) of Companies Act 2013	AMDA, 7/6 Sirifort Instl. Area August Kranti Marg, New Delhi	01	No Fee
Saturday, 14.06.2014 9.30 AM onwards	One Day Workshop on "The Challenging Aspects of Companies Act, 2013"	ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi	04	Rs. 300/- per delegate inclusive of Service Tax
Saturday & Sunday, 14-15.06.2014 9.30 AM to 5.30 PM	Two Day Induction Program for Company Secretaries in Employment Maximum enrolment will be restricted to 30; Admission will be on receipt of fee and first come first serve basis	ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi	08	Rs. 1500/- per delegate inclusive of Service Tax
Sunday, 15.06.2014 6.00 PM onwards	North Zone Study Group Meeting (Topic will be informed through email)	Tecnia Institute of Advanced Studies, 2nd Floor, Instl. Area Madhuban Chowk, Delhi	01	No Fee
Tuesday, 17.06.2014 - 07.07.2014 6.00 PM to 8.00 PM	Fifteen Day Class Room Series on Companies Act, 2013 Maximum enrolment shall be restricted to 50; Admission will be on receipt of fee and First Come First Serve basis	ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi	01 per day	Rs. 2750/- per delegate inclusive of Service Tax
Friday, 20.06.2014 6.00 PM onwards	Study Circle Meeting on " General Meeting including Postal Ballot & E-voting"	Auditorium of New Delhi YMCA Tourist Hostel, Jai singh Road, New Delhi 110001	01	No Fee
Saturday, 21.06.2014 6.00 PM onwards	West Zone Study Group Meeting on Prospectus and Allotment of Securities & Share Capital (Covering Private Placement, Right Issue, Preferential Allotment, shares with differential Voting Rights, etc.)	CMC Limited Community Centre C-11, 3rd Floor Janak Puri, New Delhi	01	No Fee
Saturday & Sunday, 21-22.06.2014 9.30 AM onwards	Two Day PCS Induction Program Maximum enrolment will be restricted to 30; Admission will be on receipt of fee and first come first serve basis	ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi	08	Rs.845/- per delegate inclusive of Service Tax
Saturday, 28.06.2014 9.30 AM onwards	One Day Seminar on Company Secretary -A Strategic Professional	Hotel Eros Continental (Royal Ball Room), Nehru Place, New Delhi	04	Rs.1750/- per delegate inclusive of service <u>Corporate Members of NIRC</u> ; No fee.
Monday, 30.06.2014 6.00 PM onwards	Meeting of Company Secretaries in Practice	ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi	01	No Fee



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NORTHERN
INDIA
REGIONAL
COUNCIL



Northern India Regional Council
is organising

FIFTEEN DAY CLASS ROOM SERIES ON COMPANIES ACT, 2013

on

Coverage :	Chapter	Topic
	I & II	Preliminary & incorporation of company & matters incidental thereto
	III	Prospectus and allotment of securities
	IV	Share capital & debentures
	V & VI	Acceptance of deposits by the companies & registration of charges
	VII & VIII	Management & administration & declaration and payment of dividend
	IX & X	Accounts of companies & audit & auditors
	IX	Corporate social responsibility
	XI	Appointment & qualification of directors
	XII	Meetings of board and its powers
	XIII (I)	Appointment & remuneration of managerial personnel
	XIII (II)	Secretarial audit
	XIV	Inspection, inquiry & investigation
	XXI, XXII & XXIII	Companies authorised to register under this act & companies incorporated outside india and government companies
	XXIV, XXV & XXVI	Registration offices & fees, companies to furnish information or statistics, nidhis

on

From 17th June to 7th July, 2014 (Saturday, Sunday Off)

from 6 PM to 8 PM

at

ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi

Fee: Rs.2750/- per delegate inclusive of service tax for complete program

Registration: Maximum enrolment will be restricted to 50; Admission will be on receipt of fee and first come first serve basis

(Registration restricted to maximum 10 for attending specific class at a fee of Rs 200/- per day. Free publication will not be provided)

In order to make necessary arrangements, Members are requested to enrol well in advance with Regional Director, NIRC-ICSI, 4, Prasad Nagar Institutional Area, New Delhi. The cheque for delegate fee may please be drawn in favour of NIRC of ICSI payable at New Delhi. Tel.:+91-11-49343000, Fax: 25722662 E-mail: niro@icsi.edu

It is requested to give your confirmation beforehand on mail



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NORTHERN
INDIA
REGIONAL
COUNCIL



Northern India Regional Council

is organising

TWO DAY INDUCTION PROGRAM FOR COMPANY SECRETARIES IN PRACTICE



on **21-22 June, 2014 (Saturday & Sunday)**

Registration : Registration starts at 9.30 AM

Major Areas of Coverage:

Basic infrastructure required to start practice; Record Maintenance; Interaction with clients and Billing; Code of Conduct; Certification of e-forms; Drafting of Deeds & Documents; Opinion writing; Appearance before authorities & Major areas of practice for CS

at ICSI-NIRC Building, 4, Prasad Nagar Institutional Area, New Delhi

Fee: Rs.845/- per delegate inclusive of service tax including Corporate Members of NIRC

Registration : Maximum enrolment shall be restricted to 30; Admission will be on receipt of fee and first-come first served basis. In order to make necessary arrangements, Members are requested to enrol well in advance with Regional Director, NIRC-ICSI, 4, Prasad Nagar Institutional Area, New Delhi.

The cheque for delegate fee may please be drawn in favour of NIRC of ICSI payable at

New Delhi. Tel.:+91-11-49343000, Fax: 25722662 E-mail: niro@icsi.edu



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Statutory body an Act of Parliament

NORTHERN
INDIA
REGIONAL
COUNCIL



Northern India Regional Council

is organising

TWO DAY INDUCTION PROGRAM FOR COMPANY SECRETARIES IN EMPLOYMENT



Coverage:

Familiarization with the Corporate Practices Companies Act & Rules, Code of Conduct, Work Ethic, Integrity, Pressure & Time Management, Soft Skills & Body Language, Role as a KMP, Compliance Management & Board Handling
Developing Strategic Thinking & other Practical Aspects for working Professionals, etc.

on **Saturday & Sunday, the 14th & 15th June, 2014**

Registration: 9.30 AM onwards (Program will start at 10.00 AM sharp,)

at ICSI- NIRC Building, 4 Prasad Nagar Institutional Area, New Delhi.

Fee : Rs.1500/- per delegate inclusive of service tax

Registration : Maximum enrolment will be restricted to 30; Admission will be on receipt of fee and first come first serve basis

In order to make necessary arrangements, Members are requested to enrol well in advance with Regional Director, NIRC-ICSI, 4, Prasad Nagar Institutional Area, New Delhi. The cheque for delegate fee may please be drawn in favour of NIRC of ICSI payable at New Delhi. Tel.:+91-11-49343000, Fax: 25722662 E-mail: niro@icsi.edu

It is requested to give your confirmation beforehand on mail and be at NIRC at 9:30 AM



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body an Act of Parliament

NORTHERN
INDIA
REGIONAL
COUNCIL

Northern India Regional Council
is organising

ONE DAY WORKSHOP

on **“The Challenging Aspects of Companies Act,2013”**

Coverage:

Technical session on Challenging Aspects of Companies Act,2013

(Three Hours Session from 10.00 AM sharp to 1.00 PM)

& PANEL DISCUSSION

(Two and a half Hours open house Q & A with eminent Panellist from 2.00 PM to 4.30 PM covering all issues which need more discussion & clarity)

on **Saturday the 14th June, 2014**

Registration: 9.30 AM onwards (Program will start at 10.00 AM sharp,)

at **ICSI- NIRC Building, 4 Prasad Nagar Institutional Area, New Delhi.**

Fee : Rs.300/- per delegate inclusive of service tax

Registration : Maximum enrolment will be restricted to 75;

In order to make necessary arrangements, Members are requested to enrol well in advance with Regional Director, NIRC-ICSI, 4, Prasad Nagar Institutional Area, New Delhi. The cheque for delegate fee may please be drawn in favour of NIRC of ICSI payable at New Delhi. Tel.:+91-11-49343000, Fax: 25722662 E-mail: niro@icsi.edu

It is requested to give your confirmation beforehand on mail and be at NIRC at 9.:30 AM

COMPANY SECRETARIES BENEVOLENT FUND

Members enrolled as Life Members of the Company Secretaries Benevolent Fund from Northern Region from 21.04.2014 to 20.05.2014

<i>S.No.</i>	<i>Name</i>	<i>Mem.No.</i>
1.	CS Suresh Kumar Gupta	ACS - 34359
2.	CS Ram Mohan Jha	ACS - 34111
3.	CS Neha Chaudhary	FCS - 7433
4.	CS Ankita Sati	ACS - 33176
5.	CS Mahima Pancholi	ACS - 34312
6.	CS Parul Arora	ACS - 19228
7.	CS Rajiv Kumar Agrawal	ACS - 28791
8.	CS Siddhartha Banik	FCS - 6081
9.	CS Deepak Kumar Kaushal	ACS - 27607



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NORTHERN
INDIA
REGIONAL
COUNCIL



Northern India Regional Council

is organising

**ONE DAY SEMINAR
ON
"COMPANY SECRETARY – A STRATEGIC PROFESSIONAL"**

Coverage :

Enhanced Role & Expectations from a Company Secretary, Handling of the Annual General Meeting - Practical Aspects, Changes in the Listing Agreement and Compliance Requirements, Emerging Role of Company Secretary in the Corporate India

(Every Session will be followed by Q & A)

on

Saturday, the 28th June, 2014

Registration: 9.00 AM onwards (Program will start at 10.00 AM sharp,)

at

Hotel Eros Continental (Royal Ball Room), Nehru Place, New Delhi -110 019

Fee: Rs.1750/- per delegate inclusive of service tax, FREE for Corporate Members of NIRC (2014-15)

Registration: In order to make necessary arrangements, Members are requested to enrol well in advance with Regional Director, NIRC-ICSI, 4, Prasad Nagar Institutional Area, New Delhi. The cheque for delegate fee may please be drawn in favour of NIRC of ICSI payable at New Delhi. Tel.:+91-11-49343000, Fax: 25722662 E-mail: niro@icsi.edu

**COMPULSORY ATTENDANCE OF PROFESSIONAL DEVELOPMENT PROGRAMS BY THE MEMBERS OF ICSI
(DATE OF CURRENT BLOCK OF THREE YEARS EXTENDED UPTO 30TH JUNE 2014)**

1.	Current block of three years	April 1, 2011 to March 31, 2014 (EXTENDED UPTO 30TH JUNE, 2014)
2.	Minimum number of Programme Credit Hours (PCH) to be acquired by Members in Practice	15 PCH in each year or 50 PCH in a block of three years w.e.f. April 01, 2011
3.	Minimum number of PCH to be acquired by Members in Employment (i.e. members in whose name Form 32 has been filed to work as CS under the provisions of Sec. 383A of the Companies Act, 1956)	10 PCH in each year or 35 PCH in a block of three years w.e.f. April 01, 2011
4.	Min. number of PCH to be acquired by Members above the age of 60 years	Presently the members of the age of 65 years are not required to obtain PCH. This age limit stands reduced to 60 years and the members above the age of 60 years shall be required to obtain 50% of the PCH required to be obtained by the members below 60 years w.e.f. April 01, 2011.

PMQ COURSES OFFERED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Dear Professional Colleague(s),

As you all are aware that the Institute, as a part of building capacity of its members, offers Post Membership Qualification (PMQ) courses on new and emerging areas with the aim to provide application oriented knowledge to the members to enable them to render quality services in diversified areas. A brief description of these PMQ Courses offered by the Institute is as under:

1. PMQ COURSE IN CORPORATE GOVERNANCE

Post Membership Qualification Course in Corporate Governance aims to enable the members to gain acumen, insight and thorough knowledge relating to various aspects of corporate governance.

Salient features

- Two parts, viz., Part I and Part II
- Part I: Written examination covering five papers.
- Part II: Dissertation or project report.

Award of Diploma Certificate

A candidate successfully completing the Post Membership Qualification Course in Corporate Governance shall be awarded a Diploma Certificate and shall be entitled to use the descriptive letters "DCG (ICSI)" to indicate that he/she has been awarded "Post Membership Diploma in Corporate Governance".

Course Fee:

Rs.12,500/- payable at time of registration for the course

Rs.12,500/- payable after completion of Part-I and before commencement of Part-II

2. PMQ COURSE IN CORPORATE RESTRUCTURING AND INSOLVENCY

The Post Membership Qualification (PMQ) Course in Corporate Restructuring and Insolvency aims at capacity building of members in practical and application oriented aspects of corporate restructuring, rehabilitation, insolvency and matters related thereto. The Course structure entails participation in workshop for case studies and a written examination.

Salient features

- Two modules, viz., Module A and Module B
- Module A: Written examination covering four papers.
- Module B: One day workshop covering presentation on case studies and interaction with experts.

Award of Diploma Certificate

A candidate successfully completing the Post Membership Qualification Course in Corporate Restructuring and Insolvency shall be awarded a Diploma Certificate and shall be entitled to use the descriptive letters "DCRI (ICSI)" to indicate that he/she has been awarded "Post Membership Qualification Course in Corporate Restructuring and Insolvency".

Course Fee:

Rs. 25,000/- at the time of registration

Rs. 25,000/- at the time of Workshop

ELIGIBILITY CRITERIA AND REGISTRATION FOR THE PMQ COURSE(S)

A person who is a member of the Institute is eligible for admission to the PMQ course. A copy of the prospectus(es) giving the registration procedure and other details can be obtained on payment of Rs.500/- from the Institute Headquarter.

For further details, please visit: www.icsi.edu or contact at pmq@icsi.edu or 011-45341039/45341014

With regards,

Yours sincerely,

CSSHYAM AGRAWAL
Chairman, NIRC-ICSI

Disclaimer:

While every effort has been made and care has been taken in preparation of this Newsletter and to ensure its accuracy at the time of publication, NIRC of ICSI assumes no responsibility for any errors which, despite all precautions, may creep in. It is suggested that the readers should cross check all the facts and the relevant law position before acting on any matter.

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Help Desk of NIRC-ICSI

011-49343000
niro@icsi.edu

One Day Mega Workshop on the theme “Companies Act, 2013 - Preparedness To Handle Contentious Issues” (31.5.2014): CS Nesar Ahmad (Past President, ICSI) addressing and sitting CS Manish Gupta, CS Shyam Agrawal, CS Deepak Kukreja and members.



One Day Mega Workshop on the theme “Companies Act, 2013” (17.5.2014): Dr. K R Chandratre (Past President, ICSI) addressing and sitting CS Manish Gupta, CS NPS Chawla, CS Rajiv Bajaj and members.



Inauguration of 193rd MSOP (26.4.2014): sitting from L to R student, CS Alka Arora ,CS Manish Gupta, CS Rajiv Bajaj, Mr. S K Nagar and student.



One Day Mega Workshop on the theme “Companies Act, 2013 - Preparedness To Handle Contentious Issues” (31.5.2014): from L to R CS Manish Gupta, CS Rajiv Bajaj, CS Alka Kapoor, CS (Dr.) S Chandrasekaran, CS Shyam Agrawal, CS (Dr.) S P Narang, CS Atul Mittal, Mr. Sanjay Gupta, CS N K Jain and CS Ranjeet Pandey.



One Day Workshop on the theme" Immediate Secretarial Actions to be taken under the New Companies Act,2013"(07.6.2014): sitting from L to R CS Shyam Agrawal, CS Ranjeet Pandey, CS Rajeev Goel & CS Rajesh Arora and members.





COMPANY SECRETARIES BENEVOLENT FUND

Be a proud member of CSBF-Saathi Haath Badhana

Dear Professional Colleagues,

As you may be aware that in recent past, some of our members have died leaving behind the spouse and minor children. In some cases providing adequate financial assistance to the bereaved family becomes an impediment. Although the Managing Committee of the CSBF wanted to help the bereaved family members, but it was constrained to do so in view of financial position of the Fund.

The fund can provide the much needed financial assistance in such cases if the corpus of the Fund increases substantially which is possible if more number of members are enrolled to the fund. The members in all earnestness are therefore sincerely requested to become the members of the CSBF by paying one time Life membership fee of ₹ 7,500/-.

The payments made to the Fund are exempted under Section 80G of the Income Tax Act, 1961.

Following benefits are presently provided by the CSBF:

Financial Assistance in the event of Death of a member of CSBF:

Upto the age of 60 years

- Group Life Insurance Policy for a sum of ₹ 5,00,000

Above the age of 60 years

- Upto ₹ 2,00,000 in deserving cases on receipt of request subject to the Guidelines approved by the Managing Committee from time to time.

Other benefits subject to the Guidelines approved by the Managing Committee from time to time:

Reimbursement of Medical Expenses

- Upto ₹ 60,000/-

Financial Assistance for Children's Education (one time)

- Upto ₹ 20,000/- per child (Maximum for two children) in case of the member leaving behind minor children

I appeal to the members who have yet not become members of CSBF are requested to fill up Form-A (available on website of the Institute i.e. www.icsi.edu) and send the same along with a cheque for ₹ 7,500/- favouring 'Company Secretaries Benevolent Fund' payable at New Delhi to the Regional Director, NIRC of ICSI, 4, Prasad Nagar Institutional Area, New Delhi. Members may also apply online at www.icsi.edu

Looking forward to receive positive response for this noble cause.

Yours sincerely,

CS SHYAM AGRAWAL

Chairman, NIRC- ICSI

Mobile : 093 14923451

Email : info@shyamagrawal.com; chairman.nirc@icsi.edu

If undelivered, please return to :
Northern India Regional Council of the
Institute of Company Secretaries of India
4, Prasad Nagar Institutional Area,
New Delhi-110005