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CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS

"I am a member of ICSI; Only I do what I do."

... A Company Secretary

Focus on

Transitioning from Company Secretary to Corporate Governance Professional

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

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ICSI IMAGES

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01 PHD National Conference on Capital Market Frauds and Malpractices – Genesis, Resolution and Prevention *with ICSI as Associate Partner* – Sitting on the dais from Left: Amit Tandon (MD, Institutional Investors Advisory Services Pvt. Ltd.), Ashish Kumar Chauhan (MD & CEO, BSE Ltd.), Prithvi Haldea (CMD, PRIME Database), Chief Guest U.K. Sinha (Chairman, SEBI), Saurabh Jaipuria (Sr. VP, PHD Chamber), Chitra Ramakrishna (MD & CEO, NSEIL) and M.S. Sahoo.

02 Indian Chamber of Commerce Conference on Corporate Governance Shareholders' Right *with ICSI as Associate Partner* – Sitting from Left: Siddhartha Dutta (Partner, Amarchand Mangaldas), Naresh Pachisia (MD, SKP Securities Ltd), Debanjan Mandal (Chairman, Expert Committee on Corporate Laws & Legal Affairs, ICC), Hon'ble Justice Amitava Lala (Former Chief Justice, Allahabad High Court), Dr. Rajeev Singh (Director General, ICC) and M S Sahoo (Secretary, Council of the ICSI).

03 Thane Chapter of WIRC of ICSI: *Gruhapravesh Pooja and Ganesh Poojan* - S N Ananthasubramanian, performing the *pooja*.

04 SIRC - Salem Chapter 8th Southern India Regional PCS Conference at Yercaud - *Inauguration* - V. Krishnaswamy (President and COO, Karur Vysya Bank Ltd.) lighting the lamp. Others standing: C. Dwarakanth, S. Devarajan (CMD, Sambandam Spinning Mills Ltd., Salem) and Sudhir Babu C.

05 NSE - ICSI Workshop on Business Responsibility Reporting – (Clause 55) – Standardisation Exercise – Rehana D'souza (Asst. VP, NSE) addressing. Others sitting on the dais from Left: S.N. Ananthasubramanian, Pooja Makhija (AGM, SEBI) and V R Narasimham (Chief Regulations, NSE).

06 NIRC Seminar on Companies Act, 2013 – Consolidation of Corporate Jurisdiction – Sitting from Left: Vineet Chaudhary, Atul Mittal, Deepak Kukreja, B S V Prakash Kumar (Member, CLB), P K Mittal and NPS Chawla.

07 ICSI-National Seminar on "Indian Financial Code" Recommended by Financial Sector Legislative Reforms Commission – Technical Session II - Ramesh Abhishek addressing. Others sitting on the dais from Left: Ravi Narain and Dr.C.K.G. Nair.

08 ICSI-National Seminar on "Indian Financial Code" Recommended by Financial Sector Legislative Reforms Commission – Technical Session III – Dr. K P Krishnan addressing. Others sitting on the dais from Left: R K Nair and Dr. Ajay Shah.

11 The Council

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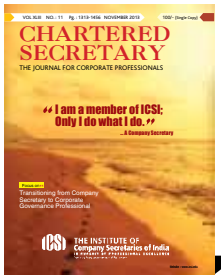

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At a Glance

Articles (A 429 - 485) P-1318

Management of Conflict of Interest P-1318

K N Vaidyanathan and Uday Sathe

The concept 'conflict of interest' is wide-ranging. Anything that is likely to prejudice a decision-maker's judgment can be treated as the factor influencing the 'conflict of interest'. The key in handling 'conflict of interest' is to have an open and transparent system.The real challenge would be to build a comprehensive framework for managing 'Conflicts of Interest' by nurturing a workplace culture which would encourage and promote the identification, disclosure and resolution of 'Conflict of Interest' in a crystal clear, responsible and timely manner. Corporations, like other creations of mankind, are fraught with potential conflicts of interest. The challenge is to minimize and eliminate the probability of that potential becoming real.

Risks and Liabilities of a Professional Enhanced Role for CS / PCS under the new Companies Act P-1325

Dr. S.D.Israni

Over the years the role of a Company Secretary has evolved a great deal from the time when he was supposed to perform ministerial duties to today where he is a part of the top corporate management team called 'Key Managerial Personnel'.It is imperative for a company secretary to be conscious of the fact that his position is a highly responsible one and he needs to be alert and updated at all times. Any failure on the part of the company secretary that has the effect of breaching any of the provisions of the Act would invite penal consequences. Similarly, a PCS will have to ensure that he develops proficiency in various enactments applicable to a company on which he has to give his opinion. An important point that every PCS should keep in view while giving the secretarial audit report is that, if so warranted by the circumstances, the PCS should make a qualification or observation or other remarks as may be deemed necessary. Every company secretary, whether in employment or practice, should adhere to the highest principles of integrity and professional competence and always remember that every company secretary is an ambassador of the profession and should conduct oneself accordingly.

Transitioning The Evolving and Complex Role of Company Secretaries P-1331

R Sriranjani

The growing importance placed on Corporate Governance and the new Companies Act 2013, has enhanced the role of the Company Secretary. The holder of the post is now seen in many respects as the guardian of a Company's Governance and an Independent Adviser to the Board. Governance and Leadership are the yin and the yang of successful organisations. If you have leadership without governance you risk tyranny, fraud and personal fiefdoms. If you have Governance without leadership you risk atrophy, bureaucracy and indifference. With Corporate Governance under ever-increasing scrutiny, the Company Secretary has little time to waste when it comes to ensuring that the Company is following sound Governance practices. This article offers a guide for getting started in the evolution.

Company Secretary's transition to a Governance Professional: Restrained as a 'Caged parrot' P-1338

Delep Goswami

The Companies Act, 2013 has ushered in a new era in corporate governance and corporate regulations and the CS has been given significantly improved legal status and the expectation from the CS has increased tremendously. It goes beyond a mere compliance officer to that of conscience keeper and specialist governance professional, who can do a lot to prevent corporate fraud, mismanagement and protect the overall interests of all the stakeholders. Being the eyes and ears of the BOD of a company, he can ensure stricter compliance regime and take a pro-active role in corporate excellence to enable the company to embark on a global mission commensurate with best corporate practices.

Accountability in the Non Profit Sector P-1343

Chenthamarai V.

The non-profit sector is a fast growing sector in India. It has a long and interesting history. Its capacity to impact development is mind boggling. This sector is large enough to be referred to as the 'third sector', after the government and business sectors. Yet the regulation of this sector is at a nascent stage. Therefore governance and self-regulation assume vital importance to uphold the credibility of this sector. This article brings to focus one of the important aspects of governance, i.e. accountability. It attempts to examine how accountability may be driven, enforced and evaluated in the non-profit sector. It brings out the need for and tools for evaluation of accountability. It highlights the challenges faced by the sector in this process. Last but not the least it brings out the specific role a company secretary may play, as a governance professional, in making this sector accountable.

Ethics and Governance Another Opportunity for CS to be Designated as CXO P-1348

Narendra Singh and Arpita Banerjee

During last two decades, the importance of ethics and corporate governance has attracted a great deal of public interest because of its significance in the overall growth of corporates. Company Secretary, an officer entrusted with the responsibility of compliance management, has tremendous opportunity of implementing/sustaining sound governance practices and developing an ethical culture within the organization. In several countries, the concept of Chief Ethics/ Governance Officer has evolved to implement/sustain ethical/ governance practices. In India, it is still in nascent stage and had started gaining momentum. Ethics and Governance are two arenas which can provide immense opportunity in modifying the role of Company Secretaries. Through this article, the authors have strived to trace the arena which would transform the CS from being known as statutory/compliance officer to ethics/governance officer.

Governance in Companies Transforming Role of Company Secretary in Changing Scenario P-1352

Sunil Kumar Banerjee

The term 'governance' has now been the essence of all organizations including corporate sectors. This article covers wide spectra of governance in companies *vis-a-vis* transforming role of company secretary as governance professional. The objective of corporate governance is to utilize scarce economic resources of the organization in efficient manner while raising value of investment for stakeholders at large. Accountability coupled with transparency is integral part of governance norms. Company Secretary's role has undergone transition over the decades from compliance officer to governance professional in enhancing the ethical value of the organization. As trusted man of the board he is in a position to stress on the improved internal control for prevention of fraud and irregularities thereby promoting transparent corporate reporting with full

disclosures. Being fully conversant with the company law procedures, practicing company secretary can effectively function as independent director too in governance system to uplift the ethical value of and bring in highest level of transparency in the organization.

CS in Banks- Enhance your skills P-1358

G M Ramamurthy

Banking Law is a special subject, quite different from other laws normally applicable to business enterprise in general. With financial sector poised for growth and issue of banking license to new banks in private sector under consideration, professionals like Company Secretaries have considerable opportunities in the financial sector including banking. Company Secretaries who wish to pursue their career in banking companies should acclimatize with the provisions of the Banking Regulation Act and related banking legislations.

Chief Governance Officer Emerging Role for Company Secretaries P-1363

Dr. Joffy George

The size of a company and the operational capacity of its legal department are two significant factors to consider before employing a CGO. Inducting a CGO into a larger company whose in-house attorneys are occupied with other duties can offer strategic advantages. The CGO's position in the chain of command will help to define the authority of the office and prompt respect from others. Largecap and midcap companies are more likely to benefit from a CGO than smallcap and microcap companies.

Role of Company Secretary as Corporate Governance Professional P-1366

Naresh Kumar

In the era of globalization and liberalization, the thrust of corporate sector is on better governance for efficient management and sustainable growth. The corporate world is in search of leaders and professionals of high integrity, who listen to their inner voices for safeguarding stakeholders interests by preventing malpractices in management. The Company Secretary as key managerial personnel (KMP) under the Companies Act, 2013 is expected to play the role of conscious-keeper of the board of directors. In this context, an attempt is made in this article to analyze the basic concepts of profession and governance and suggest how best secretaries, can make significant contribution for excellence in corporate sector.

Sathyam Vada; Dharmam Chara; P-1372

Gopalakrishna Hegde

Legal World (LW 121 - 131) P-1378

LW:99.11.2013 Deficiencies noticed in the impugned order are procedural deficiencies and do not involve any fraudulent action on the part of the appellant.[Sat] **LW: 100.11.2013** In these circumstances SEBI is requested to review its investor grievances system, including ATR and communicational requirements and come out with a new system or modify the existing system, which is cost effective, saves unnecessary labour and also addresses investor's grievances effectively in a meaningful manner, within fixed time framework. [SAT] **LW:101.11.2013** CLB directs the company to issue duplicate share certificates to the shareholder. [CLB] **LW:102.11.2013** It is clear that arbitration clause is there to deal with any dispute that arose in relation to subscription and shareholders Agreement clauses but as to mismanagement of the company is concerned, in case any such allegation is there, indicating mismanagement, this Tribunal will get jurisdiction to deal with that issue as well as the issue connected with the arbitration clause.[CLB] **LW:103.11.2013** The impugned conduct of ACI in not allowing ACI Banks to choose a service provider of their choice; directing the ACI Banks not to avail the integration services of FSS, using its dominance in the upstream market of software for electronic payment systems to gain entry in the downstream market of provision for services of customization and modification in respect of software for electronic payment systems *prima facie* seem to be abuse of dominance.[CCI] **LW:104.11.2013** While assessing AAEC the alleged clauses of the agreement could hardly be said to create barriers to new entrants in the market or were likely to drive the existing competitors out of the market or had the potential to foreclose the competition by hindering entry into the market. [CCI] **LW:105.11.2013** Every enterprise is free to undertake such prudent and sound commercial decisions to survive in a dynamic business environment and such changes *prima facie* do not raise competitive concerns.[CCI] **LW:106.11.2013** When the sale is on ex- factory basis, the transportation charges are not required to be added in the assessable value, irrespective of the fact that whether the same are on equalized or on actual basis. [CESTAT] **LW:107.11.2013** The appellant does not deserve any leniency who has committed fraud against Revenue by his ill design. [CESTAT] **LW:108.11.2013** For issuing fake invoices penalty is imposable on the company and its directors.[CESTAT]

From the Government (GN 225 - 243) P-1390

Notification regarding establishment of Local Office of the Board at Ranchi. Securities and Exchange Board of India (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013 Know Your Client Requirements. Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure. Amendment to bye-laws of recognised stock exchanges with respect to non-compliance of certain listing conditions and adopting Standard Operating Procedure for suspension and revocation of trading of shares of listed entities for such non compliances. Simplification of registration requirements for Stock Brokers. Securities And Exchange Board Of India (Stock Brokers And Sub-Brokers) (Second Amendment) Regulations, 2013 Investor Grievance Redressal Mechanism. Arbitration Mechanism in Stock Exchanges. Establishment of Connectivity with both depositories NSDL and CDSL – Companies eligible for shifting from Trade for Trade Settlement (TFTS) to Normal Rolling Settlement

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- Certificate of Practice Issued / Cancelled
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- Invitation of Articles for Special Issues of Chartered Secretary
- Prize Query

From the President

"Necessity is the mother of invention"

- Then

Dear Professional Colleagues,

Innovation is the key for survival, sustenance and possibly success.-Now

The past few years have witnessed a complete overhaul in many of our assumptions, policies, practices, needs, wants and more importantly attitudes which govern our life in general and our professional lives in particular. What was sacredly considered sacrosanct has become commonplace and what was deemed exclusive to a select few has been rendered accessible to all and sundry. The market share as much as mindshare has become the dominant theme in debates and this has made innovation an integral part of progress be it an individual, family, corporate, financial institution or even a professional body. Staying relevant in this changing paradigm demands doing things differently and perhaps the day is not far off when doing different things differently could emerge as the survival mantra.

ICSI has always been in the forefront in this path of innovation and continues to carry on in this critical mission. The introduction of Secretarial Standards is a case in point; so is the institution of National Award for Excellence in Corporate Governance. The successful adoption of OMR method for Foundation Level Examination has already triggered the debate for Online Examinations for Executive and Professional Levels and this transition would probably be driven by many factors, tangible and intangible including the unlikeliest of them all, global warming!

The launch of videos on Companies Act, 2013 on 4th October, our 45th Foundation Day, for wide-viewing on YouTube is the latest in this innovation series from ICSI. This maiden foray into using digital formats as a means of dissemination of knowledge and skills will hopefully, facilitate our joining the MOOCS (Massive Open Online Courses) movement already in vogue elsewhere. The videos covering most of the Chapters contained in the Companies Act, 2013 contain views of acknowledged experts in various topics, many of them being our members. I acknowledge the selfless contribution of all those who endeared to our requests and made this uniquely different effort possible in a very short time. Special thanks are due to Somasekhar Sundaresan, an advocate with a heart, for leading this venture with passion, persistence and professionalism. I seek your valuable feedback on these videos so as to improve upon the quality of viewing content as we move forward with more innovation.

Western India Regional Council has been the nursery which opened me to ICSI and its strengths, its innate potential for progress and it is indeed humbling that I could associate myself in the collective efforts made in 2009 to acquire additional space and also its renovation planned now. Similar indeed are one's sentiments towards Thane Chapter formed in 2003 and now an A grade Chapter, which performed the Grahapravesh Pooja on 13th October at its newly acquired premises. The launch of ICSI-WIRC Classroom Teaching Classes in one's Alma Mater, R.A.Podar College of Commerce & Economics which has been declared as the top commerce college in

Maharashtra for three years in row, is also extremely gratifying indeed. Similar engagements with educational institutions of repute across the country, will, over time, bring in the Most Preferred Status to our qualification and in consequence to our profession.

The release of Rules covering the Companies Act, 2013 by MCA in September sparked off frenetic activity among members, and its heartening to report that our members have responded with incredible passion and fulsome commitment which has only made ICSI collate, consider and post its views within the permitted time. The Council too met to consolidate its views on matters contained in the Rules impacting the profession and is in its ordained pursuit in the promotion of its interests. With the MCA keen to put the Act and the Rules into operation, sooner than later, it's expected that the responses sought on rules on chapters to be notified, will be met with the same keenness and attitude by our members.

The adoption of Strategic Action Plan (SAP) in April and its execution across ICSI necessitated a follow-on meeting to review, revise and possibly redraw our Strategies in the current dynamic scenario and the Strategy Meet held in middle of the month well and truly helped in meeting precisely those objectives. Many of the key takeaways from the Meet will undoubtedly have a far-reaching impact on how ICSI would be governed and perceived in the days to come and it is with confidence that one can visualise the atmospherics it would have for its stakeholders and the society.

SEBI has released the Regulations for listing for SMEs without IPO and I am sure there would be opportunities for our members in practice as the listing of SMEs in Dedicated Trading Platforms have done. To recap, we have, with the consent, approval and association of BSE and NSE, released the Compliance Certificate for Listing on SME Platform to be issued by PCS, confirming compliance of various matters connected with an IPO on SME Listing Platform and I am indeed very pleased to inform that this Certificate is now being insisted upon as a desirable condition for listing and that the first such Certificate of Compliance has already been issued by one of our members in practice.

The four day visit to Kuala Lumpur to attend the Annual Meetings of the Executive Committee and the Council of the Corporate Secretaries International Association (CSIA), of which ICSI is a founding member, culminated with the release of the Governance Principles for Corporate Secretaries across the globe, a significant accomplishment in the three years of its existence. The Meetings offered an insight into how the profession has been evolving in other regimes; nonetheless there was universal approbation at the remarkable recognitions we have been conferred on the profession and ICSI in the Companies Act, 2013.

Our 41st National Convention in Chennai is few more days away from us and the overwhelming response from members and sponsors is indeed worthy of mention, thanks indeed to the stupendous efforts put in by all those who are connected with organising the same. It is with fervent prayer and fond hope that I seek the support and cooperation of all those who have chosen to congregate in Chennai to make this Convention a truly memorable one.

Before I conclude, I wish you and your near and dear a very Happy Diwali and good times ahead.

And in conclusion

"Imagination is more important than knowledge. For knowledge is limited to all we know now and understand, while imagination embraces the entire world, and all there ever will be to know and understand"

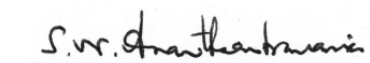
- Albert Einstein

With kind regards,

Yours sincerely,

New Delhi

26th October, 2013



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ANNOUNCEMENT

In line with the Green Initiatives and the Ministry of Corporate Affair's Circular No. 18/2011 (No. 17/95/2911-CL.V dated April, 29, 2011) requiring companies to send Balance Sheet and Auditors Report etc. to their members through electronic mode and pursuant to the decision of the Council of the Institute, the Annual Report of the Institute for the Financial Year 2012-13 has been sent to all the members of the Institute through Electronic Mode on 27th September, 2013. Annual Report has also been hosted on the website of the Institute on link http://www.icsi.edu/WebModules/Linksofweeks/AR2012-13.pdf

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Management of Conflict of Interest

The objective of managing 'Conflict of Interest' is to ensure that decisions are made with proper justification, for valid reasons and without prejudice. It is important to develop and have in place a transparent, fair, impartial, responsible and reliable process of decision making.The key in handling 'Conflict of Interest' is to have an open and transparent system.

"No one who belongs to the side likely to be adversely affected by the project shall be consulted"

-Kautilya's Arthashastra

This is a story of a boy from a remote village. The boy was very hardworking and bright in his studies. He was a student of the school where his father was the headmaster. As a result of his dedication and focused approach, he used to be the topper in his class. But, to his misfortune, many of the students and even teaching staff used to gossip and accuse his father of being partial. It was easy and convenient for them to make such an allegation. However, he secured a position in the merit list at the Board examination, demonstrated his merit and proved all of them wrong.

How both of them, a father and son duo, must have handled this? At the outset a simple and uncomplicated story but brutal enough to destroy someone's childhood and entire career. Why could people not distinguish the 'father' from the 'headmaster'? Why we tend to presume certain things and look at certain relations / transactions with preconceived notions? Don't we face such situations which put all of us in a position similar to the headmaster in the story? It is very tricky to handle such delicate situations.

Let us consider certain real life situations:

- Mr. A is a member of the selection panel and his close friend forwards his son's application for the consideration of the same post
- The captain of a team is also a stakeholder in a firm that manages the public relations of sports personalities. A few players from the team are also the clients of the PR firm
- A mother prefers and encourages her son over her daughter for further studies
- An employee sets up a private firm that provides similar services as his employer firm and, therefore, competes for the same clients, though in stealth

You may be a student, house maker, executive, banker, broker or a legal counsel, for that matter from any stream of profession, running one's own business or working for a corporation, government or nonprofit organization. Does one question always hound you? Whose / Which side I am on? Don't we face the situations somehow similar to the ones mentioned above? What is the common thread in all these situations?

'Conflict of Interest'

The common factor in all the situations mentioned above is that the decision maker is an 'interested' party and a possibility of bias or favoritism cannot be ruled out. To understand 'Conflict of Interest', one should be clear about what is 'interest'. The desire to benefit one's personal interest or that of relatives and associates and creating a situation disadvantageous to competitors or rivals or other interests, is nothing but an 'interest' in the matter.

A 'Conflict of Interest' occurs when the personal benefits and interests or certain commitments and obligations get precedence and severally impacts the decision making process resulting in a compromised choice that conflicts with the responsibilities attached to the function, occupation or position. The independence, objectivity or impartiality takes the back seat and is knowingly ignored.

> A 'conflict of interest', in the positive sense can be favoring, profitable or benefiting to someone, or negatively can be damaging, in opposition to or creating a disadvantageous situation to someone else. A 'conflict of interest' can arise from avoiding personal losses as well as gaining personal benefit – whether financial or otherwise.

A 'Conflict of Interest', in the positive sense can be favoring, profitable or benefiting to someone, or negatively can be damaging, in opposition to or creating a disadvantageous situation to someone else. A 'Conflict of Interest' can arise from avoiding personal losses as well as gaining personal benefit – whether financial or otherwise. Even the personal belief, feelings, prejudice and value system can impact the performance of duty and the process of decision making and lead to a 'Conflict of Interest'. A clear understanding of what constitutes a 'Conflict of Interest' is very important in order to mange such conflicts effectively.

The Organization for Economic Cooperation and Development (OECD) has undertaken extensive work on conflicts of interest and has developed a practical definition, 'A 'Conflict of Interest' involves a conflict between the public duty and private interests of a public official, in which the public official has private-capacity interests that could improperly influence the performance of his/her official duties and responsibilities.' This definition is intended to cover the public sector. A range of private interests are relevant to the term 'Conflict of Interest'.

Though the above mentioned definition is basically applicable to public sector, it can be easily extended to any kind of organizational structure. The undertone is valid even for private sector; be it a corporation, professional consultancy firm or even a charitable institution.

There could be many situations in private sector as well where the 'Conflict of Interest' could change the business equations. The following are some of the examples where the 'Conflict of Interest' can arise:

a. The proprietary interests of the promoters vs. the interests of the minority shareholders,
b. A director of Company 'A', holds substantial shares in Company 'B', who is a supplier of major raw material to Company 'A'.
c. A TV Channel who is suppose to act impartially accepts

major advertising contract from a concern close to the ruling party.

d. Transactions between associate companies, typically termed as 'Related Party Transactions'
e. Diversion of sales orders / contracts to a firm known / related to the sales executive
f. Consultant acting as a joint advisor for multiple clients

Factors influencing the decisions

It is a general expectation, and rightly so, that all the elected representatives, government officials or executives dealing with third parties and associated with decision making process of any organization should perform their duties in a fair, balanced and unbiased manner. The decisions taken by them should not have any impact of self-interest.

The concept 'Conflict of Interest' is wide-ranging. Anything that is likely to prejudice a decision-maker's judgment can be treated as the factor influencing the 'Conflict of Interest'. For example, an individual can be considered to have a potential 'Conflict of Interest' when:

- He/She or any member of his family may receive a financial or other significant benefit in his /her personal capacity as a result of his/her position
- The individual has the opportunity to influence the material decisions in a manner that leads to personal gain or advantage
- The individual has an existing or potential financial or other significant interest which impairs the individual's independence in the discharge of his responsibilities

Dealing with certain parties could be considered as giving rise to a 'Conflict of Interest'. An illustrative list of such parties is given below.

- Relative / family member
- Personal friend
- Colleague
- A person from the same community / religion / caste / region
- Business associate / JV Partner
- Previous employer
- Lender / Creditor
- Member of the same association, Society, organization
- Supplier/ Service provider turns into a Client
- Professional affiliate
- Same / opposite gender
- Same / different age group
- Member of the Alumni
- Person having same political views / personal, cultural and religious ideologies

Managing 'Conflict of Interest'

The most important objective of managing 'Conflict of Interest' is to ensure that decisions are made with proper justification, for valid reasons and without prejudice. It is important to develop and have in place a transparent, fair, impartial, responsible and reliable process of decision making. This would be the greatest challenge faced by the most of the managements aiming to have high standards of governance; be it a government body, big industrial house, charitable organization, co-operative housing society or for that matter a local association organizing social and cultural events.

Often the 'Conflict of Interest' is 'perceived', where people not associated with the decision making process and the public at large believe, most of the times with a reason, that a process has been compromised. 'Conflict of Interest' which happen without intent or unknowingly are required to be handled carefully. The management of such 'innocent' conflicts is a challenge while designing the entire structure. The unintended 'Conflict of Interest' should be tactfully protected by having a transparent and well designed process. In the absence of such a protected system, the entire decision making process collapses and hampers even the routine decisions required for carrying the day to day activities. We have seen this happening in the recent past where the decision making process got stalled after news of an alleged scam related to the concerned government department is published in the media.

As against this situation, a 'Conflict of Interest' can be a real conflict, where the conflict already exists, whether known to the outside world or not. There could be a situation where it is a probable or potential that a conflict could happen. Many a times the position of the people and the environment create lucrative, encouraging, conducive and tempting situations. The weak internal control systems and poor management of conflicts provide opportunities for compromises.

A badly managed 'Conflict of Interest', whether real, probable or perceived, can be very destructive and can severally impact the image and perception of the masses about the Board, executives, management at large, processes, entire organization and the brand.

While designing the Policy governing the 'Conflict of Interest' one should not forget the fact that human mind cannot and for obvious reasons does not work in isolation. Surrounding factors and situations have a close nexus on the needs and

choices. The 'Conflict of Interest' can be better managed if the presence of conflict is accepted. Per se the 'Conflict of Interest' is not and need not be considered as wrong in itself. The officials involved in decision making are also individuals and we expect them to put the public interest first at all times when their private interests conflicts with their occupation. The moot point is proper identification and professional management. Instead of identifying the root cause; that is the factors influencing the Conflict, very often a solution is provided to rectify the behavior or demeanor.

It is very important that all those involved in the decision making process do not only behave fairly, independently and ethically, but also are seen to behave in that manner. The transparency of the entire system is the most important factor which could help in creating such a situation. Sunlight is the best disinfectant.

In this respect, it is worthwhile studying the successful management of 'Conflict of Interest' by the asset management industry. The secret behind the successful resolution by the asset management industry is nothing but the upfront recognition of the 'Conflict of Interest'. The level of 'Conflict of Interest' in this particular industry is of different nature and level, where most of the transactions take place only on the basis of trust and faith by the transacting parties on each other as well as the confidence on the system.

In this type of business, conflict occurs at various levels and between various parties, such as employee vs. the firm, employee vs. the client, the firm vs. client/s vs. other client/s. In the management of assets on behalf of the clients, the relation is handled at altogether a different level under 'fiduciary' principle and the employees and the firm act as trustees of the clients' assets and interests. The underlying principle is trust. The situation is peculiar and worth studying. The Asset Manager has to treat the assets of the client as if it is his own with the same level of care and with a Chinese wall built around it. The Conflict occurs when the economic interest of a decision-maker (firm's employee) who serves as an agent for the client (an underlying investor) deviates from that of the client. The risk preferences of the client and the employee who invests on his behalf differ. The influencing factors outside the specifically created framework to protect client's interests are not to affect in personal dealings of the Asset Manager or his/her firm or vice versa.

An illustrative list of the fiduciary duties applicable to a decision maker in the Asset Management Industry has been given here below to provide a glimpse of their responsibilities:

1. To exercise reasonable care and act prudently while acting on behalf of the client
2. Always act in the best interest of the client

> While designing the policy governing 'conflict of interest' one should not forget the fact that human mind cannot and for obvious reasons does not work in isolation. Surrounding factors and situations have a close nexus on the needs and choices. 'Conflict of interest' can be better managed if the presence of conflict is accepted. Per se 'conflict of interest' is not and need not be considered as wrong in itself.

3. Investment advice should be on a rationale basis
4. Strike a best possible deal for the client under all circumstances
5. Not to mislead the client
6. Place the client's interest above his/her own interest
7. Not to use client's assets for Manager's own benefit / other client's benefit
8. Avoid 'Conflict of Interest'. Where it is not possible, disclose the conflict to the client and seek client's consent
9. Not seek favours from brokers for himself/herself to the detriment of the client or for the benefit of other clients
10. Act as per the instructions given by the client, in form and spirit
11. Adhere to the required documentation
12. Disclose all the required information and material facts about the deals to the client

The Asset Management Industry has a very long history and it is very difficult to sustain in the long run unless the basics are in place. As a matter of fact, the Industry has not shied away from the issues related to 'Conflict of Interest'. The Conflicts are openly recognized and resolved.

However, this is not the case with all the Industries / sectors. There could be a lot of reasons associated with this. It would be quite interesting to find out the reasons for the failures in other businesses.

Identifying the 'Conflict of Interest'

A 'Conflict of Interest' is not in itself a wrongdoing. However, not recognizing and obviously then not managing the same properly may lead to serious adverse consequences. Identification of conflict, the situations or circumstances giving rise to the conflicts would be the first step to managing it.

The following steps could be performed at the organizational level for identifying the 'Conflict of Interest':

1. Listing down all the job profiles of all the officials along with details of the associated roles and responsibilities

2. Listing down all possible situations or interests associated with the performance of the job and impacting the decision making process. For example, following areas warrant specific attention, while analyzing the interests of an employee
   - Business interests of relatives, family members, friends of the employees
   - Business / consulting / employment post retirement / resignation
   - Secondary job / business ventures of employees
3. Reviewing the declarations submitted by the officials
4. Post facto interaction with the concerned stakeholders associated with the decision making process, the decision makers as well as the parties affected by the decisions. The feedback should be sought specifically regarding the experiences, problems faced while dealing with the system and perceived risks associated with the management of 'Conflict of Interest'. The recommendation for improvement received can also give leads towards the associated risks.
5. Taking cognizance of the administrative wrongdoings and corrupt conduct brought to the notice by the whistleblowers. It is worthwhile taking a cue from certain situations leading to the 'Conflict of Interest'.

Resolution of 'Conflict of Interest'

The key in handling 'Conflict of Interest' is to have an open and transparent system. The real challenge would be to build a comprehensive framework for managing 'Conflicts of Interest' by nurturing a workplace culture which would encourage and promote the identification, disclosure and resolution of 'Conflict of Interest' in a crystal clear, responsible and timely manner. The public at large and all the parties associated with the organization should feel confident about the integrity of the decision makers and the entire system and chain of decision making.

Once 'Conflict of Interest' is identified, it is very important to have a strategy and plan to deal with the same. The action plan could depend on certain factors such as the policy of the organization, criticality of decisions, level of management involved in the process, etc.

At an individual level, the action plan to deal with the 'Conflict of Interest' could be to identify / recognize it / where appropriate, accept it and disclose it – make it known to all the concerned and keeping oneself way from decision making process.

Whereas at the organizational level the action plan could include:

a. To have a 'Conflict of Interest' Policy
b. To educate all the interested parties including employees about the provisions and implications of the 'Conflict of Interest' Policy
c. To encourage and promote a culture to accept the provisions of the Policy in spirit

> A 'conflict of interest' is not in itself a wrongdoing. However, not recognizing and obviously then not managing the same properly may lead to serious adverse consequences. Identification of conflict, the situations or circumstances giving rise to the conflicts would be the first step to managing it.

Some possible options that could be considered for managing 'Conflict of Interest' are discussed here below:

Releasing a 'Conflict of Interest' Policy

The Policy approach to dealing with 'Conflict of Interest' is an essential part of management of 'Conflict of Interest'.

It is very important to have a Policy backed by organizational strategies. Following aspects need to be covered to have a comprehensive and effective Policy:

a. Definition of 'Conflict of Interest' - It should be extensive to include all aspects that can be expected to prejudice decision-making. It should not be restrictive to include only certain types of interests. The definition should be organization specific. The Policy should give instances of situations likely to create 'Conflict of Interest'. Even though some 'Conflict of Interest' situations may be unavoidable in practice, the Policy should clearly define those situations and activities.
b. Clarifying situations with illustrations: The examples relevant to the business of the organizations should be given to explain the spirit behind the provisions of the Policy. However, the Policy document should not attempt to wrap up every possible situation in which a 'Conflict of Interest' might arise.
c. Procedure: The Policy documents should clearly lay down the procedure required to be followed in different types of situations.
d. Education: The intention or need of the policy, provisions, procedure required to be followed should be explained to all concerned. All the queries raised need to be properly resolved. It is very important that the policy's rationale is understood and accepted.
e. Gifts and other benefits: The Policy should be adequate in recognizing conflicts arising from acceptance of gifts and benefits.

Employees should be required to accept responsibility for identifying their relevant private interests. The 'Conflict of Interest' Policy should make it clear that the declaration of a private interest does not in itself resolve a conflict. Additional procedures to manage the conflict positively must be considered.

Signing a 'Conflict of Interest' Declaration

It includes the identification and disclosure with regard to the real, probable and perceived 'Conflict of Interest'. The declarations are to be taken on records as a part of routine process or as and when the situation with reference to the earlier declaration changes or gives rise to a fresh 'Conflict of Interest'. Employees must disclose all their relationships even if there is no current 'Conflict of Interest'. It is very important that the information disclosed is properly reviewed and updated on a timely basis.

To make the process more practical, it is worthwhile to relate the job profile, the scope and coverage of the function to the possible conflicts. Collection of declaration on records does not serve any purpose unless the relations described and disclosed in the declarations are reviewed, tested and monitored to understand the probable conflicts. For example, all the business interests of the employee or his relatives need to be closely analyzed to check whether the nature of any of their businesses is either competing or dealing in any way as producers or dealers in the raw materials required by the organization. The declarations are not just meant for post facto analysis. The strong system of review and monitoring acts as a deterrent in the minds of the employees. The employees are not only suppose to declare the names and relations of the parties, but it is all the more important to obtain the information as regards the probable links that can be established with that of his employer's business. The technological advancement can be used to establish links between various parties.

Signing Confidentiality Agreement

One purpose of employee confidentiality agreement is to get an assurance from the employee that the employer's confidential information is not shared with any outside party, competitor, associate, etc. The Confidentiality agreements are also frequently signed between suppliers, dealers, joint venture partners, etc. to protect the confidentiality of say new products, designs, processes, marketing plan, expansion plans, etc.

Asset Liability Declarations

Declaring all the personal assets and belongings and all interests having a financial or non-financial component, at frequent intervals or before the start and at the end of the tenure could be a considered as a self certification, verifiable by the third party.

Chinese wall

A Chinese Wall is a system intended to limit the flow of information between parts of an organization performing conflicting functions. The principle is, those on one side of the Chinese Wall should have no knowledge of classified transactions taking place on the other side of the Chinese Wall. It may entail a range of practices such as physical separation of different functions, segregation of data and systems.

Restrictions on authority

Restrictions can be imposed on certain activities of the interested persons.

Option	Illustration
Restriction on the involvement of the Interested Person	Bar on attending the meeting, taking part in the discussion, expression of opinion or casting a vote by the member interested in the matter.
Not to be a part of the committee	The interested member has to give up the membership of the particular committee
Appointing a third party for oversight	Appointing a consultant to oversee the entire system of decision making process. For example, tendering process
Surrender from a situation creating a Conflict	Seeking resignation from all the posts / memberships before the relevant matter comes up for the discussion
Quit the Post	Where the Conflict cannot be resolved, as a last resort this option could be considered, wherein the person having a 'Conflict of Interest' has to vacate the office.

Segregation of duties

Ideally nobody should be allowed to do everything. No one person is allowed to have the power to keep custody of assets, authority to approve transactions and record those transactions at the same time. Key duties are segregated, particularly those duties which when performed by the same individual may result in an undetected mistake or may be vulnerable and leaving the firm or its clients to inappropriate risks. By segregating the duties, opportunity for poor judgment or fraudulent behavior can be prevented.

Kautilya was aware that ethical values cover much more than the social values laid down in rules and regulations. He believed that even the wide-ranging set of rules were insufficient for checking greed and eradicating the potential for fraudulent practices. Therefore, Kautilya attempted to encourage specialization and accountability and proposed an organization structure that limits the scope for 'Conflict of Interest'.

- **Public knowledge:**
  At the organization level, especially the public sector organizations and government departments should adopt a policy of announcing and declaring to the public at large the work that is carried out, the services that are being provided, the facilities that are available to certain categories of citizens, etc. This will definitely act as a guard against the damaging perception that public officials are being compromised by understood, unspoken or unmanaged conflicts of interest.

- **Availability of Information:**
  In order to bring transparency in the systems and processes, one can take help of modern technology. A web based solution that provides the information on a 'need to know' basis can be created in the areas such as tracking the movement of files / proposals, booking the slots / reservations, allotting the jobs, progress of tenders, allotment of dates, examination results, etc. Further, online submission of various compliance documents and returns, payment of fees and taxes and issuance of replies, assessment orders, etc. helps in releasing the undue pressure on the system and uncalled for allegations. The automation of the processes reduces the opportunities for manipulations and possibility of bias.

- **Independent oversight**
  The organizational structure of the firm should be built in a way to ensure that staff involved in day-to-day activities in each area is subject to appropriate management and supervision. Compliance Department should be responsible for ensuring that controls are in place and the processes are compliant with relevant regulations and applicable codes.

- **Gifts and Entertainment Policy**
  Gifts offered can be very expensive and at the same time expressing a good gesture with human touch. However, between these two extremes, lie the uncertain terrain of 'gifts and benefits', which call for the guidance. The Policy regarding acceptance of gifts and entertainment should clearly lay down the rules and expectations from all the employees.

Achieving higher maturity level

It is very important to understand these methods by appreciating the intent behind them. Just collection of declarations and signing few documents does not add value to the process. To make the process more robust it is valuable to apply the methods beyond 'documentation'. 'Substance over Form' is fundamental to the entire structure. The emphasis on practical application, with knowledge of purpose, can lead the organization towards transparent and matured levels of executive processes.

Conclusion

Howsoever powerful a policy is in place, it would fail in building a reliable and transparent structure if 'remote controls' continue to manage the scene from behind the curtains. It is possible that the interested office bearer remains absent or does not take part in the discussion on the matter in which he is interested, possibly well disclosed to all the stake holders. But the concerned individual's influence over other members on the panel/ board/ committee is sufficient enough to make a mockery of the entire process and value system.

The steps discussed above should be considered as a starting point. What needs to be kept in mind is need to create a transparent work culture, which largely depends on 'tone at the top'. This could be achieved by laying down a clear policy, unambiguous processes, establishing a control system to monitor the compliance of all internal processes, documenting all major decisions and seeking pre approvals for deviations. Such a foolproof layout would act as a deterrent against the deviators.

Kautilya was aware that ethical values cover much more than the social values laid down in rules and regulations. He believed that even the wide-ranging set of rules were insufficient for checking greed and eradicating the potential for fraudulent practices. Therefore, Kautilya attempted to encourage specialization and accountability and proposed an organization structure that limits the scope for 'Conflict of Interest'.

Corporations, like other creations of mankind, are fraught with potential conflicts of interest. The challenge is to minimize and eliminate the probability of that potential becoming real. Corporations can achieve that with 5 Ds

- Directions from the Board
- Discipline from the Management
- Deterrence from the Code of Conduct
- Dedication from the Executive
- Demonstration from Key Personnel

Into that world, Dear Corporations, lead us unto. CS

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Risks and Liabilities of a Professional

Enhanced Role for CS / PCS under the new Companies Act

A qualified Company Secretary is a professional in every sense of the term. Over the years his role has evolved a great deal from the time when he was called upon to perform ministerial duties to the present when he is a part of the top corporate management team and designated as 'Key Managerial Personnel'.

With a view to understanding and appreciating the risks and liabilities that a professional is subjected to, let us first examine what it means to be a professional. While it is an accepted fact that professionals play a very important role in the growth and development of a country, it is no different in India. Professionals are highly valued and respected in every society. Therefore the question that needs to be considered is, 'who is a professional' or 'what should be the attributes or qualities of a person to be called a professional'?

According to Wikipedia, "A professional is someone who has completed formal education and training in one or more profession. The term also describes the standards of education and training that prepare members of the profession with the particular knowledge and skills necessary to perform the role of that profession." It further states that it is an accepted fact that,"most professionals are subject to strict codes of conduct enshrining rigorous ethical and moral obligations. Professional standards of practice and ethics for a particular field are typically agreed upon and maintained through widely recognized professional bodies."

Wikipedia also states that in some cultures, the term is used as shorthand to describe a particular social stratum of well-educated workers who enjoy considerable work autonomy and who are commonly engaged in creative and intellectually challenging work.

*Former Member, Central Council of The ICSI.

Another definition provides the following criteria or attributes for professionalism:

1. Expert and specialized knowledge in thefield in which one is practising professionally.
2. Excellent practical and literary skills in relation to the profession.
3. High quality work.
4. High standard of professional ethics.
5. Reasonable work morale and motivation.
6. Appropriate treatment of relationships with colleagues.

According to Business Directory.Com, professional is a 'Person formally certified by a professional body of belonging to a specific profession by virtue of having completed a required course of studies and/or practice. And whose competence can usually be measured against an established set of standards.'

The Oxford Dictionary of English describes it as 'a paid occupation, especially one that involves prolonged training and a formal qualification'. It defines the word 'professional' as 'relating to or belonging to a profession'.

While discussing what constitutes professionalism or what it means to be a professional, it would be fruitful to make a reference to the book aptly titled, 'The Professional', by Subroto Bagchi, founder of Mind Tree and a successful entrepreneur. He says that contrary to popular belief, one does not become a professional just by attaining professional qualifications. He takes us back to the origin of 'profession'which is actually very old. Its root dates back to 1175-1225 AD to the word professio, which means taking an oath-as in 'to profess', related to the concept of taking the oath of a religious order.

Mr.Bagchi further states, "The reason why we need to appreciate the origin of the term is that we live amidst scores of qualified engineers, doctors, nurses, architects, lawyers, journalists, sportspersons and accountants who believe that being a professional is merely a means of earning a livelihood, just another way to get ahead in life, build and seek further material comfort to eventually enjoy retired life. For such people, a profession is getting an educational qualification to land a job, then a coveted posting, a bunch of accelerated increments and promotions."

In his view, "a professional is not merely someone who fulfils these criteria in his or her life, but to call oneself a true professional, realize that being a professional is nothing short of a religion and that the capacity to serve is indeed a blessing of life."

He reiterates what is widely believed : "Every profession has some explicit and some implicit code of conduct and understanding.It is the boundary that separates a professionally qualified person, or a skilled individual, from a professional."

However, a professional is expected to be competent in his field, but the more important requirement than even the technical competence is to possess integrity. As Mr.Bagchi says,'a professionally qualified individual without integrity is a danger to society.'

> Secretarial Standards do not seek to substitute or supplant any existing laws or the rules and regulations framed thereunder but, in fact, seek to supplement such laws, rules and regulations.

Keeping in view the different definitions of a professional as also the description and attributes listed by Mr.Bagchi, it is evident that a qualified Company Secretary is a professional in every sense of the term. It is also evident that over the years the role of a Company Secretary has evolved a great deal from the time when he was called upon to perform ministerial duties and today when he is a part of the top corporate management team called 'Key Managerial Personnel' or simply 'KMP'.

His counterpart, the Company Secretary in Practice (PCS) has also made equally great stride from little over three decades when for the first time the existence of a practising company secretary was recognised by law in terms of the Company Secretaries Act, 1980, to the present stage where a PCS has been recognised as a full fledged Secretarial Auditor under the Companies Act, 2013 (the Act).

Now sub-section (38) of section 2 of the Act provides that a Company Secretary is an expert entitled to give a certificate as may be required under the Act.Moreover, in terms of section 203 of the Act, apart from the managing director / CEO / manager, whole time director and CFO, Company Secretary is the only other Key Management Personnel.

For the first time, the Companies Act has specifically provided certain functions that a company secretary is expected to perform in discharge of his duties. It needs to be noted that section 205 does not provide a detailed or an exhaustive list of functions, instead the said section gives an inclusive list which is as under:

The functions of the company secretary shall include,—

(a) to report to the Board about compliance with the provisions of this Act, therules made thereunder and other laws applicable to the company;
(b) to ensure that the company complies with the applicable secretarial standards;
(c) to discharge such other duties as may be prescribed.

While the list of functions enumerated in the section, per-se, is neither exhaustive nor comprehensive, it is wide enough in its scope to pose a challenge for a company secretary. The section makes it incumbent on the company secretary to

inform the Board about the compliance by the company with not only the provisions of the Act, but also the rules made under the Act.

However, the greater challenge for a company secretary is about reporting on the compliance with other laws applicable to the company. This would require a company secretary to first make himself aware of all the laws that are applicable to his company. There are several laws which are applicable to all the companies across the board, for example SEBI law is applicable to all the listed companies, while on the other Foreign Exchange Management Act (FEMA) is applicable to all the companies which have anything to do with foreign exchange, foreigners or non-resident Indians at any time.

In other words, a company secretary will have to draw a list of all the laws and rulesmade thereunder applicable to his company and familiarise himself with the requirements therein to ensure that there is due compliance. This will be particularly important in the case of multi-product and multi-location companies as laws applicable to different products as also various local laws will come into play. A company operating in several States will have to comply with the applicable laws of each such State and in addition will also have to comply with the local municipal laws as well.

Consequently, before giving a certificate to the Board to the effect that the company has complied with all the applicable laws, the company secretary will have to satisfy himself that it is indeed so and that the company is on the right side of the law in every respect.

The second major duty cast upon the company secretary by the Act is to ensure that the company complies with the applicable secretarial standards. For the sake of clarity, the section has explained that the expression "secretarial standards"means secretarial standards issued by the Institute of Company Secretaries of India (the ICSI) and approved by the Central Government.

There are several secretarial standards applicable to different aspects under the Companies Act that have been introduced by the ICSI from time to time; in fact, in the coming months more such secretarial standards will be formulated by the ICSI which would also find approval of the Central Government.

Secretarial Standards are being laid down by the ICSI on the rationale that, 'Companies follow diverse secretarial practices and, therefore, there is a need to integrate, harmonise and standardise such practices so as to promote uniformity and consistency."
Secretarial Standards do not seek to substitute or supplant any existing laws or the rules and regulations framed thereunder but, in fact, seek to supplement such laws, rules

and regulations.
It should be noted thatgenerally the law stipulates basic requirements to be complied by a company, while a secretarial standard may require a higher level of compliance by the company in the larger interest of the members of the company.

For example, the Companies Act does not specify anything about how well located should the venue of a general meeting be. However, the Secretarial Standard applicable to General Meetings states that, 'if the venue of the Meeting is not a prominent place, a site map of the venue should be enclosed with the Notice'. This clearly indicates that the additional requirement is provided with a view to simplify the task of a member trying to reach the venue of the general meeting.

Similarly, section 171 (1) of the Companies Act, 1956, states that, ' A general meeting of a company may be called by giving not less than twenty-one days' notice in writing.' On the other hand the relevant Secretarial Standard provides that, 'Notice and accompanying documents should be sent at least twenty-five days in advance of the Meeting'. In such circumstances, when section 205 of the Companies Act, 2013 becomes effective, then a company will have to adhere to the Secretarial Standard which is more onerous as stated herein.
Similarly the ICSI has prescribed Secretarial Standard sencompassing different provisions of the Companies Act like meetings of Board of Directors, Dividend, Registers and

The historic provision that is likely to change the class and character of the work being done by a PCS is given in section 204 of the new Act. The said section, inter-alia, states that every listed company and a company belonging to other class as may be prescribed, has to annex with its Board's report a secretarial audit report, given by a company secretary in practice, in such form as may be prescribed.

Records, Minutes, etc. Till now the ICSI has prescribed ten standards and all these are recommendatory at the moment. All these standards and also those as may be formulated by the ICSI in future will become mandatory as soon the provisions of section 205 are notified by the Central Government.

In addition to the duties already enumerated in the section, a company secretary will also be bound to discharge such other duties as may be prescribed. This is a general power available to the Central Government to stipulate any other duties from time to time as it may deem fit, which a company secretary will have to discharge.

Presently, the draft rules in respect of Chapter XIII have prescribed the following additional duties for a company secretary in employment vide Rule 13.8 and these are as under:

1) to provide to the directors of the company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;
2) to convene and attend Board, committee and general meetings, and maintain the minutes of these meetings;
3) To obtain approvals from the Board, general meetings, the Government and such other authorities as required under the provisions of the Act.
4) To represent before various regulators, Tribunal and other authorities under the Act in connection with discharge of various functions under the Act;
5) to assist the Board in the conduct of the affairs of the company;
6) to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices; and
7) to discharge such other duties as may be assigned by the Board from time to time.
8) Such other duties as have been prescribed under the Act and Rules.

This is so far as the statutory duties of a Company Secretary are concerned; in addition the Company Secretary will also have to perform such other duties that may be cast upon him by the company management from time to time.

Thus, there is now a clear indication of a shift in the role and position of a company secretary from what it used to be earlier. The law itself seeks to prescribe an enhanced scope without any limits whereby a company secretary is being projected not merely as a compliance officer but also as a guide and an advisor to the Board. The new law seeks to imbibe the true meaning of a professional into the role to be performed by a company secretary.

Being a KMP, a Company Secretary will have to shoulder several additional duties and responsibilities with attendant risks. Therefore, it is in the interest of the Company Secretary to ensure that he or she keeps abreast with the latest changes and developments in the applicable laws so as to provide effective and timely guidance to the top management of the company. Any failure by the company secretary would not only affect his or her reputation but can also result in legal and financial consequences.

Any shortcoming on the part of a company secretary in discharging his functions can embarrass the Board as also

affect the reputation of the company and that could show the top management of the company in poor light. In other words, a wrong action or omission or incorrect advice does not affect the company secretary alone but also the company.

In such circumstances, it is imperative for a company secretary to be conscious of the fact that his position is a highly responsible one and he needs to be alert and up dated at all times. Any failure on the part of the company secretary that has the effect of breaching any of the provisions of the Act would invite penal consequences.

Liabilities

There is a two fold fine provided in the Act, one against the company and another against every officer of the company who is in default; in certain cases even imprisonment has been provided as punishment for offences committed under the Act. For example if a company fails to file its annual return under sub-section (4) of section 92 of the Act, before the expiry of the period specified under section 403 apart from the levy of additional fee, the company will be punishable with a minimum fine of fifty thousand rupees but which may extend to five lakhs rupees. In addition, every officer of the company who is in default will be punishable with imprisonment for a term that could extend to six months and in addition there could be fine as well, unless the court imposes fine only.
Similarly, various provisions provide for punishment for specific defaults by a company secretary for his failure to discharge the designated duties under the Act. It should be noted that for certain violations imprisonment is mandatory and in such cases there can be no compounding.

However, where no specific fine is prescribed for breach of any of the provisions of the Act or the rules made thereunder,section450 of the new Act will come into play and everyofficer of the company who is in default will be punishable with finewhich may extend to ten thousand rupees, and where the contravention is continuing one,with a further fine which may extend to one thousand rupees for every day after the first, during which the contravention continues.

> if a PCS certifies the annual return which is not in conformity with the requirements of section 92 of the new Act or the rules made thereunder, thePCS will be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.

So also where a similar default is repeated within a period of three years and the offence is punishable either with fine or with imprisonment then such a default will be punishable with twice the amount of fine for such offence in addition to any imprisonment provided for that offence (Section 451).

Practising Company Secretaries (PCS)

For the first time in the history of corporate India, a professional like a practising company secretary is being given his due by the Companies Act, 2013. The new Act recognises the important role a PCS can play in ensuring quality corporate governance through certification and secretarial audit which would result in better and timely disclosures and effective accountability. This should translate in to better investor protection.

The historic provision that is likely to change the class and character of the work being done by a PCS is given in section 204 of the new Act. The said section, inter-alia, states that every listed company and a company belonging to other class as may be prescribed, has to annex with its Board's report a secretarial audit report, given by a company secretary in practice, in such form as may be prescribed.
As per the draft rules, apart from the listed companies, every public company having a paid-up share capital of one hundred crore rupees or more will have to annex the secretarial audit report to its Directors Report.

The secretarial audit report has to be in accordance with the format given in Form 13.3 of the draft rules. Apart from the Companies Act, various other economic and commercial laws also form part of the scope of secretarial audit to be conducted by a PCS.

To discharge his or her duties as a secretarial auditor, the PCS will have to ensure that he is proficient in the various other enactments applicable to the company on which the PCS has to give his opinion as a part of the report. An important point that every PCS should keep in view while giving the secretarial audit report is that if so warranted by circumstances, the PCS should make a qualification or observation or other remarks as may be deemed necessary.

It needs to be noted that any failure on the part of the PCS to make a qualification or an observation or any other remark, which may be warranted by the facts of the case could amount to failure on the part of the PCS thereby inviting disciplinary/ penal consequences. In fact, sub-section (3) of section 204 makes it obligatory for the Board of Directors to respond to any qualification, observation or other remark made by the secretarial auditor. Moreover, sub-section (2) makes it incumbent on the company to give all assistance and facilities to the company secretary in practice, for auditing the secretarial and related records of the company.

Therefore, a PCS conducting a secretarial audit cannot have any excuse about some records not being made available by a company; if a company fails to provide all the requisite records and registers or does not give satisfactory replies to the queries raised by the secretarial auditor, than he should make necessary observation or qualification or remarks as the PCS may deem necessary.

In other words, a PCS conducting a secretarial audit cannot shirk from the responsibility of discharging the professional duty of ensuring that the correct picture is brought before the members of the company and shortcomings, if any, are highlighted.

The other important role that a PCS is expected to play is while certifying various forms and returns to be filed under the Companies Act as also under some other enactments like FEMA, etc. When a PCS certifies a form or a return it implies that the information contained therein is correct and it would mean that the authorities as also any third person can rely on the contents of that certified document.

Liabilities

When a professional, whether as a compliance officer or a company secretary or company secretary in practice fails in any manner to adhere to the provisions of the Act or commits a breach of any of the applicable provisions of law, there would be penal consequences. Now that a PCS has been given the new responsibility of conducting secretarial audit, any failure to discharge the duties could attract the provisions of sub-section (4) of section 204, which, inter-alia, states that,'if the company secretary in practice,contravenes the provisions of this section, the company, every officer of the company or thecompany secretary in practice, who is in default, shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.'
The sub-section very clearly stipulates that any default on the part of the PCS could result in punishment by way of a minimum fine of one lakh rupees which can go up to five lakh rupees.

Similarly, if a PCS certifies the annual return which is not in conformity with the requirements of section 92 of the new Act or the rules made thereunder, the PCS will be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.

Section 118 (12) rings a warning bell for every CS /PCS who may go out of the way to help the company or the client, as the case may be, and in the process resort to tampering of minutes books. According to this sub-section,"if a person is found guilty of tampering with the minutes of the proceedings of meeting, he 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."

It is necessary for every CS and PCS to understand the implication of this provision as it mandates compulsory imprisonment alongwith a minimum fine of Rs.25,000 that can go upto Rs.1,00,000. Particularly, several closely held companies including some listed companies are prone to such malaise that comes to the fore when there is a dispute amongst the promoters of the company.What this also means is that the offence cannot be compounded and there is a very real risk of the professional being imprisoned in case of tampering with the records.

The new Act further provides punishment for various other defaults under the Act resulting in monetary fines ranging from a few thousands to lakhs of rupees.

Loss of Reputation / Credibility

When a professional commits a breach or a default, it is not merely the question of any punishment under the Act, which in any case it would incur; it may also result in professional misconduct and in the process inviting the professional body and in this case the ICSI to initiate necessary proceedings. However, the bigger issue is the damage that will be caused to the reputation and credibility of the concerned professional. After all, if a professional were to lose credibility in the market place then his reputation will touch nadir and no worthwhile company would like to deal with such a professional; even his fellow professionals may not like to deal with him due to his bad reputation. A true professional is one who reveres his own integrity and who does not succumb to external pressures.

Conclusion

Mr. Subroto Bagchi (supra) says:"A professional who sees his work primarily as a means of earning money runs out of meaning very soon. Beyond base comforts, after a while, the quest for material success actually erodes self-worth. It becomes most pronounced in the later part of one's life. Many among us begin to suffer from a sense of emptiness that becomes difficult to decode. The greatest satisfaction, and the more enduring one for a professional, is the admiration from people with whom we do business. At a certain stage in one's career, it is peer recognition that sustains us. But beyond it all, the ones who last the longest in the race are those who have given something back to their professions. These are professionals who are driven by a sense of legacy. There is not sustenance bigger than the power to build an intellectual and emotional inheritance". Let every company secretary whether in employment or practice adhere to the highest principles of integrity and professional competence and always remember that every company secretary is the representative of the profession and should conduct oneself accordingly. CS

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TRANSITIONING
The Evolving and Complex Role of Company Secretaries

Corporates are the modern engines of growth and development. They need to be governed in harmony with the nature while balancing the interests of various stakeholders. Their governance holds the key to sustain prosperity of the society and the economy as well as the posterity on the earth. An essential element in the establishment and maintenance of a competent corporate governance system is a professionally qualified and experienced Company Secretary.

PREFACE

The wait is finally over – The Companies Bill, 2012 which was passed by Lok Sabha on 18th December 2012 and by the Rajya Sabha on 08th August 2013, has become an Act named the Companies Act, 2013, post President's assent on 29th August 2013 vide notification in the Gazette of India dated 30th August 2013.

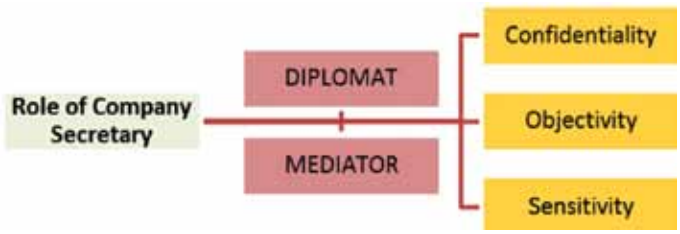
The new Act paves the way for easy and efficient way of doing business in India and seeks to ensure better Governance, improved levels of transparency, enhanced accountability, inculcating self-compliance and making corporates socially responsible. The Companies Act, 2013 ('the Act') has replaced the more than half a century old Companies Act, 1956 with some sweeping changes including those in relation to corporate restructurings, mergers and acquisitions. Some of the key changes to look for are in merger / demerger processes, cross border mergers, fast track mergers between small companies and holding – subsidiaries, and provisions relating to minority shareholders' protection and exit. This new law transits Company Secretaries

to corporate governance professionals, bracketing them in the category of Key Managerial Personnel.

What does a Company Secretary Do?

Just as no single corporate governance model fits all companies, there is not one right answer to this question. Generally, the Company Secretary works closely with a Company's Board of Directors, its CEO, and Senior Officers, providing information on Board's best practices and tailoring the Board's Governance framework to fit the needs of the company and its Directors, as well as the expectations of shareholders.

The actual work of the Company Secretary falls into many



"buckets" and varies from company to company. It is worth noting that in recent years, due to increasing interest in Corporate Governance, and the increase in Governance related Regulations by both the SEBI (Securities and Exchange Board of India) and the Stock Exchanges, some companies have formalized the role of the Company Secretary as Corporate Governance Advisor designated as Chief Governance Officer and the like. Regardless of the position or designation, the Company Secretary is often in a unique position of advising the Board, the CEO and Management — and, therefore must build a trusting relationship with each contingent. Company Secretary's role is often one of diplomat and mediator and requires confidentiality, objectivity and sensitivity.

TRANSITIONING

The Companies Act, 1956 existed for more than half a century. The Companies Act, 2013 ('the Act') has completely changed the face of company legislation in India. It is replete with changes and new provisions. The Act has introduced new information requirement, filing requirements, change in concepts, introduction of mandatory Committees, composition of Board area etc. The Act places a huge compliance / transition burden on companies in general and Secretarial departments of large Companies in particular. These are -

- Redrafting of charter documents,
- Constitution of Directors / KMPs (CFO) / Committees,
- Transactions with Independent Directors,
- Reworking of Internal Systems,
- New method for Depreciation and more.

In short, there is a lot of work, and given the regular pressure

The contemporary Company Secretary is much more than a "note taker" at Board Meetings or a mere servant of the Board but is the Chief Administrative Officer of the Company. The Board and particularly the Chairman of the Board relies, or ought to rely, on the Company Secretary to advise them in respect of current Corporate Governance requirements and practices, Directors' duties under the Law, Board reporting and disclosure obligations, listing requirements and meetings' procedure.

of continuing work, Secretarial Departments of companies may not find it easy to ensure a smooth migration. It will possibly be by the year end that the Rules under the new Act may get finalized. After that, there may only be few months to move into the new spectrum altogether.

Company Secretary: Ready for Transition & Evolving Role

Company Secretaries are already playing multifaceted roles in the area of governance. Governance and integrity are likely to play a leading role in this growth trajectory. The new Act is expected to further boost the role of Company Secretaries. The overall outlook for Company Secretary remains positive. Company Secretaries now, have to hasten policy-making and implementation, so that their profession and role continue to remain attractive and preferred.

The contemporary Company Secretary is much more than a "note taker" at Board Meetings or a mere servant of the Board but is the Chief Administrative Officer of the Company. The Board and particularly the Chairman of the Board relies, or ought to rely, on the Company Secretary to advise them in respect of current Corporate Governance requirements and practices, Directors' duties under the Law, Board reporting and disclosure obligations, listing requirements and meetings' procedure. The specialized role of the modern Company Secretary has emerged as the Chief Governance Professional within the organization.

The Act further triggered an expansion of the Company Secretary's role to include responsibilities for compliance and governance. In today's world, meeting the mandated standards of Regulators and the requested reforms of shareholders has heightened the emphasis on Governance and the role of the Company

Secretary. Meeting those demands has led to unprecedented growth of Governance requirements over the past few years, making the Company Secretary's role more critical to the Board and management than ever before.

The new Act has recognized the Company Secretary as a 'Key Managerial Personnel' in the company hierarchy. Before that, they were very much behind the scenes, but the new Act of 2013 has really pushed them to the center stage and foreseeing the Company Secretaries as Governance Professionals.

Company Secretaries while continuing to retain the traditional responsibilities for entity management, corporate records administration and compliance shall also serve as a Governance Professional in support of the Board of Directors and Organization itself. This role requires the Company Secretary to blend talent and technology to improve workflow and processes to meet the demands and needs of an ever-changing organization.

Factors changing the Role of Company Secretary

There are two factors which have changed the Company Secretary's role namely (i) Corporate Governance has become a high profile issue, and (ii) Regulatory requirements are more complicated. While these developments enhance the importance of this role, they also cast additional burden, with more intense compliance and governance obligations. Company Secretaries must establish effective communication with investors on substantive issues.. Historically, the Company Secretary has interacted broadly across company departments, but the focus has shifted somewhat towards greater contact with investor relations (IR) in response to higher investor interaction, and with human resources (HR), because so much of Corporate Governance discussions.

Company Secretaries need to manage the company "story" and then communicate it substantively to outsiders. At the same time, they must ensure effective Governance . In recent years, fulfilling these concurrent responsibilities has become a more complex and often very difficult job.

Attaining new skills, duties and responsibilities for transition

It is believed that technology evolution and social media will be the next focus area in Governance . Company Secretaries and compliance officers now will have to find solutions to manage the various communication between Regulators, Management and Investors in an open and transparent virtual environment of internet. Innovations in mobile computing networking and digital conversation will continue to positively affect Corporate Governance. Regulators and investors will

continue to demand greater levels of transparency and participation, and companies will have to create innovative technologies to meet those demands. Company Secretary's skill set and professional behavior is pictorially described above.

The shareholders hold the cards to the future of Governance, because they can make companies to be much more proactive – not just have the trappings of good Governance, but to really exercise good governance. Even though shareholders may exert considerable pressure in adhering to good Governance principle and procedures ultimately everything depends on the actions of Directors and Management which shall be coaxed by a Company Secretary.

Secondly, ethics plays a significant role in the new set of responsibilities for the Company Secretaries. Also, the term "Governance Professional" is a reflection of new responsibilities to a certain extent. Integrity, ethics and strong governance have particular importance. The role to be played by the corporate leaders in promoting business ethics is another

important issue which deserves attention. Many high profile corporate scandals involved unethical behaviour by the top management. As a result, ethical leadership has become a global concern. The quality and style of leadership in a company sets the tone for the entire business and the corporate culture. The Chairman, Chief Executive, Directors, Company Secretary and Senior Management are collectively regarded as the leaders in this context. As an impartial administrator of arbitrations, mediations and democratic elections, the Company Secretary must have the trust of the stakeholders.

Thirdly, regardless of the professional background, the Company Secretary will have to work closely with the persons responsible for financial and legal compliances. The skills of the position can be learned, but there are a number of other characteristics that are of crucial importance. A commitment to the highest ethical and professional standards is, of course, essential. A person cannot require ethical conduct of others unless he or she is willing to lead by example. A commitment to the organizational mission and vision is also essential, and this is particularly important in a non-profit organization which, by its nature, has an altruistic side that is almost always reflected in its board and senior management structure.

Finally, the Company Secretary should have the ability to collaborate with others in the work of the organization. These aspects have led to the modern day Company Secretaries to be recognized as Governance Professionals.

The governance professional can have different titles, like the Company Secretary, or Legal Counsel, or Chief Governance Officer or Chief Risk Officer. In essence, governance professionals have a significant impact on the level and quality of corporate governance and Governance Culture within an organisation, including a pivotal role in assisting the Board to achieve the organisation's vision and strategy. The activities of the Governance Professional encompass legal and regulatory duties and obligations and additional responsibilities assigned by the employer.

THE GOVERNANCE PROFESSIONAL – CONCEPT

WHAT DOES A GOVERNANCE PROFESSIONAL DO?

The governance professional's role is to enforce a compliance framework to safeguard the integrity of the organization and to promote high standards of ethical behavior. They have a significant role in assisting the Board to achieve its vision and strategy.

The governance professional can have different titles, like the Company Secretary, or Legal Counsel, or Chief Governance Officer or Chief Risk Officer. In essence, governance professionals have a significant impact on the level and quality of corporate governance and Governance Culture within an organisation, including a pivotal role in assisting the Board to achieve the organisation's vision and strategy. The activities of the Governance Professional encompass legal and regulatory duties and obligations and additional responsibilities assigned by the employer.

The transition of Company Secretary to a governance professional can best be expressed as follows:

Company Secretary + Professional Expertise
= Governance Professional

Company Secretary as the Governance Professional

- The specialized role of Company Secretary had evolved into the Chief Compliance Officer. The Directors are using the Company Secretaries as a resource to ensure all their boxes are ticked. The dynamics of the Board room are changing and the Boards are looking upon Company Secretary as Advisers .

- The professional Company Secretary needs to enjoy the confidence of the Board as its Governance Advisor who is independent of the management. In fact, the independence of the Company Secretary speaks strongly to the stakeholders of the Board's commitment to best practices of corporate governance.

As a Governance Professional, a Company Secretary

- leads and advises on the best practices in Governance, Risk management and Compliance;
- champions the compliance framework to safeguard the organisational integrity;
- promotes and acts as a 'sounding Board' on standards of ethical and corporate behaviour;
- aligns the Board's mission, goals and bylaws;
- establishes Board performance benchmarks;
- develops a well-rounded governing Board;
- balances the interests of the Board, management and other stakeholders;
- designs an effective and robust control environment;
- creates a modern and professional governance structure;
- ensures corporate accountability by communicating with the organizations stakeholders and broader community; and many more

Company Secretary's job has become more honorable, dynamic and sought-after. With the implementation of the new law, the independent voice of the Company Secretary will be widely respected by the regulators and the broader community. The Company Secretary's role is not just compliance-oriented any more; good Company Secretaries in forward-looking organizations don't spend their day in filling out forms, but are working with the Board, the Senior Management Team and Investor Relations Department to ensure that the company is doing the right thing in respect of its governance responsibilities.

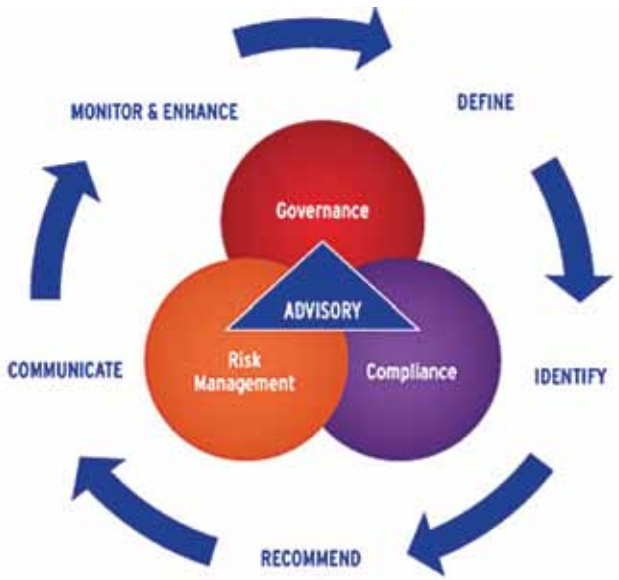
Truly the role of company secretaries has become more tougher due to the challenges of changing technology and economic downturns and has forced the Company Secretary to take on and juggle a number of responsibilities as Governance professionals that were never a part of their original jobs. Being able to handle such multi-tasking has always been a part of the Company Secretary's role. As business environment is fraught with risk and volatility, the job of the Company Secretary continues to evolve into one of the more honorable, dynamic and widely sought-after jobs in the world.

In reality, Company Secretaries are tasked with providing the Board with advice that will steer it in the right direction, as well as making sure that the company is in compliance with existing regulations and is prepared to face what lies ahead in the changing regulatory world.

Benefits to the Board of a Professional Company Secretary vis a vis Governance Professional

Astute Boards realize the following benefits of support from a Company Secretary aka Governance Professional :

- Obtain the highest professional governance skills and experience to advise the Board and Chairman;
- Improved governance within the entity, separates the governance professional from other executive management;
- Frees other executives to concentrate on operational issues;
- Governance commitment by the Board and the company to shareholders and the market; and



- Substantially enhances the board's potential to be the "real" driver of effective governance within the corporation.

Governance Framework – Systematic Process

Professional Company Secretary is experienced in helping organizations / corporates to initiate and maintain their

Compliance, Risk Management and Governance Framework through a systematic process as under:

(a) Define	- Understand the business operations and challenges
(b) Identify	- Assess risk and / or compliance control gaps
(c) Recommend	- Propose best fit solutions and action items
(d) Communicate	- Report finding and / or conduct training
(e) Monitor and Enhance	- Follow up review and / or new findings & recommend

Challenges Faced by the Company Secretary transitioning into Governance Professional

In the light of the sweeping changes, the way forward is to be ahead of the pack. Company Secretary, Boards and Management must balance compliance requirements with the need to produce sustainable and profitable growth. The challenges to overcome are:-

- Balancing the interests of different groups in organisation
- Newer regulatory requirements
- Higher expectations from better educated clients and stakeholders
- Higher expectations on compliance and control systems
- Risk management framework
- Industry regulatory changes

The challenges and benefits of executing a well-planned compliance program revolves around three main components starting with assessing the environment that drives an organisation's compliance risk and requirements and then continuing to the execution and evaluation phases. The three facets that shape an organisation's compliance and risk environment are its:

- **Industry and geography –** Culture is the fundamental element of the overall compliance environment. It is necessary to first identify risk drivers, those related to the industry and geography within which the company operates, as well as emerging issues that will have a material impact on a business.

- **Emerging Issues –** Compliance efforts are focused on the current state of the business, which can expose companies to new and unanticipated threats. While other parts of the business are concerned with anticipating emerging issues, compliance departments are often charged with responding to existing and near-term issues. Adopting new technologies and tools, and having the right people and processes in place, can help Secretarial / Compliance Departments take a more forward-looking approach to risk.

> A Company Secretary to become an effective Governance Professional should be able to combine business acumen and technical knowledge with an understanding of human nature and group dynamics. Strong communication skills are essential, and the ability to foster and maintain co-operative relationships with shareholders, Directors and the CEO and other senior members of the management team is important.

Becoming an Effective Governance Professional

A Company Secretary to become an effective Governance Professional should be able to combine business acumen and technical knowledge with an understanding of human nature and group dynamics. Strong communication skills are essential, and the ability to foster and maintain co-operative relationships with shareholders, Directors and the CEO and other senior members of the management team is important. He must also be able to maintain confidentiality when necessary and should carry out responsibilities with integrity, tact and professionalism. These qualities must be grounded in a respect for, and a commitment to supporting, the distinct governance roles that are established by Law for Shareholders, Directors and Management.

Professional Development - To be effective in a fast-changing business environment, Company Secretaries must continually monitor new regulations and trends related to Corporate Governance and shareholder relations. Many Company Secretaries can do so by participating in informal professional networks, through which they can share information about shareholder engagement efforts and other corporate governance practices.

Company Secretaries should also attempt to build relationships with influential members of key shareholder groups. Frequently tracking trends and developments, including through these networks, positions the Company Secretary to provide the Board and Management with early warnings and insights on potential corporate governance issues.

Concluding Thoughts

There are arguments for and against a double headed role of a Company Secretary combined with that of a Governance

An essential element in the establishment and maintenance of a competent Corporate Governance system is the need for professionally qualified and experienced Company Secretary. Such a person is a vital key player in the organization's governance equation. Whilst appreciating and mindful of the commercial reality of any business, Company Secretaries owe their primary duty and loyalty to the Board of Directors generally and the Chairman in particular.

Professional. No doubt the role and responsibility of a Company Secretary is an arduous one involving compliance of corporate laws. However the role does not commence and end with mere compliance of laws. The role now requires a greater mix of skills than ever before and is highly dependent on personal strengths in addition to knowledge and experience. Most Company Secretaries would themselves argue that in order to remain objective in their views and give independent advice they should advise the Board rather than be a part of it.

However, looking at the bigger picture there is a strong case for greater input at a strategic level now-a-days, and hence a double headed role of a Company Secretary and Governance Professional would be valuable in such instances. The survival of an organisation increasingly depends on how socially responsible it behaves and how well it is governed. Corporates are the modern engines of growth and development. They need to be governed in harmony with the nature while balancing the interests of various stakeholders. Their governance holds the key to sustain prosperity of the society and the economy as well as the posterity on the earth. An essential element in the establishment and maintenance of a competent Corporate Governance system is the need for professionally qualified and experienced Company Secretary. Such a person is a vital key player in the organization's governance equation. Whilst appreciating and mindful of the commercial reality of any business, Company Secretaries owe their primary duty and loyalty to the Board of Directors generally and the Chairman in particular.

Along with the professional honour of recognition as Key Managerial Personnel, comes more responsibility for Company Secretaries. They will now be considered as an officer in default if something goes wrong in the company. Therefore, Company Secretaries are destined to be vigilant and more competitive. It is essential to begin the process of transitioning of Company Secretary to Governance Professional early, while there is momentum of being new to the role and, presumably, the necessary support of the Corporates / Organizations. Company Secretaries now shall share a common commitment to fostering responsible performance and ethical decision-making across their entire organisation.

Completing a marathon is clearly a challenge, but those who devote adequate time in preparing, set a reasonable and sustainable pace, and are committed to persevere will overcome the daunting challenge to achieve a significant personal accomplishment. Likewise, Company Secretaries who invest sufficient time and prepare the organization for change, set a reasonable and sustainable pace and have the fortitude to persevere and lead through the highs and lows, can be the real drivers of change .

"Investing in yourself at this early stage could well be one of the best decisions you make!"

Delep Goswami, FCS
Advocate, Supreme Court
New Delhi

delepgoswami@gmail.com

Company Secretary's transition to a Governance Professional:

Restrained as a 'Caged Parrot'

The inclusion of 'Company Secretary' as a 'Key Managerial Personnel' and defining his duties by the new Companies Act has given a fillip to his transformative role, as the CS is no longer viewed just as a corporate functionary or a mere compliance professional, but the new role of CS is being hailed as an elevation of his position and it is felt that the role of a CS has been transitioned to that of a 'Governance Professional' ('GP') vitally needed for good corporate governance.

INTRODUCTION

The Companies Act, 2013 (in short 'the Act') has, at long last, replaced the 57 years old Companies Act, 1956 and this change has brought in many new provisions in the Act and the thrust is now on self-regulation and internal controls rather than the erstwhile command/ approval regime. This paradigm shift is vital for good corporate governance and the new Act simultaneously imposes onerous duties and responsibilities on the Promoter-Directors of companies and all the professionals associated with management of companies need to have an integrated multi-disciplinary partnership approach with a thrust of excellence on quality and ethics.

The inclusion of 'Company Secretary'('CS') as a 'Key Managerial Personnel'('KMP') and defining duties of the CS in the new Act has given a fillip to his transformative role, as the CS is no longer viewed just as a corporate functionary or a mere compliance professional, but the new role of CS is being hailed as an elevation of his position and it is felt that the role of a CS has been transitioned to that of a 'Governance Professional'('GP') vitally needed for good corporate governance. The euphoria associated with this new role has many justifiable reasons, as can be briefly seen in this article, but at the same time, certain vital issues, albeit grey areas, also need to be understood as they may come in the way of the CS performing his new envisioned role as GP without fear or favour.

CS AS GP : THE KEY QUESTIONS

As of now, the questions of paramount importance are two-pronged: first of all, is the CS fully trained to be a GP and secondly, what are the minimum standards or parameters which the CS needs to adhere to, in order to fulfil his role as GP. Since section 179 of the new Act stipulates that the Board of Directors (BOD) of a company shall be entitled to exercise all such powers and to do all such acts and things, as the company is authorised to exercise and do and since section 179(3)(g) of the Act mandates the BOD of a company to approve the financial statements and the BOD's report to the shareholders, to what extent it would be justifiable to entrust the role of GP on the in-house CS, while the company will have other KMP and the Statutory Auditors; Independent Directors (IDs); Internal Auditors, Practising Company Secretary (PCS) who also have specifically assigned role in corporate compliances and in corporate management and in detection of corporate fraud and mismanagement? In any case, it can be emphasised that since the new Act has introduced many new and stricter provisions for corporate management and compliance with levy of heavier penalties for non-compliances, unless the companies appreciate the need to place a suitable training programme/module for all its KMP about the far-reaching changes in the Act and the Rules being formulated thereunder and unless the company concerned appreciates the importance of good corporate governance norms and formulates its 'core value' policy, its 'vision' and 'mission' statements and its policies in terms of ensuring fair play in the market place and in instilling ethics in the enterprise and how it contributes to competitiveness, both nationally and globally, and highlights what sustainable policies it adopts as a responsible corporate citizen, it will simply be futile to expect the CS to be the GP or to put him alone in the position of 'conscience keeper' and/or whistle-blower and to follow the ethical standards without any commensurate financial powers and freedom given to him to perform his multifarious role without fear and favour and without being victimised by the threat of losing his job which will loom large over his head.

It is felt that till the Institute of Company Secretaries (ICSI) formulates the new guideline/standard tool for the CS towards developing and imparting governance knowledge and skills and behavioural traits for performing as GP, at least the CS be encouraged to follow the 'Corporate Governance Voluntary Guidelines, 2009' (CGVG) and perform his new role as GP. At the same time, the experience/expertise of senior members of the profession, specially of all those who had been working in the best governed companies can help in a significant way, because such seniors can guide the less experienced CS in this regard and share from their vast reservoir of knowledge and experience and, the ICSI can devise suitable interactive training programmes/modules which can be repeated all over the country to enable the CS professionals to display a level of professionalism, perhaps hitherto unheard, unseen and difficult to visualise.

Simultaneously, another area of concern is that even though high hopes are being pinned on the CS in his envisioned role as a GP, does the in-house CS actually enjoy any financial freedom to embark on expenditure needed to ensure that the corporate houses introduce suitable mechanism and processes/procedures to meet the standards of good governance? It is just possible that in performing his role as GP, the steps taken by the CS may interfere with the vested interests of the promoters group and/or the whole-time functional directors and the initiatives taken by the CS may get ignored and his efforts be curbed and the CS could also come under the threat of losing his job if he insists on discharging his functions as GP without fear or favour. It is well known that so long as the CS functions as the in-house employee simply performing his role envisaged in the new Act and so long as the CS does not question and poke his nose in many questionable corporate decisions by the whole-time directors/promoters, it would not create any problems for the company management/promoters/directors. But, in his enthusiasm to perform the role as GP in letter and spirit and in performing the multifarious functions expected from such a governance professional which may be detrimental to the self-centered interests of the promoters group/the wole-time directors, the very job of the CS will be in jeopardy and he may even be sacked from his post. Therefore, appreciating such possible hindrances/road-blocks in the performance of the CS as a GP, the ICSI may impress upon the Central Government/Regulatory Authorities for appropriate job security measures for the CS in employment and through its delegated rule-making powers, the Central Government can introduce pragmatic changes to safeguard and strengthen the aspired role of the CS as GP.

CS AS KEY MANAGERIAL PERSONNEL

In order to appreciate the new role of the CS as KMP, it is necessary to appreciate the definition of KMP given in Section 2(51) of the Act, which defines 'KMP' in relation to a company and it includes:

i) The Chief Executive Officer (CEO) or the Managing Director ('MD') or the Manager;
ii) Company Secretary;
iii) Whole-time Director
iv) Chief Financial Officer;
v) Such other officer as may be prescribed.

Thus, for the purpose of management of a company, the position of a 'CS' gets bracketed with that of the MD or the CEO and Whole-time Directors. This in itself is an exalted position, especially when it is compared to his otherwise humble role as a 'mere servant' (as ruled by the Courts in England in 1887) to the erstwhile position as 'an officer of the company with extensive duties and responsibilities' (as held by the House of Lords in 1971). Indeed, the elevation of the CS in the new Act as a KMP gives tremendous boost to the status

and importance of his position for good corporate governance and compliance of the Companies Act as well as all other Acts connected therewith. As per section 203 of the new Act, every company belonging to such class or classes of companies, as may be prescribed, shall have the specified whole-time 'KMP', which now includes a 'CS'. The said new law further stipulates that every whole-time KMP shall be appointed by means of a resolution of the BOD of the Company, containing terms and conditions of appointment, including remuneration. This itself is a big change because earlier there was no legal requirement of his appointment being made by the BOD of the company and it was earlier the job of the HR Department and/or the concerned Whole-time Director and/or the Managing Director. It is suggested that till any suitable changes are made in the Act or the rules framed thereunder, the BOD Resolution on appointment of CS should contain provision that his removal from the post be routed to the BOD through the company's Audit Committee which will now have some Independent Directors (IDs) who can objectively review/check such decisions. The Audit Committee can have in-built vigil mechanism and it can give an opportunity to the CS to present his version/case, somewhat similar to the current law prescribed for removal of statutory auditors. Under the new Act and the new envisioned role of CS as GP, his function can be supplementary and complementary to that of the statutory auditors and can be considered one more check point in the corporate financial management to prevent fraud and illegal diversion of funds. Therefore, such job safety would make the in-house CS pro-active and give him the necessary courage and freedom to independently and fearlessly carry out his job as GP who can even ask some uncomfortable questions from the KMP and can scrutinise transactions/documents to find out the possible non-compliances/wrong-doings. This role would be in contrast to his standard role as a 'compliance officer' and may tend to be that of the 'conscience keeper'/whistle-blower and as a GP, he needs to act without fear or favour and such legal safeguards against his unreasonable removal would keep him insulated from the whims and fancies of the promoters/whole-time directors, who actually control and handle the corporate finance and call the shots on behalf of the company.

Why such a safeguard provision is suggested can be appreciated if one sees the provisions of section 203 of the Act which stipulates the functions of a CS to include the following:–

a) To report to the BOD about compliance with provisions of the Companies Act, and the rules made thereunder and other laws applicable to the company;
b) To ensure that the company complies with applicable secretarial standards;
c) To discharge such other duties as may be prescribed.

Under new section 203 and the Rules to be prescribed, an in-house CS is legally duty bound not only to ensure compliance with the provisions of the new Act, but he has also to confirm compliance of all other applicable laws. Therefore, not only will the CS have to be well-conversant with the various stringent provisions of the Act, but he will also be required to have a fairly good knowledge and expertise in the procedural requirements of 'all other applicable laws'. Further, his newly crowned role as GP would require him to be fairly expert in detection of diversion of funds of the company in a questionable manner. Thus, new and specialist skills are necessary for the in-house CS's elevated role as GP and he is required to display excellence to create good quality framework, positive signs and a sense of acceptance and waning prejudices.

Taking a cue from the generally accepted norms of excellence in corporate governance, the CS would do well to ensure that the company has appointed the KMP like the MD/CEO as per the governance structure of the company; appointed the Audit Committee and its Chairperson; appointed required number of Independent Directors (ID) who fulfil the independence criteria; the Compliance Officer under the listing agreement; the auditor, internal auditor, secretarial auditor; practising company secretary(PCS) etc.; appointment of managerial remuneration committee; shareholders grievance redressal committee etc. The CS can devise a system of circulating to directors, draft of the Board meeting minutes and ensure that there is a system in place for placing before the next Board meeting, an action-taken report/implementation report and does the company encourage discussion on the 'action taken report'. Importantly, the CS can suggest that the company adopts a policy of sending its Board members to orientation programme/ periodic training programmes.

As GP, the CS can suggest the company to have a written charter and/or code of corporate governance; and oversee whether requisite number of independent directors have been appointed and what is their proportion to the total number of BOD and does the company have an ID as the chairperson of the Board; does the company have a lead/senior ID; how many women directors does the company have on its Board; does the company have a well defined written policy based on which it appoints IDs and is it disclosed in the Annual Report of the company; what is the tenure of IDs and is any facility extended to the IDs to have separate meetings; how soon does the company fill up the position vacated by an ID; does the company have any policy to obtain affirmative declaration from the IDs about fulfilling the independence criteria; whether sufficient advance notice of Board Meetings are given to the Directors and whether agenda notes are prepared and sent to the directors/ committees of directors; what is the time gap between the board meetings; details of attendance of Directors in Board meetings; does the company facilitates participation of Directors in Board/ Committee meetings through electronic mode; has the company set a cap on maximum number of companies on which the Directors of the company can be Directors.

Legal compliances

The CS has a further responsibility to ensure legal compliances and stress the importance and improve upon the following governance aspects:

- As GP the CS should suggest to the BOD to have a proper system on Directors Responsibility Statement and needs to find out whether the company has any system of informing the BOD at each Board meeting about compliances of the various laws applicable to the company and that such compliance report ought to be signed by a KMP and should suggest the procedures/tools needed to check the said compliances;
- Does the company report in its Annual Report as to whether any ID has resigned before completion of his tenure;
- Does the company have any policy for rotation of audit partner/rotation of auditors;
- Does the company have a written code of conduct/policy for its Board Members and Senior Management and whether there is any system of confirmation by directors/ senior management for adherence to the said Code of Conduct;
- Does the company have any written policy on performance evaluation system of its individual directors and/or its committee of directors;
- Does the company train its directors about the ill-effects of insider-trading and does it obtain confirmation statement from directors about not indulging in the same.

Preparation of annual report

Towards fulfilling his role as GP, one of the important duties of a CS is to prepare the Annual Report ('AR') as section 134 of the Act stipulates that the BOD of a company, for the purpose of disclosure to the shareholders, shall prepare a Financial Statement, which shall be signed by the chairperson of the company or by two directors, one of whom shall be the Managing Director and the Chief Executive Officer, if he is a director of the company;, the CFO and the CS, wherever they are appointed. Though it is the duty of the BOD to attach the Auditors report to every financial statement, yet in effect the in-house CS has to ensure that this provision of the law is complied with and all the necessary details are disclosed. The report of the BOD shall state, *inter-alia*, the company's affairs and material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report. It shall also include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the BOD may threaten the existence of the company.

> For the purpose of management of a company, the position of a 'CS' gets bracketed with that of the MD or the CEO and Whole-time Directors. This in itself is an exalted position, especially when it is compared to his otherwise humble role as a 'mere servant' (as ruled by the Courts in England in 1887) to the erstwhile position as 'an officer of the company with extensive duties and responsibilities' (as held by the House of Lords in 1971).

Constitution and functioning of Committees

The CS has to ensure that the company appoints an Audit Committee as legally mandated and check how many of the directors in the said committee are financially literate and/or expert and what is the percentage of IDs in such Audit Committee and whether the Internal Auditor directly report to the Audit Committee and does the said committee have any independent session with the internal auditor. CS has to ensure that the Chairperson of the audit committee inform the BOD that the audit committee has carried out its role and whether the company was allowed to function independently and what steps were taken by the BOD to implement the recommendations of the Audit Committee. Does the company have any Shareholders/Investors Grievance Committee and the status of the complains sorted out; does the chairperson of the said committee is encouraged to be present at the Annual General Meeting and encouraged to address the shareholders when permitted.

The CS has also to check as to what is the composition of the Remuneration Committee and how many of them are IDs and is there any 'remuneration policy' followed by the company; and does the company have any Nomination Committee, how many of them are IDs and are the terms of reference, role and authority of the Nomination Committee disclosed in the Annual Report.

Transparency and disclosures

With regard to transparency and disclosure compliances, the CS has to check the following: does the company have any Vision and Mission statement; does the company make sufficient disclosures in its Annual Report about the material legal cases or proceedings pending against it and possible impact on the court decisions in the working of the company. What are the procedures adopted by the company for communications with its shareholders

and does the company make disclosures in the website about the financial performance and the adherence to the voluntary corporate governance guidelines, 2009 issued by the Ministry of Corporate Affairs. Has the company adopted the various Secretarial Standards prescribed by the ICSI and has the company undertaken Secretarial Audit relating to corporate/ secretarial laws from a Practicing Company Secretary and how the adverse remarks/comments of secretarial audit were dealt with by the company in its Annual Report. How has the company dealt with the adverse report/comments of the Statutory Auditors.

Protection of shareholders

With regard to shareholders value enhancement, the CS as a GP is required to examine and report about the 'net worth' and dividend paid by the company over the last 5 years and suitable comments/explanation on extraordinary/exceptional items on the working of the company. What are the policies followed by the company to formulate and undertake shareholders satisfaction survey and vendor satisfaction survey. What is the percentage of women directors to the total number of directors on the Board of the company; what is the percentage of women employees to the total number of employees; whether there is any policy in place against sexual harassment at the work place and does the company have any whistle-blower mechanism in place. What steps the company has taken to fulfil its role towards 'Corporate Social Responsibility' (CSR) and how much percentage of the company's profit was spent on CSR activities and further the steps taken by the company towards sustainability initiatives towards water resource management; waste management; global warming and energy savings.

It would be interesting to observe that even though a company will now have the KMP including MD/CEO and specified role of Independent Directors to check/oversee the management practices and independent statutory auditors to thoroughly examine the accounts as per the approved financial standards, as well as the certification by company's Chief Financial Officer of the company accounts and financial details; and the Internal Auditors to periodically audit the financial details and annual certification of the company records by the practising CS who give their report to the shareholders, yet the stakeholders expect the CS to be a 'conscience keeper' and/ or a 'whistle-blower' and a GP to protect the overall interests of different stakeholders. If the BOD/company management fail to check and remedy the questionable fraudulent transactions/misdemeanours which the CS might point out, he may have to perform the role of a 'whistle-blower' to report the same to the regulatory authorities and in so doing, he would be running tremendous risk but may still do so courageously to carry out the highest standards of ethics, good business conduct and professionalism expected from him. Thus the CS as a GP is expected to display tremendous courage, bravado and sacrificing spirit.

Since the new role of CS is very significant, one would have expected that the new Act should have taken a comprehensive measure to ensure a support system to make the new role of CS a reality and not left it to remain a pipedream, so that revealing the truth ought not to be silenced. In this context one is tempted to refer to the recent Supreme Court observations that the Central Bureau of Investigation (CBI) has been made a 'caged parrot' by the Authorities against whom the CBI has to investigate cases of bribery and corruption and this observation of the Supreme Court aptly sums up how the good intention of governance and to root out corruption has been thwarted by holding the rein to independent functioning of CBI. One only hopes the CS should not be made a 'caged parrot' by the whole-time Directors/Promoters who may be adversely affected by the revelations made by the CS while performing his role as a GP.

To encourage the CS to disclose breach of financial standards and about disclosure of and exposing dubious diversion of company funds to the private/personal interests of the promoters/whole-time directors through the web of group companies or subsidiary companies, the CS is called upon to perform the role, sometimes as 'conscience keeper' and at times as a 'whistle-blower.' There is no specific law at this juncture to protect the whistle-blowers, but some Supreme Court rulings in this regard can lend some support to the CS, wherein the Supreme Court has noticed the role of a whistle-blower as revealing misconduct like violation of a law, rule, regulation and/or a direct threat to public interest, such as fraud, health/safety violations and corruption. Being a KMP, the CS should go to the company management/BOD or to the IDs/Audit Committee with the allegations and as a last resort may report these to the external regulators, law enforcement agencies, to the media or to other groups concerned with the issues. Otherwise the trust and confidence the CS may enjoy with the company management/BOD may be misconstrued and the profession itself may be viewed with suspicion, rather than a partner in the good corporate governance.

CONCLUSION

The Companies Act, 2013 has ushered in a new era in corporate governance and corporate regulations and the CS has been given significantly improved legal status and the expectation from the CS has increased tremendously. It goes beyond a mere compliance officer to that of conscience keeper and specialist governance professional, who can do a lot to prevent corporate fraud, mismanagement and protect the overall interests of all the stakeholders. Being the eyes and ears of the BOD of a company, he can ensure stricter compliance regime and take a pro-active role in corporate excellence to enable the company to embark on a global mission commensurate with best corporate practices. The CS needs regular encouragement and support from ICSI and all other professional bodies and through the deliberative processes with the Ministry of Corporate Affairs, grey areas can be tackled and remedial measures taken. The CS cannot fail in this new endeavour and needs the best wishes and professional support and guidance from all concerned. CS

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Accountability in the Non Profit Sector

A non-profit entity is 'of the people, by the people, for the people'. External factors and mechanisms can drive accountability only to an extent. The attitude of its stakeholders towards accountability and governance at large is the key factor that will make it work.

INTRODUCTION

The Planning Commission of India, in a Report (Proceedings of the All India Conference on the Role of Voluntary Sector 2002) observed :"On the one hand, the State has been shrinking in its functions and resources and is unable to meet the growing social welfare and developmental challenges. On the other, the profit motivated private enterprises though expanding rapidly, however, is little concerned with the social and developmental considerations and rural development, so vital to the third world countries such as India. Therefore, neither the State led nor the market-led model of development is adequate in achieving the developmental goals. The role of the non-profit /voluntary sectori.ethird sector i.e thus assumes special significance and it is widely recognised nationally."

Known by different names - Voluntary Organisations (VO), Non-Profit Organisation,(NPO) Non-government organisation, (NGO) non- profit institution (NPI) and Civil Society Organisations (CSOs) — the 'third sector', fills the gap between the areas not reached by the State or the market to impact human life. Proximity to the areas of concern, understanding local environment, self-motivated players, flexibility in operation/decision making and ability to rope in the target groups make the third sector effective in its contribution

to development.

The socio-economic significance of this sector is mind blowing. A look at the numbers will explain this. According to the first official survey conducted on this sector by the Ministry of Statistics and Programme Implementation (March 2012) 11.35 lakh societies were registered after 2000. This excludes the thousands unregistered entities. The economic value of this sector is estimated at Rs. 41,292 crores. The amount of foreign funds received is 10334 crore rupees(2010) .TheKelkar Committee on Taxation pegs this sector's contribution at 2.5% of the GDP. Its work force is close to 182 lakhs out of which 27 lakhs are paid workers.These numbers put this sector as one of the prominent and emerging sectors in the Indian economy.

A BRIEF HISTORY

Pre-independence era

India has a deep rooted tradition of seva (service) and dhana (charity). This culture is perhaps as old as the society itself. The ancient religious practices encouraged seva and dhana as one of the means of attaining spiritual fulfilment. The 19th century social reformers like Raja Ram Mohan Roy, Swami Vivekananda, Dayanand Saraswathi, and Tagore took volunteerism beyond the religious tenets. The entry of Christian missionaries spread volunteerism across the length and breadth of the country, particularly in the field of education and healthcare. The Ghandhian philosophy provided a deeper impetus to the voluntary sector by the working at the grass root level, took volunteerism to the interior India.

Growth in the post-independence era

The Government joined hands with this sector in the post-independence era. Its main role was that of a donor. The establishment of the Central Social Welfare Board, (1953), Integrated Rural Development Program (IRDP), Council for Advancement of People Action and Rural Technology CAPART (1986) were some of the earliest efforts by the Government to partner with the voluntary sector for development. The grant of tax incentives in the late 1970s for business entities engaged in rural development attracted a new generation of trained professionals to drive voluntary services. The enhanced contribution by international funding agencies during the late 1980s and 1990s added great momentum to the voluntary sector.

This growing sector forced the Government to give importance to it in the planning and implementation of developmental projects. In the Seventh Five Year Plan (1980-85) the Government formally acknowledged its significant contribution and roped in the strengths of this sector to provide an impetus to the economic development. It culminated in the Government releasing the 'National Policy on the Voluntary Sector' in 2007 to muster the growing partnership between Government and Third Sector at every level. In 2009 it rolled out the 'NGO Partnership Portal' to be an interface between this sector and the government. In 2010, it set up a Task Force to study the issues relating to setting up a national accreditation system for this sector.

> Often a Board's role in a NGO is not taken seriously. Many of the board members limit their participation to friendly discussions and liberal appreciation of the activities. They avoid constructive participation in driving governance. Rarely board members are willing to be accountable for their role or subject themselves to an evaluation process.

Business entities in general and corporates in particular joined hands with the voluntary sector and the Government to play a role in development. The Ratan Tata Trust is one of the oldest (1919) corporate backed entity to reach out to the society. Later several corporates and business houses set up their own outfits to render social service. Their contribution to this sector - financial as well as management expertise - is significant. Their size and effective reach turned the regulator's eye towards making Corporate Social Responsibility (CSR) a part of the corporate culture. This found expression in the recently enacted Companies Act 1913 and compels large corporates to engage in CSR. This legislation is expected to add about 6500 crores rupees from the BSE 500 companies in 2013-14. Considering the fact that the Indian economy is growing at a fast pace, the quantum of funds at its disposal for developmental activities via CSR, cannot be anything but burgeoning.

Today, the voluntary sector is an inseparable part of the contemporary scene in national development. Its involvement is not restricted to contribution for development alone. It extends to participation in policy formation and regulation.

VOLUNTARY SECTOR : REGULATION

The sheer number, the volume of funds at their disposal, their ability to create impact, and the fact that these entities play the critical role of connecting the donor and the beneficiary, necessitates regulation of this sector by the State.

The following are the laws prevailing currently to regulate the voluntary sector to a limited extent (being the law under which a voluntary entity may be registered).

- The Societies' Act, 1860,
- Indian Trust Act, 1882,
- Public Trust Act, 1950,

- The Companies Act, 1956 (Section 25), Companies Act 2013 (Section 8),
- Religious Endowment Act,1863,
- The Charitable and Religious Trust Act, 1920,
- The Mussalman Wakf Act, 1923,
- Wakf Act, 1954,
- Public Wakfs (Extension of Limitation Act) Act, 1959, etc.)

In addition to the above, the Government's efforts to oversee this sector lead to the 'NGO Policy Statement' (2007); creation of the 'NGO Partnership Portal'(2009) and setting up a Task Force (2010) to study issues relating to setting up an independent, national level self-regulatory agency and develop accreditation methodologies for voluntary organisations. However, even these measures are largely inadequate to streamline and regulate this sector.

Enacting a piece of legislation for this sector is a challenging task for the Government reasons being, the enormity of this sector, with its varied structure makes it difficult to have one regulation or law to regulate sector. The other reason is that by nature of being 'voluntary' and 'non-government' this sector relies on and calls for voluntary governance than regulation. There is much to be done in areas relating to its management, regulation and governance.

GOVERNANCE IN VOLUNTARY SECTOR

Governance, simply stated, is the act of governing. It relates to how an organization plans, implements and controls its actions. Governance is a set of policies and practices used by an entity to enable its constituents work together in the best interests of its stakeholders.(shareholders/owners, employees, customers, government, and the society at large). In the absence of comprehensive laws in the voluntary sector, governance acquires importance in the non-profit sector. However, its growth has been slow and sporadic. It is only in the recent past that entities like VANI, Credibility Alliance et. al have taken up the task of promoting governance. Governance in this sector is largely about accountability, transparency and sustainability of the entity.Adding the vital dose of professionalism to the governing this sector is also the need of the hour.

In this backdrop, this article attempts to bring to focus one key aspect of governance in non-profit sector, i.e. accountability. While the broad principles of accountability may be same for the 'for profit' sector or and 'non-profit' sector, it is pertinent to note that non-profit sector being characterised by peculiar features, calls for additional effort in driving accountability.

ACCOUNTABILITY IN VOLUNTARY SECTOR

Accountability has many meanings. In the context of the present discussion, in simple words,it refers to a process of stating commitments to different stakeholders, and being responsible for fulfilling them. Accountability is the obligation of an individual or an organisation to account for its activities and accept responsibility for the results arising out of its activities. Several factors - internal (self-appraisal) and external (need to enhance credibility, stake holder requirements, statutory compliance, state regulation) - drive accountability in this sector.

Accountable to whom and for what:

Entities in the voluntary sector are accountable to several stakeholders. They include:

- donors /funders (for money)
- beneficiaries (for the delivery of a promised outcome: a changed life in most cases)
- Employees, volunteers, associates and program partners(for time and effort in implementing projects)
- Society (for developmental role assumed)
- Government – (for direct grants received, tax concessions)

The hierarchy and power of each of these stakeholders depends on the particular entity. To be accountable to all stakeholders and balance their expectations is a delicate and complex responsibility.

Driving accountability

Driving accountability requires a proper organisational frame work which provides an answer to the question as to 'how to make the entity accountable'. A well-structured framework, is critical to enforce accountability. It gives direction to the stakeholders to play their part responsibly. The frame work, amongst other things includes

- Statement of vision and mission;
- Determination of form of legal entity - Trust/Society/ Corporate
- Drafting charter documents detailing constitution of the top management/board, delegation of power;
- Sketch of organisation structure and defines the roles & responsibilities.
- Policies and procedures and codes for self-regulation.

To drive the above and carry out the activities of the entity a properly constituted and active Board of Directors(/ Trustees/ Managing Committee Members) and well trained, competent, motivated personnel are essential. Creating the framework and its execution is an enormous activity, calling for professionalism and expertise. Without the accountability frame work and resources to execute it and its periodic evaluation, it would not be possible to enforce accountability.

Evaluating accountability.

Creating the framework for accountability and enforcing it is one part. Equally important is the other part namely accountability evaluation. This will answer the vital question

'whether the entity has achieved its mission' and whether it has 'fulfilled its commitments to the stakeholder'. A variety of tools are available for evaluation. The important ones are briefly discussed below.

- Reporting is widely used as a tool for evaluating accountability. For most entities, accountability means submission of periodical reports – mostly financial statements. These are often audited by external auditors to add credibility to it. The content of the reports, periodicity and the depth of its audit depend on what is required by law, the purpose for which the Report is prepared. Donors often ask for detailed reports to facilitate assessment of the entity from their perspective. Reports satisfy the statutory and functional requirements of accountability, but, by themselves they are inadequate for assessing accountability.

- Performance evaluation: Performance evaluation is yet another popular tool for enforcing accountability and overcomes some of the limitations of Reports as a tool. The evaluation of performance involves measuring actual performance against 'targets' or 'goals'. But an evaluation of this nature offers only a tunnelled, short term measurement of performance and accountability. It at best conveys whether the entity has achieved the targets in the short run.

- Impact measurement: While reporting and performance evaluation are important tools, impact measurement adds value accountability by measuring the long term impact of the entity's efforts. Accountability is better demonstrated by measuring long termimpact created by the entity. A non-profit entity is a 'human change agent'. Its product or service is the long term effect of a cured patient, (not merely the number of patients treated) or a child that learns, (not mere count of children enrolled) or a youngster growing into a self-respecting adult; (not merely skill training or providing employment). Although time consuming and complex, this exercise will go a long way in making accountability purposeful for all the stakeholders.

- Social Audit is a relatively new tool and is much wider in scope than impact measurement.It is a process of appraising an entity's operating procedures, code of conduct, and other factors against predetermined standards. It aids the entity's strategic planning and is useful in building public image. It facilitates the State to partner with the entity in developmental activities. However it lacks objectivity as setting standards for audit is a difficult exercise and influenced by a number of factors. It is time consuming. It is expensive as it involves engagement of professionals and experts to conduct the audit. Conducting a social audit once in a way is highly recommended by large donors.

Rather than relying on one tool, a combination of the above may be used in a given situation to adequately demonstrate accountability.

The following comparative table (Adapted from Accountability in Practice ; AlnoorEbrahim) summarises the various accountability tools and depicts the entity's response to it:

Accountability –tool/process	To whom	Driven by	Organisation response
Reports	All stakeholders especially donors, Regulator/ government	Legal requirement (filing annual reports, tax reports, and donor reports arising from partnering agreements)	Primary function with short term objective
Performance evaluation	Donors and themselves	Funding requirement and for self-evaluation	Primary with possible medium term objective
Impact Measurement	Donors, and themselves	Funding and self evaluation	Strategic and for long term
Social audit	To themselves and for donors	Valuation of social performance, building public image	Strategic and for long term

CHALLENGES IN DRIVING ACCOUNTABILITY IN VOLUNTARY SECTOR

The need for driving, enforcing and evaluating accountability requires no elaboration. The complex nature of the voluntary sector in terms its size, number of entities and variety of players in it, makes the exercise of driving accountability a necessity. But it is a daunting task and entities in this sector ace a number of challenges in this regard. Some of them are:

a) Lack of proper accountability framework: Most entities in the sector do not have a well-defined mission or goal. In short they do not have a 'bottom line' to enforce accountability.

b) **Self-limiting, inward looking, short sighted goals:** Voluntary organisations often fall into the fallacy of' we are servicing good cause, and that itself is sufficient' and refuse to buy into the idea of measuring long term impact of their work. They lack long term perspective, management expertise and professionalism.

c) Lack of resources: Most of the NGOs are starved of funds and are forced to deny themselves the benefit of employing competent staff. They are also unwilling to invest time and resources for professional management of the entity's affairs, and are carried away by the need to allocate 'more' for the programmes, than for administrative expenses.

d) Issues relating to board constitution: Key positions in majority of the entities in the sector are occupied by the promoters of the entity, or their family members, without giving regard to their suitability for the position. Appointments of such persons may hamper the entity's progress. It dilutes objectivity in decision making and inhibits free discussions. Importantly,it dampens the entity' accountability.

Other issues related to board constitution that hamper accountability are: absence or poor participation of independent directors, Chairman and CEO positions held by the same person, reluctance for evaluation of the board performance and absence of codes for disclosure and conflict of interest.

e) Complacency of Board members: Most board members on a non-profit board are 'invited' to be board members, so that their name lends credibility. This tends to make the person complacent and content with merely lending his name. Extracting accountability from such members is challenging. Often a Board role in a NGO is not taken seriously. Many of the board members limit their participation to friendly discussions and liberal appreciation of the activities. They avoid constructive participation in driving governance. Rarely board members are willing to be accountable their role or subject themselves to an evaluation process.

f) Credibility of codes: In the area of self-regulation, the credibility of formulation of codes and implementation is a big question. There are hardly any sector specific entities in the nature of an umbrella agency competent to establish such codes for governance.

g) Absence of Accreditation processes: Absence of established accreditation process or its usage is yet another reason for lower standards of accountability. If accreditation is mandated it will lead to better accountability. However accreditation of voluntary sector is a distant proposition in India.

h) Inadequate State machinery for enforcement: Legal requirements and threat of penal action do not always drive the entity towards compliance and accountability. For instance a report of the FCRA states that about 40% entities have not filed their annual reports. A vast number of trusts and societies do not file returns and report as required by the statute. Hundreds of entities fail to adhere to the laws thereby risking penal action, loss of grants, loss of goodwill due to blacklisting, reflects a casual attitude towards accountability.

Overcoming these challenges will pave the way for better accountability by this sector.

VOLUNTARY SECTOR: ROLE OF COMPANY SECRETARY

Accountability in letter and spirit, is the need of the hour. Multiple challenges deter most of the entities in this sector to shy away from being accountable. All stakeholders – donors, State, the entity, the board, the employees and volunteers, beneficiaries and the community - need to come together to put in place proper standards and mechanisms for driving accountability.

The first step in this direction would be to create awareness. It should be supported by extensive education, training and moderate state regulation. Professionals can facilitate this to a large extent. Amongst various professionals, the company secretary, as governance professional, is most suited for this task. With expertise in law, exposure in management faculties, hands on training in formulating and executing governance processes, and communication skills, a company secretary is well equipped to partner with a non-profit entity to make accountability effective. Following are some areas in which a company secretary can play a significant role:

- Structuring of the entity (choice of form of legal entity
- Drafting of charter documents (Memorandum, Articles, Trust Deed, Society bye-laws)
- Structuring the constitution of the Board
- Facilitating the conduct of board /stakeholder meetings
- Ensuring legal compliance
- Drafting of voluntary codes for governance
- Coordinating and integrating various stakeholders
- Timely reporting to stakeholders
- Evolving governance codes and processes
- Governance education and training of stakeholders in governance
- Strategic Planning , Execution and Evaluation.
- Advocacy at various levels of government machinery
- Facilitate accreditation and audit by external agencies

A company secretary, in short can be the governance consultant of a non-profit entity irrespective of whether it is a Trust or Society or Corporate. This sector offers excellent opportunities for a company secretary to partner with it and meaningfully contribute to the development of a community and therefore the nation.

CONCLUSION

To conclude, it is worth reminding oneself that accountability does not happen in isolation. It is people centred. A non-profit entity is 'of the people, by the people, for the people'. External factors and mechanisms can drive accountability only to an extent. The attitude of its stakeholders towards accountability and governance at large is the key factor that will make it work in the long run.As stated by Peter Drucker, " every stakeholder – from the donor to the beneficiary – should ask himself "What should I hold myself accountable for by way of contribution and results? CS

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Ethics and Governance

Another Opportunity for CS to be Designated as CXO

Time has arrived when Company Secretaries should move a step ahead and assume the leadership role in governance and guide corporates in adhering to ethical values and adopting and implementing better governance practices for achieving their vision and mission. Once they assume this new found role, then corporates would look up to them for devising strategies to meet their aspirations in an ethical environment.

BACKGROUND

'In law a man is guilty when he violates the rights of others. In ethics, he is guilty if he only thinks of doing so'.

German Philosopher - Immanuel Kant

Ethics, in common parlance means moral principles that govern one's behavior and activity by differentiating between 'right and wrong' as well as 'moral and immoral' activities. Business ethics is the application of general ethical standards and principles in making business decisions and guiding the conduct of their personnel. On the other hand, the objective of corporate governance is enhancement of long term shareholders' value while at the same time protecting the interests of the other stakeholders.Governance based on ethical standards for effective management of the business wealth along with discharge of social responsibility for sustainable development of all the stakeholders is the focal point of present day business Enterprises.

With tremendous increase in size of businesses, the importance of governance and ethics has also grown. Implementing and sustaining robust ethical and governance

culture in corporates has gained momentum during last two decades. Company Secretary(ies) ('CS'), being the officers responsible for ensuring proactive and timely compliances, are placed aptly for adopting and implementing better governance practices and creating an ethical culture in the organisation. This article analyzes the proposition that ethics and governance provide adequate opportunity for CS to be designated as CXO.

* views expressed in this article are solely the views of the authors and not of the Company or the Group they are employed.

ETHICS AND LEGISLATIONS

Business and ethics go hand in hand. Ethics is not mere morals which corporates can choose to follow or discard. In the present global scenario, ethics and governance have become an integral part of legislations and also the success 'mantra' for businesses.

Nevertheless, inference of ethics can also be drawn from section 300 of the Companies Act, 1956 ('the Act') corresponding to section 184 of the 2013 Act which states that no director shall take part in the discussions of or vote on any contract or arrangement entered into where he/ she is directly or indirectly interested. In reality, there are many companies in which a director steps out of the Board room when any matter is taken up for discussion or approval of the Board in which he/ she is interested. The requirement merely says that interested director(s) should not take part in the discussions. This means that there is no requirement for the interested director to step out of the Board room. However, stepping out of the Board room is a fine example of adhering to ethics since mere presence of interested director in the Board room during discussions can influence the decisions of other member(s) of the Board .

With the enactment of the Sarbanes Oxley Act ('SOX'), the concept of ethics has gained impetus. Section 404 of the SOX requires the companies that file annual report with Securities & Exchange Commission ('SEC') to report on management's responsibilities to establish and maintain adequate internal control over the company's financial reporting process as well as the effectiveness of the company's controls. It further requires public companies to disclose whether they have adopted a code of ethics. For companies listed on the New York Stock Exchange, this requirement has been expanded to require such companies to adopt and disclose on their websites a code of business conduct and ethics for directors, officers and employees.

In India, ethics has become a part of legislations and gained added importance with the inclusion of the requirement pertaining to 'Code of Conduct' in clause 49 of the Listing Agreement. As per the said requirement, the Board has to lay down a code of conduct for all Board members and senior management of the company and also post the same on the website of the company.

ETHICS MEANS GOING BEYOND MERE COMPLIANCES

Adopting business ethics and better governance practices provides an opportunity to differentiate oneself and one's company from the rest. Ethics in business involves issues of disclosures, transparency and accountability, legal and regulatory environment, appropriate risk management measures, information flows and the responsibility of senior management and the board of directors. Ethics in current business scenario means going beyond mere legal and statutory compliances. Organizations must make a whole hearted effort to comply not just with the letter of the law but also with the spirit of the same. Some of the recent instances of following this principle are outlined below:-

- Pursuant to the announcement of acquisition of Cairn India Limited ('Cairn India') by Vedanta Group ('Vedanta'), the ultimate holding company of Cairn India (i.e. Cairn Energy Plc.) sought approval of the Govt. of India ('GoI') for sale of majority stake in Cairn India to Vedanta. The Government granted consent for sale of majority stake subject to fulfillment of certain conditions which *inter-alia* included undertaking that the royalty paid by ONGC is cost recoverable by ONGC as contract cost and withdrawal of the arbitration case relating to the dispute on payment of Cess under the Production Sharing Contract. The acceptance of these conditions had substantial financial impact on Cairn India. Further, acceptance of these conditions did not require the approval of the shareholders of Cairn India. Mere acceptance of the same by the Board of directors of Cairn India and its holding Company would have been sufficient compliance of the requirements. Nevertheless, Cairn UK Holdings Limited, immediate holding company requisitioned the Board of Cairn India in terms of Section 169 of the Companies Act, 1956 for seeking approval of the shareholders of Cairn India to consider the conditions imposed by GoI in the interest of all the shareholders. The Board of Cairn India sought vote by way of a postal ballot as it was more appropriate and democratic process for determination of a decision of significant nature. Above all, the management of Cairn India did go a step further and published the voting details of non-interested shareholders (i.e. public shareholders) which was beyond the compliance requirement. [[Source :Postal ballot notice/ results as disclosed in www.cairnindia.com]
- There are numerous listed companies which seek vote of shareholders by way of postal ballot as against conducting extraordinary general meeting for approval of items requiring shareholders' approval. This is due to the fact that seeking vote of shareholders by way of postal ballot is a more appropriate and democratic process for determination of decision of shareholders.
- For urgent business matters requiring approval of the Board of Directors, resolutions are circulated in which assent or dissent of directors is sought. This does not require any discussion and mere assent/ dissent is sufficient. However, there are companies which follow a practice of having conference calls with the Board members for not only seeking approval of circular resolution(s) but for various matters that may need board discussions or decision in between two board meetings.
- Corporate Social Responsibility (CSR) is another such area which has been accepted widely by corporates across India.

It has created an impression on the promoters that business and CSR should go hand-in-hand.

TRANSFORMATION OF CS FROM STATUTORY OFFICER TO CXO

CXO generally means corporate executives whose job titles start with 'Chief' and end with 'Officer'. CXOs are top management officials, a level below the Board who are responsible for implementing the business decisions. Over the last two-three decades, heads of executive, operation, finance, Human resources, Information and Technology departments have brought sea changes into their respective functions and they are now being called as Chief Executive Officer ('CEO'), Chief Operating Officer ('COO') Chief Financial Officer ('CFO'), Chief People Officer ('CPO'), Chief Information Officer ('CIO'), Chief Technology Officer ('CTO') respectively.
CS is an executive primarily in-charge of overseeing company secretarial matters, ensuring compliances and corporate governance issues. Hence, CS is the most apt official for implementing and sustaining ethical governance in the company. CS can give unbiased view to the Board and other stakeholders for creating and sustaining an ethical and properly governed environment.
The symptoms of CS becoming CXO are visible with some of the corporates designating their CS as CSO and CCO.

CS TO CSO

Over a period of time, Company Secretaries have added value in the Secretarial functions and have become unchallenged professionals to discharge the secretarial duties. This led some companies to designate their Secretarial Head who happens to be CS as Chief Secretarial Officers.

CS TO CCO

With the insertion of requirement in Clause 49 of the Listing Agreement that the Board should review compliance reports of all laws applicable to the company and steps taken to rectify instances of non-compliances, the management of the corporates have entrusted the responsibility of compliances on CS. CS have stood tall in meeting the expectation of the managements and consequently several companies have designated their CS as Chief Compliance Officers.

The emerging role for CS now would be to become the torch bearers for implementing and sustaining the ethics and governance and to gain the confidence of management to become the Chief Ethics/ Governance Officer.

CS TO CHIEF ETHICS OFFICER / CHIEF GOVERNANCE OFFICER

Ethics and governance go hand in hand. Ethics is a combination of strong values/ morals and leadership by example whereas corporate governance is the set of processes, customs, policies and laws to enhance stakeholders' value. Properly governed corporates would be ethical and highly ethical companies would be well governed ones.

As the Listing Agreement requires companies to lay down a Code of Conduct for all Board members and senior management, detailed Code of Conduct/ Code of Business Ethics/ Code of Ethics ('the Code') by whatever name called is already in place in the listed companies. Companies which propose to get their shares listed on the Stock Exchanges, also need to put in place the Code before getting listed.

CS play an important role in laying down the detailed Code, the affirmation of compliances with the Code on an annual basis from the Board members and the senior management and incorporating the declaration to that effect signed by the CEO in the Annual Report. This would transform the CS from being known as statutory officer/ compliance officer to ethics/ governance Officer. Thet are now on a strong footing since the managements now look up to the CS when anything pertaining to corporate governance and ethics comes up.

CS can play a pivotal role in developing an ethical and better governed environment within an organization and build a system that is revered by all the stakeholders by adopting/ implementing the following:-

- Ensure to draft and implement a robust Code which should cover conflicts of interest, bribery / corruption, gift/ hospitality, confidentiality, insider trading, employee contributions to outside organisations, interaction with governments, buyers, suppliers, health, safety and environment, fair employment practices, legal and contractual compliances, financial integrity, protection of assets, dress code etc.
- Insist that the Code should be applicable not only to the Board members and senior management but also all permanent employees (Officers & above).

- Obtain an undertaking from existing employees including members of the Board and freshers confirming that they would observe the compliance of the Code on ongoing basis. The undertaking should state that the affirmation of compliances of the Code would be submitted to the CS within 7 days from the end of each financial year.
- Ensure to widely communicate the Code which can be done by distributing pamphlets and handouts, periodic E-mails stating dos and don'ts and in-house training. Proper training would instil a sense of responsibility among the employees of being guided by the Code. This should be a continuous process.
- Act as ethics/ governance coach who can guide employees facing dilemmas. CS as Ethics/ Governance Officer can guide and counsel employees to adopt ethical concepts, use analytical skills and decision-making tools to facilitate ethical resolution of a problem. As an ethics coach, CS have to maintain confidentiality of the problems that would come up for elucidation.
- The Ethics/ Governance Officer need to be unbiased and think about the greater good of the organization while providing solution to any ethical problem.
- Ensure that the Code is being followed in letter and spirit by all the employees and proper control mechanisms are in place to detect deviation. Whistle-blower mechanism should be encouraged within the organization to check fraud/ unethical behaviour.
- Disseminate awareness amongst the employees to rise above any pressure for short term performance and insist that business strategies should be developed on long term goals.
- Establish an Ethics/ Governance Advisory Committee having senior representatives including Managing Director/ member of Audit committee of the Board who would be responsible to monitor the effectiveness of the Code; and reward/ punishment for adhering/ violating the ethics/ governance policies of the organization.
- Co-ordinate the development and implementation of the corporate ethics/ governance programme periodically.
- Evaluate and measure the state of compliances across the organization and ensure that proper compliance mechanism is in place.
- Ensure that all disclosure requirements are completed promptly since an organization having effective disclosure mechanism promotes greater investor confidence and implies greater responsibilities on the company directors and its management.
- Establish an internal reporting channel (formal/ informal), including, but not limited to, a help line that employees and stakeholders may use to seek advice and report concerns without fear of reprisal.
- Build a mechanism to conduct appropriate inquiries and investigations on malpractices preferably by a committee comprising heads of legal, human resources and internal audit wherever necessary.
- Co-ordinate or conduct inquiries and investigations on ethical lapses to ensure proper follow-up on malpractice reports and resolutions.
- The duty of CS as an ethics/ governance leader would be to strive to promote and encourage development of ethical culture in the organization.
- In case any unethical behaviour or deviation from the Code is observed or brought to the notice, then it should be ensured that such misconduct/ violations are put to rest and the offender is suitably punished promptly. The Code is meant to lay down certain ground rules to promote ethical conduct and good practices and to deter wrong doing.
- Ensure to update Ethics/ Governance Advisory Committee periodically about the details of investigations carried out and rewards and punishments given to employees for adherence/ violation of the ethics/ governance policies of the organization. If required, the CS should seek guidance of the Committee for resolution of critical matters. This would encourage an ethical and governance culture within the organization.
- Periodically, the CS should review the adequacy of requirement laid down in the Code and, if required, amend the same from time to time.

WAY FORWARD

There is no such thing as business ethics. There is only one kind - you have to adhere to the highest standards.

Marvin Bower, former managing partner
of McKinsey & Company

While in countries like the United States of America, the role of a chief compliance officer has been expanded to include issues relating to ethics, in India the concept of Chief Ethics/ Governance Officer is still in a nascent stage. Some Tata group companies like Tata Sons, Tata Steel and Tata Teleservices are among the few which have ethics officers. (Source: Economic Times - June 9, 2013).

The time is ripe for Company Secretaries to move ahead and assume the leadership role in ethics/ governance and guide corporates in adhering to ethical values and adopting/ implementing better governance practices for achieving their vision and mission. Once the CS assume this new found role, then corporates would also look up to them for devising strategies to meet their aspirations in an ethical environment. The duties of CS in such an environment would increase to a manifold extent.

To effectively discharge the role as Ethics/ Governance Officer, the CS would be required to keep an eye on all activities of an organization, from operational matters to compliances, governance and ethics. Ethics/ governance are emerging areas in India and Company Secretaries are poised to grab the attention of management in leading ethics/ governance functions of the Company and become Chief Ethics Officer/ Chief Governance Officer. CS

Article

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Governance in Companies
Transforming Role of Company Secretary in Changing Scenario

This article's focus is on a wide spectra of governance in profit making companies vis-a-vis transforming role of Company Secretary as governance professional and also as independent director in such a system that is poised for uplifting the ethical value of the organization.

"Wise distrust and constant watchfulness are the parents of safety."

-Thomas Secker
Archbishop of Canterbury, UK (1693-1768)

INTRODUCTON

The word 'governance' is derived originally from a Greek word and means 'the act of governing.' In common parlance it is the act by a government in a nation/state. Government is the 'governing body' and what the governing body does is 'governance' wherein the rules are set and implemented. Simultaneously implementation is monitored to set right any deviation from right track.

Nation/State apart, the word 'governance' has now wider connotation and percolated through various organizations. Corporate governance is the buzz word now since companies whether profit making or not cannot avoid following a set of rules of laws keeping in view the prudent administration and control for the sake of growth and sustenance. In accordance with the Cadbury Committee Report 1992, (U.K) corporate governance pertains to a system directing and controlling the corporations.

This article's focus is on a wide spectra of governance in profit making companies *vis-a-vis* transforming role of Company Secretary (CS) as governance professional and also CS as independent director in such a system that is poised for uplifting the ethical value of the organization.

ORIGIN OF CORPORATE GOVERNANCE

Since independence the socialist policy followed by the Indian Government stressed on capital invested mostly on building infrastructure rather than on the return on investment. The Government had adopted liberalization measures following the financial crisis in 1991. The Government strongly felt for a regulatory body. Securities and Exchange Board of India (SEBI) was formed in the year 1992 and thus began the era of Indian corporate governance norms.

The need for raising capital through public issues first led to corporate governance initiatives, rather voluntarily, undertaken by

the Confederation of Indian Industry (CII) in 1998. The next initiative was taken by SEBI in 1999 through the formation of a committee under the leadership of Kumar Mangalam Birla with a view to promoting and raising the standards of good corporate governance. The recommendations *inter-alia* included the role of independent directors, constitution of audit committee and so on. The same were incorporated in clause 49 of the Listing Agreement of the Stock Exchanges.

In 2002 Naresh Chandra Committee set up by the then Department of Company Affairs made recommendations in terms of financial and non-financial disclosures and independent oversight mechanism. SEBI constituted a committee in 2003 under the chairmanship of Mr. Narayan Murthy in order to review clause 49 of the listing agreement and advise steps to improve upon the corporate governance standards. The recommendations mainly focused on audit committee, independent directors, related party transactions, risk management, code of conduct and financial disclosures. Later on the Ministry of Corporate Affairs (MCA) constituted an expert committee on Company Law under the chairmanship of Dr. J. J. Irani to suggest recommendations on a new Companies Bill. After lots of modifications and amendments the bill has now been converted to the Companies Act, 2013 (Act no. 18 of 2013).

The Satyam episode or to be specific Satyam scandal also signaled a need to review the corporate governance issues. The CII recommended a series of voluntary reforms. Enthusiased by that, the Ministry of Corporate Affairs framed a set of voluntary guidelines for corporate governance. These guidelines laid emphasis on the independence of the board, the responsibilities of the board, audit committee, auditors, secretarial audits and mechanism to encourage whistle blowing ultimately casting reflections in the new Companies Act.

INGREDIENTS OF CORPORATE GOVERNANCE

Governance in any sort of organization should obviously aim at good governance. A reasonable or rational purpose of governance is to make certain that an organization produces a worthwhile pattern of good results while avoiding an undesirable pattern of bad circumstances. Any theory of bad governance driving out good governance alike the age old controversial economic theory 'bad money drives good money out of circulation' finds no validity. The objective is to reach a high level of good governance and gradually to higher, if not highest at the later stages.

The Corporate sector is no exception. In the environment of corporate scams global wise corporate governance has assumed added significance. The mission of corporate governance is to utilize the scarce resources of the organization in efficient manner with a view to raising the value of investment for the shareholders in general and the stakeholders at large. Accountability coupled with transparency is an integral part of the governance norms.

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Evaluation process of corporate governance brings into light the following aspects of corporate responsibilities:

- The organization should take care about the rights of shareholders and help shareholders exercise those rights.
- The organization should recognize that it has legal, contractual, social and market driven obligations to non-shareholders covering entire gamut of employees, investors, creditors, suppliers, local communities, customers and policy makers.
- The organization should provide for economic integration among internal and external shareholders while keeping in mind the basic philosophies that govern its operations.
- The organization should initiate appropriate measures to see that socio-economic interests of their stakeholders are protected in case of adopting strategic decision. If deemed necessary, a consensus will have to be arrived at for a decision to take them in to confidence by providing stringent transparency as to the factors that are influencing the organization.
- Integrity should be a fundamental requirement in choosing corporate officers and board members. The organization should frame a code of conduct for its directors and executives that would encourage ethical and responsible decision making.
- Organization should clarify and make publicly known the roles and responsibilities of board and management to provide stakeholders with a level of accountability. The integrity of the organization's financial reporting should be safeguarded. There should be timely disclosure of material matters related to the organization and all investors should have access to clear and factual information.
- Whistle blowers can play very important part in providing information about corruption, fraud and malpractices. Greater interest of the organization and its stakeholders would be served if there be exposure of fraud and corruption in public and as such protection of whistle blowers needs to be considered.

In order to set the Indian model of protection of whistle blowers it would be pertinent to go through the statutory protection for whistle blowers in UK, USA and other developed countries first, since there is bound to be a paradigm shift in Indian model in the matrix of change in ambience of the Indian corporate sector.

- Corporate governance practices as a part of the policy measures of the organization will have to be considered by the internal shareholders as a sort of their organizational culture and such practices will have to be adopted as a value system essential for their growth and excellence within the organization.
- Last but not the least, corporate governance practice will have to integrate into the objective of the organization to provide for corporate social responsibilities which can in turn help it in bringing synergy into its operations. Corporate governance structure adopted by the organization should add such value so as to deliver optimal value to its stakeholders.

TRANSFORMING ROLE OF COMPANY SECRETARY

When the concept of company secretary first emerged, his nature of responsibilities was compliance-oriented. Ambit of his functioning was limited to oversee the compliance of the provisions of company law and other related laws. He belonged to the categories of employees under staff-function without having any major role to play in the management of the company. The scenario has undergone sea change over the decades. The company secretary now belongs not only to line-function employees, but has a pivotal role to play in the management and administration of a corporate body. He has manifold activities coupled with responsibilities. There has been remarkable transformation in his duties and functioning. His position has gone through transition from mere compliance-oriented to a blending of compliance, governance and business oriented. The company secretary is of late a key man in the management hierarchy to implement effective governance and facilitate business and at the same time take due care about compliance of various laws, rules and regulations.

ROLE OF COMPANY SECRETARY IN CORPORATE GOVERANCE

In the arena of proper implementation of corporate governance in an organization company secretary's role hardly needs any emphasis at the time when there is cry for good governance globally. As principal officer under the Companies Act company secretary has an active part to play especially at this transitional phase of corporate sector. His way of functioning can significantly impact the process of implementing governance in the company. It is quite likely that in majority cases the company secretary is the sole person in the company *au fait* with the corporate governance system, its procedures and practices. In such a situation he will be the key person to act and make all out endeavor to impart training and education to the concerned officials and other important personnel in the organization regarding effectiveness of a system of good governance. He will highlight the features of corporate governance so that awareness is created amidst the organization to set a standard in this direction. Of course, the ambit of duties and responsibilities of a company secretary does not end here. Governance professional as the company secretary is of late considered to be and quite rightly so, he is not only to ensure compliance with what is stated expressly, but more importantly adherence to the implicit essence of corporate governance for the purpose of effective implementation in the greater interest of the organization and stakeholders.

In the globalised economy the role of a company secretary has evolved drastically. In the prevalent corporate scenario he is considered to be advisor to the board of directors. He is the trusted man of the board and custodian of the shareholders in particular and stakeholders in general.

After liberalization of the Indian economy the country is going for international ventures in various fields to a great extent. This has been essential for the industries for survival. In the circumstances ethical and transparent governance of the organization is imperative for entering into and sustaining such international ventures and partnerships. Board's reliance and dependence lie mostly on the company secretary to bring in the highest norms of transparency in the affairs of the company at this stage.

Everything may not always be smooth. In the process of setting up ethical and transparent standards in the corporate affairs the company secretary may have to encounter hurdles and obstacles

especially from a section of management itself. Notwithstanding such impediments that may come on the way, the company secretary ought to proceed with his task in accordance with the changing law, rules and regulations of the country. He should not give up courage and not relent, being on the right track of implementing governance in the organization focusing on ethical, transparent and open system.

INDEPENDENT DIRECTORS THEIR STRENGTH ON THE BOARD AND ROLE IN GOVERNANCE

Definition

Clause 49 of the Listing Agreement of the stock exchanges gives definition of independent director. Independent directors mean non-executive directors, who apart from receiving directors' sitting fee and meeting related expenses, do not have any material/ pecuniary relationship or transactions with the company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates, which in judgment of the board may affect independent judgment of such directors. They are expected to be independent from the management and act as trustees of the shareholders. This implies that they are obligated to be fully conversant with the conduct of business on relevant issues in the organization.

Companies Act, 1956 had no provision for independent directors. The concept of independent directors has found place in the new Companies Act, 2013 for specified companies. Under the Act an independent director shall not be entitled to any remuneration other than sitting fee, reimbursement of expenses for participation in the board and other meetings and profit related commission as may be approved by members. He shall not be entitled to any stock option.

A nominee director appointed by any government to represent its shareholding in a company shall not be deemed to be an independent director.

Strength on the Board

Clause 49 of the Listing Agreement stipulates that specified listed companies are mandated to appoint independent directors. In case of an executive chairman of the board or a non-executive chairman being related to promoter etc, half of the board members shall be independent directors. In case of non-executive chairman who has no relationship with promoter etc, one third of the total number of the board members shall be independent directors.

The strength of independent directors on the board as per Companies Act, 2013 as provided in section 149(5) shall be as follows:

- All listed companies shall have at least one-third of the board as independent directors.
- Such other class or classes of public companies as may be prescribed by the Central Government shall also be required to appoint independent directors.
- Only an independent director can be appointed as alternate director to an independent director.

Role of Independent Director in Corporate Governance system

As evident the motto of the corporate governance is directed to enhance the value of an organization through ethical behaviour by resorting to a policy of disclosure, transparency and fairness. Attainment of enhanced value may not always have any bearing on the corporate performance. Ensuring better governance does not necessarily mean better performance. Important role of independent directors lies in harping on the transparency and fairness to raise the ethical standards of the corporate body. With their participation in the board meetings, audit committee meetings and other committee meetings the independent directors are expected to stress on the improved internal control for prevention of fraud and financial mal-practices. This would help promote more transparent corporate reporting with full disclosures and instill confidence in the shareholders in particular and the stakeholders in general. Though achieving enhanced value may not be linked to better performance of a company, ultimate goal of corporate governance is however to strive for maintaining better performance level while linking the same with ethical value, transparency and fairness on sustained basis.

Presence of independent directors on the board of specified listed companies in pursuance of clause 49 of the Listing Agreement of the Stock Exchange was considered as a pragmatic step and benefits of such measures have gradually been accruing. Induction of independent directors on the board of listed companies has been effectual in striking a balance in the composition of the board. Investors' confidence has been restored to considerable extent by such move.

The provision in the Companies Act, 2013 for mandatory appointment of independent directors in specified companies, though belated, is appreciable since induction of independent directors on the board is a need in the scenario of reported cases of financial irregularities and fudging by corporate bodies.

Only good corporate governance can prevent corruption and financial irregularities in the corporate sector if the company be equipped with a strong and enriched board having requisite number of independent directors displaying independence in the conduct of business of the affairs of the company during deliberations at the board meetings or at other forum where they are members.

COMPANY SECRETARY AS INDEPENDENT DIRECTOR

The Company secretary has a different role to play in the

effective implementation of the corporate governance system in a company and this role is as independent director. The independent directors occupy vital position in a corporate governance system. Disclosure, transparency and constant monitoring of the financial mechanism of the organization to make it free from irregularities and mal-practices depend considerably on the active functioning of the independent directors. Company secretary in employment cannot hold the office of independent director because of his position of profit in the organization. The company secretary in practice can however hold the position, if otherwise not disqualified for being a director, and he may make significant contribution in fruitful implementation of governance. Prior to considering justifications for appointment of a company secretary as independent director there should be a glimpse at the definition and the role of independent directors in corporate governance system.

RATIONALE FOR APPOINTMENT

In the perspective of the duties and responsibilities of independent directors in corporate governance structure, it emerges that an independent director is an arm of this system. Consequently he needs to be fully conversant with the principles, procedures and practices of corporate governance to function efficiently and contribute gainfully so that the company produces a worthwhile pattern of good results while leaving apart the undesirable pattern of bad circumstances. Unless the independent director is so acquainted with the system, it is quite likely that he would not be in a position to do justice to his office as independent director and as a consequence worthwhile pattern of good results of the system will not be achievable.

A company secretary, if appointed as independent director in a company, is expected to make positive contribution to implementing process of governance and also to its sustenance by virtue of his knowledge and professional skill about the system and familiarity with the corporate culture. He is expected to give thrust to ethical and transparent governance with openness and disclosures. Interest of shareholders and other stakeholders are likely to receive his close attention.

The company secretary should remain in the priority list of panel for appointment as independent directors because of his constant professional touch and dealing with the overall corporate affairs as well as prompt adaptability with the system while keeping in view his conversancy with the practical aspects of the concerned subject.

SETS OF CONDITIONS TO GOOD GOVERNANCE FOR CONSIDERATION

A system cannot just work unless certain pre-requisites or sets of conditions are observed or maintained. A company to be deemed to be under the aegis of good governance needs to conform to some sets of conditions as otherwise fragility may grasp the system and undesirable pattern of bad circumstances would prevail to the detriment of the process.

Such sets of conditions as appear to strengthen the system are highlighted here below for consideration:

- The corporate governance structure in a company is oriented considerably on the company secretary's significant role as governance professional apart from merely a compliance officer. He is expected to introduce objectivity to the oversight function of the board and improve upon its efficiency. It is imperative that he be able to function freely to fulfill the motto of the corporate governance.
- Independent directors (IDs) forming another arm of corporate governance in a company and having crucial role to play in the system need to be 'independent' in the real sense of the term. Independent directors who are sympathetic to management, while still technically independent according to regulatory definition will not be in a position to render effective service to the system of governance to the benefits of the stakeholders at large. While IDs cannot take part in company's day to day affairs or decision making, they need to have courage to raise the right issue at the right time and question the decision of the board, if it is adverse to the orientation of ethical value and transparency. They should give dissent note on such matter without prejudice to other steps, if any.
- There needs to be uniformity in the provisions of SEBI and provisions of the Companies Act thereby avoiding any conflict and removing any scope for any slip from any corner.
- The Audit committee gives a good platform for IDs for gainful deliberations. They should avail of this platform to bring forth their views and observations on the aspects of fraud

prevention and detection and overall financial transparency.

- In a government company or government managed company the government is in the role of promoter. If IDs in such a company be appointed out of government panel, independence of such directors might not be beyond ambiguity. It would be prudent if appointment of IDs in a government company or government managed company be made out panels of renowned Institutions / Universities without government intervention.
- The term of IDs may be restricted to maximum five years in one company. Long association is likely to change the mindset of an individual.
- IDs need to function at close heels with the company secretary of the organization since the latter is not only the principal officer but also the governance professional in setting the ethical value and bringing in transparency in the system.
- A monitoring mechanism needs to be in motion in the organization to oversee the effectiveness of the governance. For this purpose a committee or a body comprising IDs in major number with the company secretary as convener might be constituted to avoid any flip-flop in the system.

CONCLUSION

'Kaizen' is a Japanese term which aims to eliminate waste, improve efficiency and humanize the work place. A prominent linkage of the expression is noted with the concept of corporate governance. The wider connotation of the term 'waste' *inter-alia* points at irregularities, mal-practices and fraud. Corporate governance aims at elimination of all sorts of malpractices by detecting the sources thereof and mitigation of risk of fraud thereby bringing openness and transparency in the system and enhancing intrinsic value of the organization. The efficiency of the organization hinges on ethical and transparent governance especially in global economy where international business relationship is essential for growth and sustenance.

The board of directors is the main source of strength in corporate governance structure. The company secretary in his transformed role as governance professional and independent directors with their neutral status are the arms of the board and should operate in synchronization with the system to help the board bring in the utmost transparency in the functioning of the company. In the evolving regulatory landscape they should endeavor to deliver with a high level of commitment and due diligence. Prudence is sure to prevail to keep in view that non-compliance with the regulations or guidelines of regulatory bodies or any delinquency in this respect may trigger adverse repercussions including directors' reputational loss and personal liabilities of key personnel of the organization.

It may be apt to conclude this discussion with a quote from Mervyn King S.C. (Chairman: King Report).

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"Organisations need to practice qualitative corporate governance rather than quantitative governance thereby ensuring it is properly run." CS

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CS in Banks- Enhance your skills

Besides being the Secretary to the Boards of directors, company secretaries can render several other services to the Banking companies. All that the company secretaries have to do is to to acquire expertise and sharpen their skills in banking and related laws.

Banking business

Banking means accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise[i], and withdrawable by cheque, draft, order or otherwise. In addition to the business of banking, the Banking Regulation Act, 1949 (BR Act) has elaborated various forms of business which may be carried on by a banking company[ii] . Sub-section (2) of section 6 of the BR Act, prohibits a banking company from engaging in any form of business other than those referred to in sub-section (1) of section 6. Hence, a banking company has to necessarily develop and offer its products in conformity with the definition of banking as also the forms of business it is permitted to pursue.

Company secretary in Banks

The role of company secretary in a banking industry was not accorded importance even after the insertion of section 383A in the year 1975 in the Companies Act, 1956. This could be due to the reason that some of the banks then existing were established under special Acts like the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959 and the Banking Companies(Acquisition & Transfer of Undertakings) Act, 1970 / 1980. The above banks were/are not companies within the meaning of the Companies Act, 1956. They were/are statutory corporations and regulated by the respective enactments establishing them. Often these banks had one of their senior officials looking after the functions of the secretarial department in addition to other function/s entrusted to him. The need for appointment of a qualified company secretary in bank got accentuated after the first round of licensing of new banks in the private sector. Around this time more and more of the statutory corporations functioning as banks also accessed public with the issue of shares to augment their capital and such shares were also listed in recognized stock exchanges. The insertion of clause 49 in the listing agreement after the concept of Corporate Governance gained importance. Also the report of Dr. Ganguly Group provided further impetus to the appointment of qualified Company Secretary in banks.

Arising out of the Dr. Ganguly Group report, the Reserve Bank of India (RBI) issued a notification on June 20, 2002 advising banks to adopt and implement the recommendations of the Group in the banks. Under the heading "Recommendations applicable only to public sector banks", in sub-para (ii) dealing with Company Secretary, the notification mentioned: -

> "The Company Secretary has important fiduciary and company law responsibilities. The Company secretary is the nodal point for the Board to get feedback on the status of compliance by the organisation in regard to the provisions of the company law, listing agreements, SEBI regulations, shareholder grievances, etc. In view of the important role performed by the Company Secretary *vis-a-vis* the functioning of the Boards of the banks, as also in the context of some of the public sector banks having made public issue

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it may be necessary to have Company Secretary for these banks also. Banks should therefore consider appointing qualified Company Secretary as the Secretary to the Board and have a Compliance Officer (reporting to the Secretary) for ensuring compliance with various regulatory/ accounting requirements."

By virtue of this notification, the Company Secretary has been placed on a higher pedestal than the Compliance Officer in public sector banks. The Company Secretary was not only required to look after the secretarial functions but also had to oversee the compliance functions.

Interplay of other enactments and returns

The BR Act, being the principal enactment relating to the licensing, establishment and conduct of business by a banking company, regulates various aspects of the working of a banking company. There are as many as 49 enactments that have interplay in the functioning of banks. A full-fledged bank is required to file as many as 223 returns . If one takes into account the periodicity of filing these returns, namely, fortnightly, monthly, quarterly etc. the number of returns to be filed in a financial year will far exceed the said number. These do not comprise returns to be filed with the Registrar of Companies, if the banking company has been incorporated as a company under the Companies Act. At times, on a given date, five or more returns may fall due for filing.

Banking Company Structure

While the existing banks can continue to operate as per their present corporate structure (statutory corporation or companies within the meaning of the Companies Act, 1956), for the proposed new banks in the Private Sector, as per the Guidelines for Licensing of New Banks in Private Sector issued by RBI on February 22, 2013 (the Licensing Guidelines), the Promoters /Promoter Group will be permitted to be set up a bank only through a wholly-owned Non-operative Financial Holding Company (NOFHC) . In this connection, it is advisable to keep the details contained in the concept paper on "Holding Companies in Banking Groups" circulated by RBI in view while developing the corporate structure.

BR Act and other laws

Section 2 of the BR Act states: - "The provisions of this Act shall be in addition to, and not, save as hereinafter expressly provided, in derogation of the Companies Act, 1956 and any other law for the time being in force". This shall be kept in view while interpreting the provisions on the same subject matter found in the BR Act and any other enactment(s). In view of the notification bringing into force some of the provisions of the Companies Act, 2013 and future notifications to be issued for bringing into force other provisions of the Companies Act, 2013 read with the clarification notification (MCA circular No. 16/2013 dated 18.09.2013), it is necessary to have regard to the provisions of the Companies Act, 2013 rather than those contained in respect of the same subject matter in the Companies Act, 1956, as those provisions of the Companies Act, 1956 have ceased/ will cease to have effect from the date of making the new provisions effective.

The directions, guidelines and circulars, if issued generally, by RBI have a statutory force and binding on all banks. It is, therefore, expedient for a Company Secretary to keep abreast with the directions, guidelines and circulars issued to all banks from time to time by RBI and comply with the requirements contained therein.

Directions, Guidelines and circulars issued by RBI

Section 35A of the BR Act empowers the RBI to give directions to banking companies generally or to any banking company in particular, from time to time. The directions, guidelines and circulars, if issued generally, by RBI have a statutory force and binding on all banks. It is, therefore, expedient for a Company Secretary to keep abreast with the directions, guidelines and circulars issued to all banks from time to time by RBI and comply with the requirements contained therein.

Subscribed Capital

Section 12 of the BR Act stipulates that the subscribed capital of a banking company shall not be less than one-half of the authorised capital and the paid-up capital shall not be less than one-half of the subscribed capital. Further, the minimum paid-up voting equity capital of a new bank, as per the Licensing Guidelines shall be Rs. 5 billion (Rs. 500 crore). RBI, vide DBOD. No. PSBS.BC 79 /16.13.100/2001-2002 dated March 20, 2002, issued guidelines relating to pricing of shares by private sector banks. These guidelines cover initial public offers (IPOs), rights issues, bonus issues and preferential issues.

Restriction on voting rights and transfer of shares

A person holding shares in a banking company shall not, in respect of any shares held by him exercise voting rights on poll in excess of 10% of the total voting rights of all the shareholders of the banking company . Though this limit has

been increased to 26 per cent by the Banking Laws (Amendment) Act, 2012 empowering RBI to progressively increase the limit, yet RBI has not increased the limit on the voting rights. It still remains at 10 per cent of the total voting rights of all the shareholders of the banking company.

Any acquisition of shares which will take the aggregate holding of an individual/ entity/ group to the equivalent of 5% or more of the paid-up voting equity capital of the bank will require the prior approval of RBI.

No single entity of group of related entities, other than NOFHC, shall have shareholding or control, directly or indirectly in excess of 10% of the paid-up voting equity capital of the bank.

Foreign Shareholding in the Bank

In respect of foreign shareholding in a bank, the Licensing Guidelines mandate as follows: - "Notwithstanding the current FDI policy, where foreign shareholding in private sector banks is allowed up to a ceiling of 74 per cent of the paid-up voting equity capital, the aggregate non-resident shareholding from FDI, NRIs and FIIs in the new private sector banks shall not exceed 49 per cent of the paid-up voting equity capital for the first five years from the date of licensing of the bank. No non-residential shareholder, directly or indirectly, individually or in groups or through subsidiary, associate or joint venture will be permitted to hold more than 5 per cent or more of the paid-up voting equity capital of the bank for a period of 5 years from the date of commencement of the business of the bank. After the expiry of 5 years from the date of commencement of the business of the bank, the aggregate foreign shareholding would be as per the extant policy".

The RBI, vide circular DBOD.No.PSBS.C.64/16.13.100/2003-04 dated February 3, 2004, issued guidelines for acknowledgement of transfer/allotment of shares in private sector banks. In terms of this guidelines, a private bank has to ensure through articles of association that no transfer takes place of any acquisition of shares to a level of 5 per cent or more of the total paid-up capital of the bank unless there is a prior acknowledgement by RBI.

Board Composition

The composition of the Board of directors of a bank shall be either in conformity with the special statute constituting it or the provisions of Section 10B of the BR Act. As per section 10B of the BR Act, the Board of a private sector bank shall have a majority of independent directors. In the composition of the Board, sector-wise representations have also been stipulated in the BR Act.

The RBI through a notification has advised the private sector banks to follow the following criteria ("fit and proper" for directors of banks) for nominating independent/ non-executive directors on the boards of private sector banks:

- The candidate should normally be a graduate (which can be relaxed while selecting director for the categories of farmers, depositors, artisans etc.)
- He/ she should be between 35 years and 65 years of age.
- He / she should not be a Member of Parliament/ Member of Legislative Assembly/ Member of Legislative Council.

The banks in private sector have to obtain a declaration from the proposed / existing directors and based on the information provided in the declaration. Nomination Committee of the bank shall decide on the acceptance of the candidature of the person for appointment as an independent director. Banks shall also obtain annually a simple declaration that the information already provided has not undergone change. The nominated / elected directors must execute deeds of covenants. Form of Deed of Covenants with a Director has been provided in Dr. Ganguly Group Report.

The BR Act provides that every managing director of a banking company shall be a person who has specialised knowledge and practical experience of (a) the working of a banking company; or (b) financial economic or business administration . BR Act also imposes restrictions on holding certain offices by the Managing Director. A Managing Director shall not (a) be a director of any company other than a subsidiary of the banking company or section 25 company; or (b) be a partner of a firm which carries on trade, business or industry; or (c) have substantial interest in any other company or firm; or (d) be a director, manager,

partner or proprietor of any trading, commercial, or industrial concern; or (e) engage in any other business or vocation . Appointment of a part-time Chairman of a banking company shall be made with the previous approval of RBI and subject to such conditions as RBI may specify while granting the approval .

Section 35B of the BR Act lays down that "no appointment or re-appointment or termination of appointment of a chairman or whole-time director, manager or Chief Executive Officer, by whatever name called, shall have effect unless such appointment, re-appointment or termination of appointment is made with the previous approval of RBI". Banks shall seek the approval of RBI before appointing or reappointing or terminating the appointment of the above persons.

Accounts and balance-sheet

The balance-sheet and profit and loss account of a banking company shall be prepared in the Forms set out in the Third Schedule to the BR Act or as near thereto as circumstances admit. Though the balance-sheet of a banking company is required to be prepared in specified format other than the form set out in Part I of Schedule VI to the Companies Act, 1956, yet the requirements of the Companies Act relating to the balance-sheet and profit and loss account of a company shall apply so far as they are not inconsistent with the BR Act.

Three copies of the accounts and balance-sheet together with the auditor's report shall be furnished to RBI within three months from the end of the period to which they refer. This period is extendable by a further period not exceeding three months. The banking company, at the time of furnishing the accounts and balance-sheet to RBI, should send three copies of such accounts, balance-sheet and the auditor's report to the Registrar of Companies with required filing fee .

Restriction on payment of dividend

According to section 15 of the BR Act, a banking company shall not pay any dividend until all its capitalised expenses (including preliminary expenses, organisation expenses, share-selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. However, it may pay dividends on its shares without writing off (i) depreciation, if any, in the value of its investments in approved securities in any case where such depreciation has not been actually capitalised or otherwise accounted for as a loss; (ii) depreciation, if any, in the value of its investments in shares, debentures, or bonds (other than approved securities) where adequate provision for such depreciation has been made to the satisfaction of the auditor of the banking company; (iii) the bad debts, if any, where adequate provision for such debts has been made to the satisfaction of the auditor of the banking company.

Reserve fund

A banking company shall create a reserve fund and shall, out of the balance profit of each year as disclosed in the profit and loss account and before any dividend is declared, transfer to the reserve fund a sum equivalent to not less than twenty per cent of such profit. (This requirement can be relaxed by an order of the Central Government). Any appropriation from the reserve fund or share premium account shall be reported to RBI within 21 days (extendable by RBI) from the date of appropriation explaining the circumstances relating to such appropriation.

Audit

The balance sheet and profit and loss account shall be audited by a person duly qualified under law to be an auditor of companies. Ever banking company before appointing, re-appointing or removing any auditor or auditors shall obtain the previous approval of RBI . The RBI maintains a list of auditors to be considered for appointment as auditor of a banking company. It is advisable to suggest a list of names to RBI for seeking its approval. As re-appointment of auditors also requires the approval of RBI, before re-appointing the auditors, bank shall obtain the approval of RBI.

Certain Provisions of Companies Act, 1956 do not apply to a banking company

Sections 198, 268, 269, 309(3), 310,311, proviso to section 387, 388, 392, 433 and 583 do not apply to a banking company to any matter in respect of which the approval of the RBI has to be

obtained. A banking company may be wound up by the High Court pursuant to section 38 of the Banking Act. For winding up of a banking company special provisions have been made in Part IIIA of the BR Act (Sections 45A to 45X of the BR Act).

Alteration of Memorandum of a banking company

No application for the confirmation of the alteration of the memorandum of association of a banking company shall be maintainable unless RBI certifies in writing that it has no objection to such alteration.

The special features of the BR Act narrated above are only illustrative and not exhaustive. There are several other special features which are specific to a banking company e.g. connected lending, shareholding in other entities, amalgamation of banking companies etc. It is suggested that a Company Secretary who wish to pursue his career in a banking company should acclimatise with the provisions of the BR Act.

Calendar of Reviews

The RBI has issued circulars advising the revised list of reviews to be placed before the Board of Directors, the Management Committee and the Audit Committee of banks. Banks were advised to adhere to the calendar of reviews to the extent applicable. The RBI issued another circular specifying a comprehensive calendar of reviews to be placed before the Audit Committee of the Board of Directors.

The contents of the aforesaid circulars are the critical minimum requirements of reviews and the bank boards will have discretion to prescribe additional reviews to suit their requirements. As these circulars were issued some time back and in view of new developments in the financial sector and particularly in the banking sector, a few more review items are required to be added to the list.

Initiatives by the ICSI

The ICSI vide notification No.2 of 2013 has introduced new syllabus for the executive and professional programmes of the company secretaries Course. Introduction of the new syllabus and inclusion of specialised subjects will go a long way to create competent professionals in various disciplines. In Professional Programme the syllabus has included Banking Law and Practice as one of the elective papers. It has now become possible for a Company Secretary to acquire expert knowledge in Banking Laws. The ICSI has been organising seminars, study circle meetings etc, where Risk Management, Foreign Direct Investment, Documentation and other relevant matters of importance to the financial sector are discussed. The ICSI has issued "Guidance Note on Diligence Report for Banks" to guide the professionals in carrying out / the preparation of a Diligence Report regarding compliance by the scheduled commercial banks and primary urban co-operative banks of all statutory and contractual obligations in respect of companies availing multiple banking / consortium lending arrangements on half-yearly basis. ICSI has entered into a Memorandum of Understanding with Indian Institute of Banking and Finance to offer a course leading to award of "Certified Banking Compliance Professional" for those who are qualified Company Secretaries and CAIIB certificate holders. ICSI has also tied up with Insurance Institute of India to launch the "Certificate Course on Compliance, Governance and Risk Management in Insurance". These measures will equip the members with suitable skill in pursuit of their profession or in their employment.

Conclusion

Banking Law is a special subject, quite different from other laws normally applicable to manufacturing industries in general. With financial sector poised for growth and issue of banking license to new banks in private sector under consideration, professionals like Company Secretaries have opportunities in the financial sector including banking.

In order to discharge efficiently the role of Company Secretary in financial sector, a qualified company secretary shall: -

(i) not remain content with his basic qualification alone. If possible endeavours shall be made to acquire further qualifications, including specialised qualifications, to enable him to discharge his functions with utmost ease.
(ii) familiarise with all applicable laws. In the case of banks, he shall have a thorough knowledge of BR Act.
(iii) not only keep himself updated with the directions, guidelines and circulars issued by RBI from time to time but also bring them to the knowledge of the directors of the banking company so as to make them aware of the matters specified therein. In this connection it may be worthwhile to state that RBI issues Master Circulars on various subjects on the first working day of July every year consolidating the circulars issued till the end of June of that year.
(iv) effectively apply his knowledge and information to the situation on hand.
(v) consult his colleagues, peers and/or seniors in case he encounters a difficult situation.
(vi) have the ability to take decision promptly and correctly.

There are companies which have positions like Director (Finance), Director (Technical), Director (Human resources), and the like. So far there does not seem to be a company with the position Director (Company Secretarial). Given the initiatives taken by ICSI in the skill development of the Company Secretaries, the day may not be very far when professionals like Company Secretaries will occupy management positions in banking companies. Such persons can combine the role of Company Secretary, compliance, legal and other functions of the organisation.

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Chief Governance Officer
Emerging Role for Company Secretaries

This Article tracks the accelerated placement of Chief Governance Officers (CGOs) and evaluates whether the position benefits companies, shareholders and other stakeholders. In the light of increased calls for regulatory oversight, it explains why now - more than ever – companies can benefit from a CGO-backed structure and culture.

The Chief Governance Officer is a senior executive reporting to the CEO who is tasked with directing the people, business processes and systems needed to enable good governance from inside the corporation in support of the board of directors. In some countries this role is assumed by the chief counsel, in others by a corporate or company secretary. The role is likely to grow in prominence as corporate governance requirements - in voluntary codes or law, grow and mature. The heads of several governance-related functions may report to the CGO, including community relations, public affairs, corporate strategy, business continuity management, business performance management, compliance management, internal controls, corporate communication, corporate philanthropy, enterprise risk management, ethics management, internal audit, investor relations, legal services, stakeholder management and sustainability management. Besides, the appointment of a CGO with clout is both a signal to the market that the company takes corporate governance seriously and a way to increase the market value of a firm under the assumption that investors will pay a premium for the stock of well-governed companies.

As corporations add necessary functions, several issues arise. First is the risk that the functions overlap, evolve into silos, create misunderstanding internally and externally and act at cross purposes. Second is the opportunity for enhanced impact through synergy between these functions. Risk managers, compliance officers and business performance managers often need to manage change in order to achieve their objectives. Without a sponsor at top management level their efforts may fail when the magnitude of resistance to change overwhelms their limited powers of influence. Third, the serial introduction of new processes may simply require more attention, time and enthusiasm than line managers can realistically offer. A single phased plan for enabling good governance could reduce the risks and control wasteful expenditure. Last, the complexity of the interactions between the different functions compounded by the infancy of the new disciplines may require continuous conceptual interpretation for top management and the board. To name a few, companies that have appointed CGO's include Allianz, Kodak, Prudential etc. More companies have been naming "Chief Governance Officers" and yet there is some confusion about what these officers do. In fact, there is a disparity among what these officers actually do, as practice depends on the company's circumstances.

Evolution of CGO

There's little novelty to the CGO. After finding themselves pinned against a regulatory wall, U.S. businesses looked for a new face to depict internal governance reform. Pharmaceutical giant Pfizer Inc. came up with a cure in 1992: the chief governance officer. But it took some time for the trend to catch on. In the absence of a "corporate enhancement" marketing blitz or celebrity endorsements, the position garnered less publicity than Pfizer's other industry firsts. In fact, only a few U.S. companies followed

The relevant qualifications of a CGO depend on the individual needs of the company. No standard or fixed formula will work for every company. But some models will prevail over others. For example, some authorities suggest a financial and accounting background. Some others recommend a legal background. Given the benefits of a CGO knowledgeable in public relations and communications, a Chief Communications Officer or Investor Relations Officer could be a viable candidate but not a perfect fit. Then it comes to the turn of Company Secretaries to equip themselves to this emerging dimension without much effort.

Pfizer's lead in the decade preceding Sarbanes-Oxley. The same corporate scandals that motivated legislators to pass Sarbanes-Oxley also precipitated a rise in CGO hiring. Many embraced the CGO. Dr. John Carver incorporated the CGO as a centerpiece of the Policy Governance model he created. Corporate governance rating systems and institutional investors began assessing the presence of a CGO in publicly traded companies. Today, CGOs are an integral part of business management infrastructures. As explained hereafter, the clear formulation and articulation of a CGO's duties are essential to the position's independence and success.

Do Companies need a CGO?

The size of a company and the operational capacity of its legal department are two leading factors to consider before employing a CGO. Inducting a CGO into a larger company whose in-house attorneys are occupied with other duties can offer strategic advantages. The CGO's position in the chain of command will help to define the authority of the office and prompt respect from others. Largecap and midcap companies are more likely to benefit from a CGO than smallcap and microcap companies.

Requisite Qualifications for the CGO Candidate

The relevant qualifications of a CGO depend on the individual needs of the company. No standard or fixed formula will work for every company. But some models will prevail over others. For example, some authorities suggest a financial and accounting background. Some others recommend a legal background. Given the benefits of a CGO knowledgeable in public relations and communications, a Chief Communications Officer or Investor Relations Officer could be a viable candidate but not a perfect fit. Then it comes to the turn of Company Secretaries to equip themselves to this emerging dimension without much effort.

CGO - Duties, Roles and Responsibilities

While the CGO moniker fits nicely within the "alphabet soup" of officer titles, the position's function provides the greatest value to business organizations. The possible duties of a CGO, although expansive, can be framed into core tenets, which include:

- formulating and instituting systems which improve governance standards;
- assessing, recording and reporting compliance weaknesses and regulatory violations;
- acting as a liaison between the board of directors and management; and
- actively evaluating and improving good governance strategies and best practices.

Appointing a CGO can begin or revive strong governance practices for public, private, and non-profit companies. To sustain those practices, CGO must maintain the support of other officers and directors. Credibility of the CGO with these two groups will often determine the CGO's success. Thus, the CGO can build trust internally through candid communications with other officers and cooperative efforts to address governance or compliance issues. But the CGO's effectiveness also hinges upon maintaining independence. Fortunately, the CGO's task of developing trust and maintaining independence are not mutually exclusive.

Because governance issues and liability arising therefrom fall on the shoulders of the board of directors, a governance officer's role should be defined in a manner that separates governance functions from the domain of the CEO and other members of senior management. Thus the CGO should ideally report directly to the Board of Directors.

A typical role for the CGO involves oversight of internal controls within the company. In such an environment, the CGO would be in a position to assist an audit committee in implementing and monitoring internal controls. In fact, internal controls, combined with "encouragement of high ethical standards," are a leading factor considered by institutional investors when evaluating potential investments. With these shareholder interests at stake, the CGO should both assess the risk of compliance vulnerabilities and formulate plans and procedures to avert exploitation of systemic flaws.

In addition, the CGO serves as an ideal candidate to enforce the company's ethics, conduct and insider trading rules. Placing oversight of these operations within a CGO-led corporate governance department provides an opportunity to formulate new practices and amend current rules. This task requires the CGO to enforce the guidelines directly or oversee a department staffed by ethics officers to ensure the company's adherence to the standard of due care. In doing so, especially in recent startup companies, the CGO may wish to oversee the initial establishment of internal guidelines and coordinate implementation of procedures to review conflicts of interest, adhere to the internal

ethics code and to meet obligations of governance-related laws and regulations.

Coinciding with the CGO's role establishing an internal reporting structure is the need to propagate mediums for communication within the company. Effective mediums should not point solely to the CGO. Instead, the CGO should work to ensure that other executive officers are effectively communicating with the CEO and the board of directors.

Although duties of a Corporate Governance Officer may be spread across different departments, a team-oriented approach is needed to overcome bureaucratic processes. At the outset, duplication will result if the CGO becomes entangled in an inefficient overlap of responsibilities. Other members of corporate management may venture on "parallel paths" that derail the CGO's authority. Management, undoubtedly focused on its heavy load of tasks, need not be caught up in frivolous disputes over supervisory duties. Therefore, merging management positions or underlying departments may reduce inefficiencies otherwise created by overlapping responsibilities.

A Convenient Combination

Company Secretary can possibly complete many, if not all, the tasks that face a CGO. In fact, many CGOs already share this role. The Company Secretary's duty to ensure creation of new board committees and charters makes this arrangement a convenient option. In addition, Company Secretaries are often acquainted with corporate governance issues including, but not limited to: "corporate housekeeping"; addressing the delicate nature of interactions between individual directors, the board, and committees; and communications between the company and shareholders. Statutes generally permit a Company Secretary to hold more than one officer position. Furthermore, if a Company Secretary already serves as the "go to" person on governance issues, a company would be ill-advised to create a new overlapping structure that weakens the effectiveness of both positions. Therefore, it may be appropriate in these situations to create the joint position of "Company Secretary and CGO".

A good Company Secretary will typically be engaged in assisting the Board in staying current with best practices in governance, and because Company Secretaries will typically be very active in assisting the Board and senior management with regulatory compliance matters, including those flowing from SEBI Guidelines and the listing agreements, it makes sense to expand the Company Secretary's role to include accountability for specific areas of legal and policy compliance. Combining the CGO and Company Secretary positions would preserve the existing conduit between shareholders, management, and the board of directors.

If the corporate secretary already fulfills multiple roles or oversees numerous reporting duties for multiple subsidiaries, the CGO could alternatively serve within the Company Secretary's Department.

Benchmarks for Performance

Appointing a CGO has been recognized as a best practice. Nevertheless, substantive valuation of the position and its influence on general corporate governance practices are important to consider. Certain criteria allow the board of directors to assess potential holes in governance oversight by evaluating a CGO's performance. Gauging CGO performance may seem difficult to conceptualize, but it is possible. Current markers used to measure the success of independent oversight committees of the board of directors offer guidance. This requires weighing whether operations yielded maximum profits against whether risks were minimized when compared to industry competitors. The CGO shields the company from insider misconduct that would lead to a restatement of earnings. The company then avoids market losses triggered by media, analyst and investor critiques of the company's governance strategies. These factors show the potential benefits to a company's profits and shareholder dividends. The telltale sign of a currently-successful CGO will be that individual's grooming for service as a future board member or CEO. Conversely, a CGO may become a governance guru sought by many others utilizing governance ratings.

Conclusion

In the hope of instituting genuine reforms that go beyond applying a trendy title, companies should carefully formulate a CGO's role to address governance hurdles arising in the wake of market meltdowns. Although financial and legal growth may accompany selection of a competent CGO supported by an experienced staff, the individual should be trustworthy enough to engage governance issues. The CGO's role in directing the board away from haphazard decision-making should benefit the company's bottom line. Company Secretaries who are able to demonstrate the ability to add value beyond administrative efficiency with sufficient commercial expertise will be a perfect fit for the post of CGO.

CS

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Article

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Role of Company Secretary as Corporate Governance Professional

The Companies Act, 2013, has enhanced the status of the Profession of Company Secretaries as key managerial personnel to play the role of conscience-keeper to the board of directors. Hence they have to gear up to meet the expectations of the stakeholders by adopting foresight, managerial acumen and adaptability, legal and ethical dynamism and adhering to the fair behavior traits.

"No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people and is achieved by fair and honest means."

– J.R.D. Tata

INTRODUCTION

In the era of globalization and liberalization, the thrust of corporate sector is on better governance for efficient management and sustainable growth. The business community, after trying various methods in its pursuit of material wealth, has again realized the importance of professional leadership models to bring ethics and morality to the boardroom. It is also one of the lessons learnt from the recent corporate frauds that professionals have to play an important role in harmonizing ethics and morality in management practices. The corporate sector is in search of leaders and professionals of high integrity, who listen to their inner voices for safeguarding stakeholders interests by preventing malpractices in management. Company Secretary (CS), as one of the Key Managerial Personnel (KMP) under the Companies Act, 2013 (Act), is expected to play the role of conscience-keeper of the board of directors. In this context, an attempt is made to analyze the basic concepts of profession and governance and suggest how best secretaries can make significant contribution for excellence in corporate sector.

COMPANY MANAGEMENT AND CONTROVERSIES

Company form of management is the legal innovation of capitalism - an artificial person with perpetual succession having rights and liabilities in its own name. It is the most powerful institution of the 19th century that has been transforming the global economy and quality of life of mankind.

Profit is in the DNA of companies and, therefore, they must earn profits to survive and grow. However, profit earned by a company is the reward for the efficient management and optimum use of productive resources and belongs to its stakeholders. Stakeholders in a company are the individuals or groups, who are directly or indirectly interested or affected with by the activities of business and vice-versa presently or in future.

A company, being an artificial person, functions through human beings, who are directors and professionals. Board of directors manages the affairs of their company. They are the agents and have fiduciary duty towards their company. They must act in the best interest of the company and avoid conflict of their personal interests with the interests of the company. The directors are advised and assisted by professionals in managing the business affairs.

It may be noted that the company and its business is neither ethical nor unethical, but it is the conduct of directors and professionals who matters for the ethical business practices. Problems and controversies start due to lack of fundamental values when there are conflicts of interest between the promoter directors and the company. It is often observed that the general tendency of professionals at board meetings is to support the dominant group of directors, who are obsessed with their vested interests. They find it convenient to fall in line with thinking of the dominant group rather than asking searching questions on controversial issues.

At times in board meetings when the promoter directors choose to pursue the selfish goals and put up agenda to make quick money, even the independent directors and professionals tend to support the dominant group without any resistance. They willingly or unwillingly prefer to fall in line with the thinking of the dominant group of director when vital issues are discussed at board meetings, rather than following their conscience. In such a situation, management places very high pressure in terms of rewards and punishment on executives for achieving given targets. Positive incentives like stock options offered to accomplish profit targets as a single-minded pursuit. Executives fall prey to negative pressure like pink slip and compromise with their sense of righteousness. In such situations, both incentives and pressure undermine their ethical behavior.

The recent corporate frauds and misdemeanors were the result of mismanagement and gross negligence and neglect of legal and regulatory framework. The main causes for the collapse of corporate giants like Enron, Tyco, Quest, Global Crossings, WorldCom, Xerox, Arthur Anderson abroad and Satyam in India were the incentives and pressure for achieving unrealistic targets year after year and manipulation of accounts. There was total disregard for legal and regulatory framework, required compliances and due deligence. The rampant increases and reckless compensation significantly correlated with scandals such as stock option, back-dating and large severance packages. Further, the short executive tenure added to the challenge. The executives with short-term focus resorted to creative accounting methods to show performance. Even worse, executives who inherited mess sought greater compensation to guard against potential unknown down-side creating a vicious cycle. In almost all the cases, the root causes of failure of companies included dereliction of duties, violation of laws and lack of ethical conduct by those who were at the helm of affairs. The credibility of management and their delinquent functionality was questionable. This amounted to betrayal of the trust of the stakeholders.

Laws are just set of rules and regulations to ensure fair play. Laws are, however, ineffective to cope up with emerging challenges because of their inherent limitation to manage negatively. The legal and regulatory framework does not reward good conduct, but come into force only when there are violations. Companies, therefore, have inherent moral responsibility towards the stakeholders because enforcing laws and regulations are extremely expensive way of controlling self-interest. Good governance and ethical conduct in business reaches beyond the realm of law and regulation. It stems from the culture and mindset of management and cannot be regulated by legislation alone.

It is obvious from the above that there is urgent need for functioning of corporate sector within the legal and regulatory framework. The crux of the issue is creating harmony between pursuit of self-interest and social welfare by exercising self-constraint and self-discipline. In this context, the issues for consideration are:

(a) How to make business leaders voluntarily behave in a legally responsible and ethical manner?
(b) How to make law effective and efficient to cope up with emerging challenges?
(c) How to link business power with responsibility?
(d) How to professionalize management?
(e) How to protect interest of stakeholders when it conflicts with the bottom-line requirements?

The answers to corporate problems and their remedies lie in good corporate governance, professionalizing the management

and harmonize the strategy, policy and functioning of corporate sector with ethical governance practices.

CONCEPT AND PRINCIPLES OF CORPORATE GOVERNANCE

Governance is the process of decision-making in an organization, its operation, means of achievement of its objectives and interaction of stakeholders in the process of governance.

Corporate Governance is an instrument for wealth creation and socio-economic development. It is the process by which the board of directors directs, supervise and control affairs of companies in the best interest of stakeholders.

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, government and other segments of society.

'Corporate Governance' is the mechanism by which the values, principles, policies and procedures of a corporation are included and manifested. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the higher echelons of management.

The principles of Corporate Governance evolved by the ICSI are:

- Sustainable development of all stakeholders – to ensure growth of all individual associated with or affected by the enterprise on sustainable basis.
- Effective management and distribution of wealth – to ensure that enterprise creates maximum wealth and uses judiciously the wealth so created for providing maximum benefit to all stakeholders and enhancing its wealth creation capabilities to maintain sustainability.
- Discharge of social responsibility – to ensure that enterprise is acceptable to the society in which it is functioning.
- Application of best management practices – to ensure excellence in functioning of enterprise and optimum creation of wealth on sustainable basis.
- Compliance of law in letter and spirit – to ensure value enhancement for all stakeholders guaranteed by the law for maintaining socio-economic balance.
- Adherence to ethical standards – to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.

Simply stated, corporate governance means establishing legal and regulatory framework and following credible and effective

management practices for the benefit of company's stakeholders and society as a whole. Good governance practices benefit both the corporate and the stakeholders by ensuring long term growth of the business entity and social welfare.

EXCELLENCE IN CORPORATE GOVERNANCE

In the emerging scenario, there is significant attitudinal shift in the philosophy of corporate sector towards `excellence in governance'. Excellence in practice is the process of value addition by efficient use of productive resources - manpower, raw material, machinery and capital - into goods and services to satisfy both material and welfare needs of the society.
Mahatma Gandhi in his doctrine of trusteeship has advised trade and industry that "Not all of your wealth belongs to you; it belongs to the community. Give up the binding thought of proprietorship. Transform your position of ownership into that of a managing trustee." This implies a transmutation of self-interest into corporate interest and corporate interest into social interest.

Excellence in governance is not merely compliance of legal procedures but has to be a part of the overall corporate philosophy and belief. Corporate governance is an instrument for wealth creation as well as a tool for socio-economic development. Governance in wider sense is the alignment of personal sense of moral values with social and economic goals. For example, the core values of Tata group include following values:

Integrity – Everyone in the management team must stand the test of public scrutiny.
Understanding – The management must be caring, show

respect, compassion and humanity for colleagues and customers around the world.
Community Welfare – The organization must contribute for the welfare and benefit of the community.
Excellence – The management must constantly strive to achieve highest standards.
Unity – The management must work cohesively with colleagues across the group.
Responsibility – The management must be responsible, sensitive in the countries, communities and environments in which the group works.
Growth – The management must strive for qualitative and quantitative growth.

In the emerging scenario, following suggestions are offered to companies in pursuit of excellence in governance:

(i) First determine what values they stand for, and, then lay down their mission, vision, goal and objectives. The next step is to integrate corporate social concerns into business planning and strategy. A coherent planning and strategy, based on integrity, sound values and a long-term approach, will contribute not only for the growth of companies but also welfare of the society.
(ii) Follow the best corporate governance practices, business values, policies, plans, execution and discharging social responsibility.
(iii) Enhance their reputation and win the confidence of stakeholders by adhering to their ethical code of conduct.
(iv) Encourage, ethical management, professionalism, transparency and accountability in corporate working. The chambers of trade, commerce and industry should prescribe a self-regulatory code of conduct to act for the best interest of their companies by encouraging independent thinking and divergent viewpoints in board meetings.
(v) Provide a strict code of conduct for directors and senior management with inbuilt system of checks and balances to keep them on the right track and fix responsibility.

CHARACTERISTICS AND ROLE OF PROFESSIONALS

Profession and professionals play distinctive role in corporate governance regime by safeguarding the integrity and promoting high standards of ethical behavior. Following terms are clarified to appreciate the subject in proper perspective:

"Profession" is a body of knowledge, intellectual skills, training and standard of conduct appropriate to a member of a profession like medicine, law, accountancy, architecture, engineering etc.

"Professionals" are members of a professional body, who possess expertise, ethical and moral values. Professionals possess the required knowledge and skills to ensure quality, accountability and promote stakeholders interest in discharge of their responsibilities.

"Professional characteristics" include:
(a) Body of specialized knowledge and skills within a framework of values;
(b) Observing self-subordination, honesty, uprightness at work place and profession and rendering service to the society;
(c) Thrust on expertise to excel rather than monetary gains;
(d) Relationship of trust and beneficence with client;
(e) Institution to regulate admission and conduct of professionals on legal and ethical standards; and
(f) Commanding public recognition for independence, integrity, credibility and authority in rendering professional services.

The distinguishing characteristic of a profession is his ability to combine ethical standards with the performance of technical skills. They are bound by a social contract to provide services over and above normal duties.

'Professional Code of Conduct' prescribed by a professional body is the standard of behavior for its members in discharge of their duties and responsibilities. Code of conduct helps members remain conscious of the value system of their profession and promote a sense of fidelity within and outside the profession.

'Professional Ethics' are values comprising knowledge and competence, spirit of service and care to society, contract of commitment and confidentiality with clients.

'Professional Excellence' is the instrument of corporate

governance and business ethics. It has acquired a noble connotation where business community lends a helping hand in taking up the socio-economic welfare work, which is the prime responsibility of the Government.

The quality of governance in corporate sector is inextricably linked to the issues of knowledge exercised through education, training and professional development. The crux of the issue is exercising self-constraint and self-discipline by those who are at the helm of the management affairs.

In the present context, the important role of professionals includes:

a) Infusing excellence in corporate sector;
b) Balancing independence with accountability in board members;
c) Bringing professionalism and ethical decision-making in board room;
d) Framing and enforcing principles and code of conduct for good governance;
e) Sustaining a concern for public interest, particularly when it conflicts with the bottom-line requirements.

ROLE OF COMPANY SECRETARY AS CORPORATE GOVERNANCE PROFESSIONAL

The profession of CS has been playing a significant role in corporate management both in employment and practice. In employment, CS is the adviser to the board on business integrity and propriety and key link in board-stakeholders relationships. In practice, he conducts secretarial audit for listed companies and validation of annual returns of all companies. In addition, he renders advice and opinion on corporate matters and appears before various tribunals and boards.

The significant role of company secretary in corporate governance was aptly emphasized by the Cadbury – "company secretary has a key role in ensuring that board procedures are both followed and regularly reviewed. The Chairman and the board will look to the company secretary for guidance on what their responsibilities are–and how these should be discharged. All directors should have access to the advice and services of the company secretary and should recognize that the chairman is entitled to the strong and positive support of the company secretary in ensuring the effective functioning of the board".

In fact, company secretaries, by virtue of their knowledge, expertise and experience in corporate sector, are the natural conscience keepers of the board of directors in their companies. The Companies Act, 2013, has accordingly enhanced the role and responsibilities and accountability of company secretaries to bring positive changes in corporate governance and protecting interest of stakeholders. The Act provides for compulsory appointment of whole-time KMP in prescribed companies and has increased the scope of practice. Obviously the thrust of the Act is on practice because the real growth, strength and recognition of a profession come from practice. The important areas under the Companies Act, 2013, where the profession of company can contribute include:

(a) Introduction of Secretarial Audit

Under Section 204 listed companies and companies prescribed by the rules shall annex with the Board's report a Secretarial Audit Report, given by a company secretary in practice. If any qualifications or observations are in the report, the Board shall provide explanation for the same in the report. Stringent penal provisions have been provided for non-compliance.

(b) Secretarial Standards

Section 118 provides statutory recognition to the Secretarial Standards specified by the ICSI. Every company has to observe the Secretarial Standards with respect to general and board meetings as specified by the ICSI and approved by the Central Government.

(c) Annual Return

Under Section 92 annual return is a comprehensive document and contains information about the company relating to its share capital, directors, shareholders, changes in directorships etc. Companies having the prescribed paid up share capital and turnover shall be required to be certified by a company secretary in practice to the effect that the company has complied with all provisions of the Act. Further, prescribed extracts of the annual return shall be included in the board report of companies.

(d) Appointment of Whole-time KMP

Section 203 provides for compulsory appointment of whole-time KMP in respect of prescribed class of companies.

(e) Functions of Company Secretary

Section 205 for the first time has specified the functions of the company secretary. He has to report to the Board about the compliance of the provisions of the Act, rules and other laws applicable to the company. He has also to ensure compliance with Secretarial Standards applicable to the company.

The Companies Act also gives recognition to the company secretaries in following areas:

(i) Professional Assistance to Company Liquidator

Section 291 provides that with the sanction of the National Company Law Tribunal (NCLT), the Company Liquidator may appoint professionals, including company secretaries, for assistance in the performance of his duties and functions under the Act.

(ii) Appearance before the NCLT/NCLAT

Section 432 provides that a party to any proceedings before the NCLT/NCLAT may authorize among others, a company secretary, to present his case.

(iii) Declaration of compliance at the time of Incorporation

Section 7 authorizes a company secretary in practice engaged for the incorporation of a company to give a declaration that all requirements of the rules in respect of registration and matters precedent or incidental thereto have been complied with.

(iv) Qualifications of Members of the NCTL

Under Section 409 a company secretary in practice for at least 15 years, among others, is also eligible to become a Technical Member of the NCLT.

Corporate sector depends on professionals for the governance, management and growth. Company secretaries, whether in practice or employment can for the success of corporate sector develop a vision and enforce ethical governance practices. Their role and responsibilities as KMP include:

1) Functioning as the vital link among the company, board, stakeholders and regulatory authorities;
2) Playing the role of conscience keeper of the board and rendering independent advice in the best interest of the company and its stakeholders and feeling personally responsible for board decisions;
3) As independent director, thinking and acting independently by resisting the psychological impulses of group dynamics. He should not hesitate in asking searching difficult questions on controversial issues and expressing different views with reasons.
4) Advising the board on issues of governance, ethics and social responsibilities and developing business models where profit making, ethical working and social welfare go hand in hand;
5) Developing and implementing strategies that promote stakeholders interest by mitigating environmental and social risks and focusing on the long-term sustainability of business;
6) Ensuring transparency, accountability and high standards of corporate governance;
7) Complying with the legal and regulatory framework in letter and spirit;
8) Recommending measures for protecting whistle-blowers and enforcing stricter action against fraud and malpractices;
9) Taking crucial decisions by asking himself three questions:
   a. Is it just and fair what I am doing?
   b. Does it fall within the corporate mission?
   c. How will it make me feel if my decisions are made public?
10) Strictly adhering to the code of conduct prescribed by the ICSI.

> It may be noted that the company and its business is neither ethical nor unethical, but it is the conduct of directors and professionals who matters for the ethical business practices. Problems and controversies start due to lack of fundamental values when there are conflicts of interest between the promoter directors and the company.

CONCLUSION

In the emerging scenario the corporate sector has to restructure its value system and functioning by providing effective and efficient safeguard against corruption, fraud and mismanagement and ensuring responsiveness towards its multiple stakeholders. There is urgent need for a stricter code of conduct for directors and key managerial personnel to keep them on the right track. The boards of companies have to be much more professional, transparent and ethical in framing and implementing business policies.

In the ultimate analysis, corporate governance should be an instrument for wealth creation, developing and following good governance strategies and balancing the interests of diverse stakeholders.

The Companies Act, 2013, has enhanced the status of the Profession of Company Secretary as KMP to play the role of conscious-keeper in the board of directors. They have to gear up to meet the expectations of the stakeholders by adopting foresight, managerial acumen and adaptability, legal and ethical dynamism and adhering to the fair behavioural traits.

It is high time for company secretaries to meet the challenges, discharge their onerous responsibilities and redeem the pledge, trust and confidence reposed in them by the state and society. Sooner than later, the profession by virtue of its competence and integrity in corporate sector will be regarded as 'chief governance officers/governance professionals' in recognition of his contribution for promoting good governance, integrity and transparency in the corporate sector. Equally important is the role of ICSI in developing and nurturing its members in terms of capacity building, skill improvement and business ethics. CS

Article

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Sathyam Vada; Dharmam Chara;

Business Ethics and Corporate Governance

Corporate Governance is needed to create a corporate culture of Transparency, Accountability and Disclosure. Business Ethics is concerned with truth and justice, concerning a variety of aspects like expectations of society, fair competition, public relations, social responsibilities and corporate behavior. Corporate governance is meant to run companies ethically in a manner such that all stakeholders are dealt with in a fair manner. Corporate Governance means a set of systems, procedures, policies, practice and standards put in place by a corporate to ensure that relationship with various stakeholders is maintained in transparent and honest manner.

A Good Governance refers to compliance with all the moral and ethical values, legal framework and voluntarily adopted practices, while being accountable for economic, social and environmental responsibilities. This enhances shareholders value and ensures sustainable development of all stakeholders. Governance is a mechanism for monitoring the actions, policies and decisions of corporations.

Corporate Governance has created space for Company Secretaries to effectively play the role of Governance Professionals. It is a great opportunity throwing many challenges at us. Companies Act 2013 talks about upholding ethical standards of integrity and probity. Corporate Governance is all about commitment to values and ethical business conduct.

We have the challenge of challenging our own abilities, value systems and the whole thought process. It needs value clarifications and renewed commitment. May be the spiritual dimension of the professional will have to be reflected. The two fundamental principles of Governance Philosophy are:

- Transparency and high degree of disclosure levels;
- Truthful communication about how the company is run internally.

Here the professional needs to demonstrate the courage to always tell the truth and complete truth. To state facts as they

are without exaggeration or hiding is "to be honest". ***Sathyam Vada.***

Sathya: Its Wider Meaning and Connotations

The word *Sathya* (सत्य) in Sanskrit is derived from the root सत् (Sat) meaning real, true, existing, genuine, truthful, virtuous, excellent, learned, ideal, pure, true essence and firm. Sathya has several meanings or translations:

- "unchangeable"
- "that which has no distortion"
- "that which is beyond distinctions of time, space, and person"
- "that which pervades the universe in all its constancy"

Sathya combined with other words, acts as modifier, like "ultra" or "highest," or more literally "truest", connoting purity and excellence.

Truthfulness lays strong foundation for a good life. Following the principles of truth makes us strong within, integrates our personality, endows us with peace of mind, confidence, and fearlessness and gives us credibility and respect from others. It spreads goodness in society and helps to integrate it. A truly honest man has the strength to make mighty powers bow before him. Even the phenomenal powers change their nature in front of him. When Sita Maatha in Ramayana entered fire to prove her purity (*agni pareeksha*), even fire changed its nature and became cold.

Governance is a mechanism for monitoring the actions, policies and decisions of corporations. The Governance Professional encourages performance culture and assures uncompromising responsibility for results. He indulges in ethical decision making in the conduct of professional work. The kind of decisions a Company Secretary takes and the level of performance he guarantees are expected to be best examples of "Intellectual Honesty & Performance Excellence". So what is the mantra – ***Dharmam Chara.***

Dharma: Its Wider Meaning and Connotations

The word 'dharma' (धर्म) in Sanskrit is derived from the root धृ (Dhru) meaning 'to hold', 'to bear', 'to carry' or 'to support'. धारणात् धर्मः - that which holds together or supports is *dharma*. In this sense *dharma* encompasses all ethical, moral, social and other values or principles, code of conduct and behavior which contribute to the well-being, sustenance and harmonious functioning of individuals, institutions, societies and nations and which prevent their disintegration. In a wider sense it is *dharma* which sustains and supports the whole world. *'Dharma'* is also used in Indian languages to denote 'duty', 'righteousness', 'virtue', 'justice', 'morality', 'charity', 'innate tendency' etc. All these represent only a particular aspect of *'dharma'*.

The word *' Dharma'* has gathered around itself such richness of meaning and wealth of associations that it is impossible to translate it into a single word in any other language, Indian or foreign.

'Dharmam' is a unique Human Attribute :

An oft-quoted verse in Sanskrit says:

आहारनिद्राभयमैथुनानि सामान्यमेतत्पशुभिर्नराणाम् ।
धर्मो हि तेषामधिको विशेषो धर्मेण हीनाः पशुभिस्समानाः।।

'Eating, sleeping, fearing and mating – human beings have these in common with animals. What distinguishes them from animals is *dharma*. Those human beings devoid of *dharma* are no better than animals'

Only human beings are endowed with the capacity to distinguish between what is *dharma* and what is *adharma*, the opposite of *dharma*. Human beings are endowed with an inner conscience which cautions us when we contemplate deviating from the righteous path. This, of course, assumes that we have not smothered this inner voice by habitually breaking the counsel of that voice. Without adherence to *dharma* humans will sink to the level of animals.

Ten Rules for Practice of Dharma :

Manusmrithi written by sage Manu prescribes the Sources and Essence of *Dharma* -

धृतिः क्षमा शमोऽस्तेयं शौचमिन्द्रियनिग्रहः।
धीर्विद्या सत्यमक्रोधो दशकं धर्मलक्षणम् ।।

'Steadfastness or determination (धृतिः), patience (क्षमा), control of the mind (शमः), non-stealing (अस्तेयं), purity of mind, body and speech (शौचं), control of the senses (इन्द्रयनिग्रहः), an inquiring intellect (धीः), knowledge which leads to liberation (विद्या), truth in thought, word and deed (सत्यं) and controlling anger (अक्रोधः) – these ten are the marks of *dharma*'.

Duty to protect and uphold *dharma* :

It is the duty of everyone to protect *dharma*. Manu says "धर्मो रक्षति रक्षितः' meaning *dharma* protects those who protect it. The same idea is expressed in Valmiki Ramayana wherein Kausalya tells Rama before he leaves for the forest:

यं पालयसि धर्मं त्वं धृत्या च नियमेन च।
स वै राघवशार्दूल धर्मस्त्वामभिरक्षतु।।

'O Raghava! *Dharma* which you uphold with steadfastness and discipline, will protect you from all sides'.

The dilemma of *dharma* and *adharma*

Ethical dilemma could be a right vs. wrong situation in which right would be more difficult to pursue and wrong would be more convenient. A right versus wrong dilemma is easier to resolve. Whereas ethical dilemma becomes complex when faced with a decision between right and right. It becomes more challenging when you face the situation of right and more right,

where right becomes wrong !! The solution is Dharmam Chara. Do what is right, only right.

The Lord Krishna says to Arjuna:

सुखदुःखे समे कृत्वा लाभालाभौ जयाजयौ।
ततो युद्धाय युज्यस्व नैवं पापमवाप्स्यसि।।

'O Arjuna! Engage yourself in this fight with a mind which accepts with equanimity pleasure and pain, gain and loss, victory and defeat. Thus you will not be tainted by your actions'. You are only upholding your *Dharma*.

In view of the enhanced responsibilities cast on Company Secretaries by the regulator, at a time when CS is Transitioning to Governance Professional, it is appropriate to find a 'Motto' for Governance Professionals.

Sanskrit Phrase As Motto:

Now let us put together the two nouns "Sathya" & "Dharma" and the appropriate verbs "Vada" & "Chara" next to them respectively to understand the proper and full meaning of Sanskrit phrase:

सत्यं वद । धर्मं चर ।

Sathyam Vada; Dharmam Chara;
Speak The Truth; Do The Right.
Say What Is True; Do What Is Right.
Speak the Truth; Practice Righteousness.

Sathyam Vada; Dharmam Chara

Meaning: Speak the Truth, Practice Righteousness.
Source: Taittiriya Upanishad – Section -1: Shikshavalli, Chapter – 11

THE CONVOCATION SPEECH:

The tradition of convocation ceremonies has been with us since Vedic times. One notices this in the 11th chapter (anuvãka) of the Shikshãvalli, Section 1 of Taitteriya Upanishad. According to our Vedic educational traditions, a student lives in an ashram. For a number of years, the students learn from teachers experienced in various subjects and attain proficiency in a variety of fields. When their education is over, a convocation ceremony is held. The teacher himself ceremoniously announces the degrees of the students. This convocation ceremony is the students' final class. From that day on, these profound young men will leave the ashram and take their first steps in society for the good of all. They will start a new life. Therefore, the teacher fondly gives them his last words of advice. These precepts are themselves the convocation ceremony. They encompass the essence of all education. Let us see what this uplifting convocation speech contains:

Verse - Sanskrit:

वेदमनूव्याचार्योऽन्तेवासिनमनुशास्ति।
सत्यं वद । धर्मं चर । स्वाध्यायान् मा प्रमदः।

English Transliteration:

Vedamanoochya acharyo anthevasinam anushasthi;
Satyam Vada; Dharmam Chara; *swadhyayan maa pramadah;*
Acharyaya priyam dhanamahatya prajathantu ma vyavachethsihi;
Satyaanna pramaditavyam; dharamaanna pramaditavyam;
Kushalaanna pramaditavyam; bhutyai na pramaditavyam;
Swadhyaya pravachanabhyaam na pramaditavyam.

Meaning:

Having taught the Vedas, the teacher thus instructs the pupil: **Speak the truth. Practice Righteousness.** Do not neglect study for the rest of your life. After offering to the teacher respectful gifts, as an expression of your gratefulness to him, see that the line of the line of discipleship remains unbroken. Do not swerve from truth. Do not swerve from righteousness. Do not neglect welfare. Do not neglect prosperity. Do not neglect study and teaching for the rest of your life.

In this way, having given a priceless lesson, the teacher finally says: 'एष आदेशः। एष उपदेशः। एतदनुशासनम् । एवमुपासितव्यम् ।'
'Esha ãdeshaha, esha upadeshaha, etadanushãsanam, evamupãsitavyam'

This is the rule. This is the teaching. This is the secret wisdom of the Vedas. This is the command of God. This you should observe. This alone should be observed.

As Governance Professional, a Company Secretary is expected to provide a decisive leadership which means always saying –

- Yes to right kind of responsibilities;
- No to wrong kind of temptations.

The Governance Professional will definitely have the courage and conviction not to deviate from the path of Truthfulness and Righteousness under all the circumstances unmindful of the outcome:

- Whether Scholars, knowledgeable persons criticize and condemn or appreciate and applaud;
- Whether Economic gain and wealth flows in or massive loss and erosion of wealth occurs;
- Whether Death stares and readies to embrace or one feels assured of a long life.

It is a sincere wish that Company Secretary should be synonymous with traits "Intellectual Honesty & Performance Excellence". To achieve smooth **Transitioning from Company Secretary to Governance Professional**, one should always be guided by the motto:

सत्यं वद । धर्मं चर ।
Sathyam Vada; Dharmam Chara;
Say What Is True; Do What Is Right.

CS

Articles in Chartered Secretary

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5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
7. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of company secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
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10. The article shall be accompanied by a summary in 150 words and mailed to ak.sil@icsi.edu
11. The article shall be accompanied by a 'Declaration-cum-Undertaking' from the author(s) as under:

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1. I, Shri/Ms./Dr./Prof ……., declare that I have read and understood the Guidelines for Authors.

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(Signature)

Invitation of Articles for Special Issues of Chartered Secretary

It has been decided to bring out special issues of Chartered Secretary as under:

Issue	Last Date for receiving Articles for this Issue	Theme	Illustrative Coverage
January, 2014	**December 15, 2013**	**FEMA**	• Foreign Investments in India • Investment Routes and Procedures • Foreign Direct / Portfolio Investment • Foreign Exchange Management • External Commercial Borrowing • Foreign Currency Convertible Bonds • ADRs/GDRs • Deferred Payment Protocols • U K Sinha Committee Report • Chandrasekhar Committee Report • Overseas Business Opportunities and Financing thereof • Joint Ventures / Branches of Overseas Companies /Opening of Branches Abroad by Indian Companies • Indian Depository Receipts • Offences, Contraventions and Compounding Provisions • Common Adjudication Authority • Currency Derivatives • Provisions in Indian Financial Code
March, 2014	**February 15, 2014**	**Gloomier Side of Business**	• Corporate Fraud • Violations of Corporate Laws • Securities Market Manipulation • Violations of Securities Laws • Enforcement Actions • Benami Transactions • Money laundering • Financing of Terrorism • Serious Fraud Investigation Office • Financial Intelligence Unit • Financial Action Task Force • Economic Offences

Articles on the aforesaid subjects are welcome for consideration by the Editorial Advisory Board for publication in the said special issues. Contributors may also refer to the general guidelines for authors published elsewhere in this issue.

The articles may kindly be forwarded to:

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The Institute of Company Secretaries of India, 22, Institutional Area
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Corporate Laws

LW: 99.11.2013

TRIVENI MANAGEMENT CONSULTANCY SERVICES LTD v. SEBI [SAT]

Appeal No. 148 of 2013

J.P. Devadhar, Presiding Officer & Jog Singh, Member [Decided on 10.10.2013]

SEBI Act, 1992 - Sections 15A, 15B and 15HB - Procedural deficiencies in the functioning – CEO separately penalised- Penalty imposed on the entity also - whether tenable - Held, No.

Brief facts

Appellant is aggrieved by adjudication order whereby total penalty of Rs. 1,50,000/- (Rs. 50,000/- under Section 15A(c), Rs. 50,000/- under section 15B and Rs. 50,000/- under Section 15 HB of Securities and Exchange Board of India Act, 1992) has been imposed upon the appellant.

SEBI noted certain deficiencies in the functioning of the appellant with respect to (a) KYC Forms and Agreements, (b) Prevention of Money Laundering Compliances, (c) Compliance with certain SEBI Circulars, (d) Margin Collection and Reporting (F&O Segment), (e) Analysis of Client Master, (f) Analysis of Client Codes allotted to the client, (g) Irregularities in handling of funds/securities, (h) Client's outstanding balances and (i) Third party receipts.

Decision: Appeal allowed.

Reason:

Deficiencies noticed in the impugned order are procedural deficiencies and do not involve any fraudulent action on the part of the appellant. Since penalty upon Shri Manish Mathur, CEO of appellant has already been imposed and penalty is imposed upon appellant as vicarious liability, in our opinion, it would be just and proper to restrict penalty at Rs. 50,000/- instead of Rs.1,50,000/-.

Accordingly, while upholding the decision of SEBI in imposing penalty on account of deficiencies noticed during the investigation period, we restrict the penalty at Rs. 50,000/- instead of Rs. 1,50,000/-.

LW: 100.11.2013

EARNEST HEALTHCARE LIMITED v. SEBI [SAT]

Appeal No.60 of 2013

J. P. Devadhar, Jog Singh & A. S. Lamba. [Decided on 9.10.2013]

SEBI Act, 1992 - Sections 11B and 15C - failure to redress investors grievance

Brief facts

SEBI vide order dated October 10, 2003 passed 11B directions against the appellant for non redressal of investor grievances and debarred it from accessing capital markets for a period of five years, which period ended in 2008. Again SEBI once again vide letter dated April 07, 2011 asked appellant to redress 51 investor grievances pending against it within 15 days from date of receipt of letter and submit status report. As per SEBI appellant failed to redress investor complaints/ grievances within specified time and failed to submit Action Taken Report (ATR) in proforma prescribed by SEBI.

Thereafter, the appellant was advised to submit ATR as per proforma detailed in circular dated November 25, 2009 with respect to 51 pending complaints since appellant was required, as per SEBI, to submit two subsequent reminders sent to complainants with gap of one month between dispatches but appellant resubmitted the same ATR as previously filed with SEBI and SEBI was of the view that appellant had not resolved the complaints.

SEBI, therefore, initiated adjudication proceedings and the AO imposed a penalty of Rs.10,00,000/- on appellant under Section 15C of the SEBI Act, which in his view was commensurate with default committed by the appellant.

Decision: Appeal allowed.

Reason:

Most important aspect of the matter has not been adequately considered by Adjudicating Officer is that appellant had been asked to deal/redress the complaints in 2003, and on, finding that appellant had not addressed investor's grievances; was barred from accessing securities market for five years. In 2011, when debarment period of appellant from accessing securities market ended in 2008, appellant was again asked to redress pending 51 investors complaints/grievances and

again has been found to be non-responsive in redressing grievances of investors and appellant has been imposed penalty of Rs.10 lac, in present matter under appeal.

It may be noted that 51 complaints are from period 1995 to 2010 and 34 of these complaints are for period 1995 to 2003, thus only 17 complaints are for period after 2003 upto 2010. As stated in para above, 34 complaints pertain to period before 2003 and appellant was debarred from accessing capital market in 2003 for non-redressal of these complaints and thus out of 51 complaints, presently pending for redressal with appellant, 34 complaints out of these 51 are for period prior to 2003 and appellant has already undergone punishment, but these 34 complaints are still pending.

It may be mentioned that appellant is a sick company since March 2002 and was delisted by Bombay Stock Exchange in July, 2004 and is before BIFR for being defunct and for Industrial and Financial Reconstruction since 2002, the appellant is maintaining small support staff at Head Office in Mumbai, which is looking after every activity of the company.

When appellant was asked to redress these 51 complaints, and when appellant asked for copies of same, SEBI could make only 7 of these available, and for 44 complaints, appellant was asked to seek confirmation. Thus, what happened to these 44 complaints is not known to anyone.
Appellant, when asked to redress 51 complaints, got 7 copies of complaints and sought confirmation from rest 44, which can be seen from ATR submitted by appellant to respondent. In 7 cases where complaints were available replies were sent and for rest 44 complainants, complainants were asked to make available the complaints. All these 51 letters were despatched by speed post and despatch proof has been made available by appellant to respondent.

Now take the case of some complainants, whose complaint is available, e.g. Shri P. Vasu at serial no.06. The appellant has informed Shri Vasu that share certificate for transfer in his name has not been made available to appellant. Now when SEBI writes to Shri Vasu, he replies that his complaint still remains unresolved. No one is, in fact, trying to find out where the problem lies and what should be done to resolve it, but everyone concerned is writing in some set format and respondent blaming appellant for not resolving the complaint and appellant also not applying itself, as to what is to be done to resolve the matter, but is sending some communication, in order to satisfy respondent that they have taken action.

The same is found to be the case in other cases, where complaint is available, to more or less to some extent. Respondent seems to have evolved some grievance redressal system, which it applies, mindlessly, in a routine manner and are concerned with formalities, which are stated in grievances redressal system, without bothering whether sending communication, reminders (two at gap of one month between dispatch) will resolve the matter or not, but wants that be done, since, as per Learned Adjudicating Officer, the same requires to be carried out, as per SEBI grievances redressal system, irrespective of its purposefulness.

Now coming to the fact that for 34 grievances out of 51; appellant has undergone punishment/penalty, and whether for same being pending even now, respondents are authorised/ competent to penalise appellant once again. This further supports, what has been stated above that respondent/ appellant are pursuing Grievance Redressal System of SEBI, unmindful of whether the same is leading to redressal of grievances or not. This Tribunal is of the opinion that observance of procedures/prescriptions is necessary but all concerned should see that application of these lead to redressal of grievances since mindless pursuits of procedures is not leading to anywhere. In other words what is being done is not purposeful, for resolution of matters and no amount of punishment/procedures, if grievances are unattended, serve any purpose.

Coming to purpose of requirement of two reminders at gap of one month between dispatch, the same is not understood/ appreciated by this Tribunal. When a letter has been sent by a confirmatory system of despatch i.e. speed post in instant case, the purpose of two reminders, at gap of one month between dispatch, seems unnecessary and unwarranted and has been prescribed without relevance, purpose or requirement and is redundant since once proper communication has been sent and acknowledgement of same is available, the same is sufficient as proof or receipt by complainant. In all matters of communications by post, procedures have been devised to ensure that communication is properly addressed, adequately stamped and put in post box or delivered to post office. In instant case, most reliable and quick mode of postal communication has been adopted and in opinion of this Tribunal, the same is adequate, sufficient and serves the purpose.

In the circumstances SEBI is requested to review its investors grievances system, including ATR and communicational requirements and come out with a new system or modify the existing system, which is cost effective, saves unnecessary labour and also addresses investor's grievances effectively in a meaningful manner, within fixed time framework. The appellant is accordingly directed to deal effectively with all pending grievances of investors, with due application of mind, and inform all investors, whose complaints are available and who send their complaints now, of the position/status of complaints and what has been done or is contemplated to be done in future; in three months from date of this order with intimation to SEBI.

LW: 101.11.2013

SHILPI SHARMA v. JINDAL STEEL & POWER LIMITED & ORS [CLB]

C.P. No.1/111A of 2012

Dhan Raj [Decided on 08/07/2013]

Companies Act 1956 - Sections 111A - Loss of share certificates - fraudulent transfers - non-issuance of duplicate share certificate by the company - whether the petition is maintainable - Held, Yes.

Brief facts

In this case, Petition has been filed by the Petitioner under Section 111A of the Companies Act 1956 with the prayer to order rectification of register of members by restoration of name of the Petitioner and payment of accrued benefits.

In the year 1997, the aforesaid share certificates in physical form were lost and a police complaint was lodged. However, on the other side, when the said share certificates were first lodged with the erstwhile M/s Jindal Strips Limited by some person for transfer in his name wherein the signature of the Petitioner were forged and fabricated, the Company noticed difference in the signatures with the specimen signatures of the Petitioner in its record, returned the share certificate to the alleged transferee and also, informed the Petitioner in this regard and also made a 'stop transfer' remark in its records. Immediately thereafter, the Petitioner informed the Company about the loss of share certificates along with copy of the police complaint and also instructed the company to "Stop transfer" against the said 500 shares.

When the Petitioner applied for issuance of the duplicate share certificates along with affidavit, indemnity bond, demand draft for necessary fee and the attested copy of the complaint, the company rejected the request informing that the said share certificates have already been lodged with the Company by various alleged transferees.

Decision: Petition allowed.

Reason

Having considered the averments made in the Petition and the arguments of the Petitioner (oral and written) it is undoubtedly clear that the Petitioner was holding 500 equity shares of M/s Jindal Strips Limited and the said share certificates were lost, for which complaint was filed with Malviya Nagar Police Station, New Delhi on 23.8.1997. Though Respondent Nos.6 to 10 submitted the said share certificates with the erstwhile M/s.Jindal Strips Ltd. for transfer in their names, the company noticed difference in the signature with the specimen signature of the Petitioner in its record and returned the share certificates to the alleged transferees with a 'Stop Transfer' remark in its record. This implies that the signature of the Petitioner was forged and fabricated on the transfer deeds. Further, in the year, 2001, erstwhile M/s.Jindal Strips Limited sent a letter dated 27th December, 2001 to the Petitioner informing therein that scheme of arrangement between M/s.Jindal Strips Limited and M/s.Jindal Steel & Power Limited, the shareholders of M/s.Jindal Strips Limited have been allotted new shares of M/s.Jindal Strips Limited and M/s.Jindal Steel & Power Limited in the ratio of 60:40 and thereby, the Petitioner was allotted new 300 equity shares of Rs.10/-each of M/s.Jindal Strips Limited and 200 equity shares of Rs.10/- each of M/s.Jindal Steel & Power Limited. Subsequently, it has also been submitted that over a period of years by stock split and issue of bonus shares, the said 200 shares of Rs.10/- each of M/s.Jindal Steel & Power Limited have become 12,000 equity shares of Re.l/- and 300 equity shares of Rs.10/- each of M/s.Jindal Steanless Steel Limited (Respondent No.2 Company) have become 1505 equity shares of Rs.2/- each and 16 equity shares of Rs.10/- each of M/s.Nalwa Sons Investments Limited, the Respondent No.3 company. Not only this, Respondent No.l,and Respondent No.2 Companies have been paying dividend to the Petitioner since the year 2001, though both the Respondent Companies Nos.1&2 have not paid any dividend to the Petitioner since the year 2005-2006. In terms of Rule a(3) of the Companies (issue of Share Certificates) Rules, 1960, the Petitioner applied for issue of duplicate share certificates on 13th February, 1998 and submitted affidavit, indemnity bond and Demand Draft of necessary fees along with attested copy of the Police complaint. However, the request of the Petitioner was rejected by the company vide its letter dated 23'd April, 1998 mentioning therein that the said share certificates have already been lodged with the company for transfer. Thus, as stated above, the company has not registered the transfer of shares in favour of Respondent Nos.6 to 10 on the ground of difference in the signature of the Petitioner and also, rejected the application for issue of duplicate share certificates. In the meantime, Petitioner has been trying to get duplicate share certificates by writing letters dated 23'd November,2011and 13th February, 1998. However, the request of the petitioner was rejected. In the month of December,2010, the Petitioner had obtained a 'No Objection, from Mr.Pradeep Kataria, the Respondent No.7 and also Mr.subhash chander chabra, Respondent No.8, and the same were forwarded to Respondent No.3 Company,though no action was taken by Respondent No.3 company for issue of duplicate share certificates. It is also relevant to note that the Respondent Nos.6 to 10 who lastly lodged the share certificates for 500 shares with the erstwhile M/s.Jindal strips Limited in the year 1998/1999 did not take any further steps to establish their claim on the impugned

shares nor did they approach the Company law Board and/or any other competent court for transfer of the impugned shares in their favour under provisions of section 111A of the companies Act, 1956. Not only this, neither Respondents nor their counsels have appeared before this Hon'ble Board despite the notices issued to the Respondents on different dates, consequently, neither the replies were filed by the Respondents nor arguments were advanced in this regard. On the other hand, the petitioner has complied with the requirements for issue of duplicate share certificates and submitted the affidavit, indemnity bond, police complaint and demand draft of necessary fees. Therefore, relying on the judgment in the case of Altima Securities Private Limited Vs. Satyam Computer Service United & Rajesh Nagpal, (2007) 135 Company Cases 464 CLB it is observed in the present company petition that the Respondents No.6 to 10 neither filed any reply nor opposed the petition despite the opportunity given by the Bench and there are sufficient evidence with the petitioner in regard to impugned share certificates such as specimen signature of the petitioner, communications pertaining to scheme of arrangement between M/s.Jindal Strips Limited and M/s.Jindal Steel & Power Limited, split and issue of bonus shares, dividend warrants, no objection from Mr.Pradeep Kataria (R-7) and Mr. Subhash Chander Chabra (R-8). Under these circumstances, the balance of convenience goes in favour of the Petitioner and hence, in the interest of justice, it is held that the Petitioner is entitled to the impugned shares and corporal benefits accrued thereon.

As such, I hereby direct that

The requirement as prescribed under Rule 4(3) of the Companies (Issue of Share Certificates) Rules, 1960 be complied with by the Petitioner within 30 days by submitting necessary application for issue of duplicate share certificates along with affidavit, indemnity bond, police complaint and demand draft of requisite fees. Duplicate share certificates be issued to the Petitioner within 45 days from the date of receipt of the necessary application to this effect;

LW: 102.11.2013

IN RE: VALAYA CLOATHING PVT LTD. & ORS.[CLB]

C. A. No. 436/2010 in C. P. NO.42 (ND) of 2010

B.S.V.Prakash Kumar [Decided on 15/10/2013]

Section 8 of the Arbitration and Conciliation Act,1996 read with Sections 397 & 398 of the Companies Act, 1956 - Disputes touching the management of the company and also shareholders agreement - whether to be referred to arbitration - Held,No.

Brief facts

The petitioner is an investor and he had invested a sum of Rs. 2,55,75,000/- towards his shareholding in the company. When the petitioner entered into the company, R-1 company was making profits, thereby he entered in the company with a belief that his money would not be misappropriated by the management for their own use. However, later the respondents were not providing any information to the petitioner and also the profit making company started to incur losses. The main allegation of the petitioner is the respondents herein siphoning off the funds from R-I company purchasing luxury cars from the funds of the company. The petitioner further says the company has never given any dividend to the petitioners. Therefore, the petitioners have approached the CLB with the present petition.

The respondents have filed an application praying for referring the parties to arbitration because of the arbitration clause in the share subscription and shareholders Agreement entered into with the petitioners.

Decision: Application dismissed.

Reason

On hearing the submissions of either side, I have noticed that (a) the grievances of the petitioner in the company petition are not only related to subscription and shareholders Agreement but also related to mismanagement taken place in the company. It is apparent on the record that company has been running in losses from the year 2010, added to it the Auditor's Report of the year 2010 discloses that the company has not been properly maintaining the register of the company i.e. stock Records of the company; (b) this company was making profits in 2006 when the petitioner invested around Rs. 2.5 Cores in this company. Thereafter the company started showing losses from the year 2010 onwards; (c) this Bench made a proposal to provide an exit to the investors who invested substantial money in this company, the respondent counsel says it could not be possible to provide exit to the petition at this juncture because the company has been making losses; (d) it is clear that arbitration clause is there to deal with any dispute that arose in relation to subscription and shareholders Agreement clauses but as to mismanagement of the company is concerned, in case any such allegation is there, indicating mismanagement, this Tribunal will get jurisdiction to deal with that issue as well as the issue connected with the arbitration clause.

Therefore, I am of the view that this application has no merits as the company petition discloses issues other than issues covered under subscription and shareholders Agreement.

Competition Laws

LW: 103.11.2013

FINANCIAL SOFTWARE AND SYSTEM PVT LTD v. ACI WORLDWIDE SOLUTIONS PVT LTD & ORS [CCI]

Case No. 52 of 2013

Ashok Chawla, Dr. Geeta Gouri, Anurag Goel, M. L. Tayal & S. L. Bunker
[Decided on 04/09/2013]

Competition Act, 2002 - abuse of dominance - ATM and POS services system for banking industry - restriction imposed by system provider on the service providers - whether constitute abuse of dominance - Held,Yes.

Brief facts

The informant is stated to act as a system integrator to banks and other financial institutions. It caters to the specific needs of the banks through its two business divisions, FSSTechnologies and FSSNeT.

ACI is stated to be engaged in the business of developing software (BASE24) for electronic payment solutions which enables card-based payment transactions for banks. BASE24 is a 'Transaction Processing Switch' software (EFT Switch), which enables an ATM or a Point of Sale (POS) terminal to communicate with the relevant bank's core banking network. As such, all banks and financial institutions, which desire to provide ATM, POS, mobile banking and internet banking services, require EFT Switch software. It is averred that at present about 77% of ATMs in India and about 80% of POS operate on BASE24.

The informant, essentially, appears to be aggrieved by the decision of ACI that post-July 13, 2013 ACI will not provide consent to any third party to access, modify or customize the existing BASE24 application and ACI through its new programme ACI ESP would provide services to ACI Banks in respect of customization and modification of BASE24 application which was hitherto provided by FSS i.e. the informant herein.

Decision: Investigation ordered.

Reason

It may be observed that ACI is a developer of BASE24 software which is used by banks. This software acts as a transaction processing switch which enables an ATM or POS terminal to communicate with the relevant bank's core banking network. It may be further observed that such transaction processing switches (i.e. software) require a suite of services in respect of their implementation and customization to enable the software to communicate with host bank or branch, as the case may be, or to provide value added services through ATM or POS devices. Such services may be provided by the software developer or specialised system integrators/ service provider or both. These services appear to be distinct and separate from the software as there appears to be a market of such services due to the presence of buyers, suppliers and the underlying product/ service.

In view of the above, the transaction processing switch software constitutes the upstream product market whereas the suite of services surrounding the software constitutes the downstream product market.

Resultantly, it appears prima facie that the relevant upstream market is that of 'software for electronic payment systems' and the consequent relevant downstream market is that of 'provision of services in respect of customization and modification of software of electronic payment systems'. The relevant geographic market for both the upstream and the downstream markets is the territory of India.

In the afore-delineated relevant market, the dominance of ACI may now be examined. As per the averments made in the information approximately 77% of total ATMs and approximately 80% of total POS devices operate on BASE24 software in India. It may, however, be added that there are other enterprises also (e.g. M/s Fidelity Information Systems, M/s Opus Software Solutions Private Limited, etc.) which are in the business of selling transaction processing switch software which is under consideration in the present case. It may also be observed that migration to other processing switches of other software developers may present commercial risk and may further have the potential to impact the continuity of services being provided by the banks.

In view of the market structure, as noticed above, it appears that ACI commands a high degree of market share in comparison to its competitors. Furthermore, looking at the dependence of consumer on ACI due to risks associated in switching/ migrating to other software developers and considering the first mover advantage of ACI, it prima facie appears that ACI is a dominant player in the relevant market of software for electronic payment systems in India.
On the issue of abuse, the informant appears to be aggrieved by the decision of ACI that post-July 13, 2013 ACI will not provide consent to any third party to access, modify or customize the

existing BASE24 application with ACI Banks and ACI through its new programme ACI ESP would provide services to ACI Banks in respect of customization and modification of BASE24 application which was hitherto provided by FSS i.e. the informant herein.

The impugned conduct of ACI in not allowing ACI Banks to choose a service provider of their choice; directing the ACI Banks not to avail the integration services of FSS, using its dominance in the upstream market of software for electronic payment systems to gain entry in the downstream market of provision for services of customization and modification in respect of software for electronic payment systems prima facie seem to contravene the provisions of sections 4(2) (a) (i), 4(2) (b) (i) & (ii), 4 (2) (c), 4(2) (d) and 4 (2) (e) of the Act.

Furthermore, the above conduct also prima facie amounts to 'tie-in arrangement' and 'refusal to deal' within the meaning of the expression as defined in explanations (a) and (d) to section 3(4) of the Act respectively. Such agreements prima facie are also likely to have appreciable adverse effect on competition looking at the market share and market size of the enterprise in question.

In view of the above, the Commission is of opinion that prima facie, a case of contravention of the provisions of sections 3 and 4 of the Act, as noted above, is made out against the opposite parties.

In the result, the Commission is of the opinion that there exists a prima facie case to direct the Director General (DG) to cause an investigation to be made into the matter in terms of the provisions contained in section 26(1) of the Act.

LW: 104.11.2013

AMIT AUTO AGENCIES v. KING KAVERI TRADING CO[CCI]

Case No. 57 of 2013

Ashok Chawla, Dr.GeetaGouri, Anurag Goel, M.L.Tayal & Justice (Retd.) S.N. Dhingra, S.L. Bunker [Decided on 08/10/2013]

Competition Act, 2002 - abuse of dominance - sole selling agency contract - restrictions imposed on the agent - whether constitute abuse of dominance - Held,No.

Brief facts:

The informant alleged that the OP entered into a Sole Selling Agent (CSA) agreement (the agreement) with Informant on 23.07.2007 whereby OP appointed the Informant as CSA for selling its products in the State of Rajasthan. The Informant claimed to have made huge investments after the said appointment as sole selling agent by establishing and maintaining showrooms for promoting the sale of the products of OP. The informant's contention is that the clauses of the agreement were one sided and heavily loaded in favour of OP, including restrictive clauses such as not to deal with the products of the competitors of OP directly or indirectly. A restriction was also imposed on informant not to sell similar products supplied by any other party. It was also stated that vide Clause 13, the informant would appoint sales officers and service engineers for selling the product and pay for all expenses of the said persons. The informant was to provide information to the OP from time to time/ or on demand about details of such staff in the organization. The informant was not to engage any person whom OP considered undesirable and the decision of OP in that respect was to be conclusive and binding on the informant. It was alleged that OP abused its dominant position by imposing unfair and discriminatory conditions in the normal and smooth functioning of the business of informant, and had, therefore, committed violation of section 4(2)(a) of the Act. The informant also alleged that OP had absolute freedom and discretion for fixation of prices of the products to be sold by its dealers and sub dealers in contravention of Section 3(3)(a) of the Act. It was also alleged that OP had supplied the products to the informant regularly till 21.05.2011 and after that, without stating any reasons, supply of the products was stopped in contravention of Section 4 of the Act which had hampered the business lifeline of informant. The OP by not supplying its product was stated to have spoiled the reputation of informant as it had not been able to live up to its commitments of supplying the products to other trading partners. According to the Clause 5 of the agreement, the OP was not to appoint any other agent or CSA in Rajasthan state without the written permission of the informant. But the OP appointed four more dealers in the State of Rajasthan and restricted supply of the products after 21.05.2011 to the informant without giving reasons or issuing any notice, thus violating the terms and conditions of the agreement and the provisions of the Act. The informant had lost considerable money and reputation by the act and omission of OP. It was contended that OP was abusing its Dominant Position.

Decision: Case closed.

Reason: From the facts of the case, it is evident that the relevant product market would be the market of Truck and Trailer Components/ parts and accessories and the informant was appointed as sole-selling agent in the State of Rajasthan which means that the relevant geographic area would be area of Rajasthan. Thus, the relevant market can be considered as "the market of Truck and Trailer Components/ parts and accessories in the State of Rajasthan".
Explanation (a) to Section 4 says that the "dominant position" means a position of strength, enjoyed by an enterprise, in the relevant market, in India, which enables it to—(i) operate independently of competitive forces prevailing in the relevant market; or (ii) affect its competitors or consumers or the relevant market in its favour.

Section 19(4) of the Act states that the Commission needs to consider various factors stated therein while assessing whether an enterprise enjoyed a dominant position or not. The informant did not supply relevant data regarding the market share of OP in the relevant market. It is inferred from the information available in public domain that the OP was not the only trader of Truck and Trailer Components/ parts and accessories in State of Rajasthan. There were many other players. Presence of other traders of repute shows prevalence of competition. It is not a case where OP could operate independent of competitive forces. Thus, prima facie, OP was not a dominant player in the relevant market.

Since OP, prima facie, does not appear to be a dominant player in the relevant market, the question of abuse of dominance by OP in that market in contravention of the provisions of Section 4 of the Act does not arise. The OP had appointed the informant as its CSA, thus the OP and the informant were at different stages of production chain and were in different markets. Thus, the agreement between the informant and OP was a vertical agreement. To constitute violation of Section 3(4) read with Section 3(1) of the Act, The agreement should be of the nature as stated in the section and should cause or likely to cause AAEC (appreciable adverse effect on Competition).

Informant contended that its agreement with OP was an "Exclusive Supply Agreement". Such an agreement includes an agreement restricting in any manner the purchaser in the course of his trade from acquiring or otherwise dealing in similar goods other than those of the seller. The other allegations of the informant is that the OP fixed the prices of the products to be sold to dealers and sub-dealers and it falls within the provisions of Section 3(4) of the Act and would be like "Resale Price Maintenance". Considering it so, the Commission has to consider AAEC keeping in view Section 19(3) of the Act and having regard to all or any of the factors, namely (a)creation of barriers to new entrants in the market (b) driving existing competitors out of the market (c) foreclosure of competition by hindering entry into the market (d) accrual of benefits to consumers,(e) improvements in production or distribution of goods or provision of services and (f) promotion of technical, scientific and economic development by means of production or distribution of goods or provision of services.

While assessing AAEC it can be prima-facie seen from the facts supplied by the Informant that the alleged clauses of the agreement could hardly be said to create barriers to new entrants in the market or were likely to drive the existing competitors out of the market or had the potential to foreclose the competition by hindering entry into the market. Considering the above position and also the fact that there were many competing traders, the Commission is of the view that prima-facie the impugned clauses of the agreement were not likely to have appreciable adverse effect on competition in relevant market of Truck and Trailer Components/parts and accessories in the State of Rajasthan.

For the reasons stated above, prima facie, no case is made out under Sections 3 and 4 for directing DG for investigating into the case and as such the case deserves to be closed under section 26(2) of the Act.

LW: 105.11.2013

ASSOCIATION OF INDIAN MINI BLAST FURNACES v. NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED [CCI]

Case No. 15/2013

Ashok Chawla, Anurag Goel, M. L. Tayal, Justice S. N. Dhingra (Retd.) & S. L. Bunker.[Decided on 08/10/2013]

Competition Act, 2002 - abuse of dominance - pricing mechanism adopted by PSU - whether abuse of dominance- Held, No.

Brief facts:

The informant represents the interests of Steel/pig iron manufacturers in Karnataka, i.e. the industries engaged in production of steel/pig iron and other associate products through blast furnace procedure. The members of the Informant association are primary consumers of the iron-ore produced/excavated by the OP from its mines. The OP is a fully owned public enterprise and is under the administrative control of the Ministry of Steel, Government of India.

The Informant alleged that the OP got exclusivity/monopoly in iron ore mining due to a Supreme Court order dated 05, August, 2011, in *Samaj Parivartan Samudaya & Ors.* v. *State of Karnataka and Ors.,* (Writ Petition (Civil) No. 562 of 2009), by which OP was enjoying exclusive privilege of carrying out mining operations in the State of Karnataka.

It is alleged by the Informant that the OP adopted arbitrary and excessive pricing mechanism. As per the Supreme Court order dated 02.12.2011, the OP was given liberty to fix its prices, however, it was constantly changing the basis adopted for determining the prices to maximise its profits. The OP had previously adopted 'Net Back Calculation Pricing Mechanism' on basis of which prices were determined with reference to international prices prevailing in export market but later prices were adopted on the basis of demand and supply difference without any consultation with the Informant. Due to the discriminatory pricing adopted by OP, industrial users could not purchase the iron-ore and as a result almost 90% of stock, remained unsold in e-auctions. Further, during April-June 2012, OP increased prices of iron-ore even when there was no change in prices in the international market. In August, 2012, OP increased the prices, when on the contrary, prices had fallen

down in the international market. The difference between prices of lumps and fines offered by the OP was much higher compared to the difference between the price of lumps and fines in international markets. The Informant had also brought forth the huge differences between the base prices with respect to 62% Fe Iron-ore, fixed by the OP and prices fixed by the SC Committee (CEC), indicating differences of 20.6% in January 2012 which rose to 50.2% by December 2012.

Subsequent to relaxing of ban on mining by the Supreme Court by order dated 05.08.2011, the OP was offering iron-ore through e-auction, under 'as is where is' basis, irrespective of the guaranteed physical and chemical specifications of 65% iron content, 5.5% for both alumina and silica, 0.08% for phosphorus and 0.05% for sulphur, for lumps measuring between 6-30 mm. Industrial consumers were forced to buy iron-ore lumps with low iron content and more impurities and moisture, which affected the productivity of the industrial consumers and increased the costs.

Based on the above said allegations, informant contended that OP was a dominant player in the relevant market and was adopting unfair pricing mechanism, amounting to violation of section 4(2)(a)(i) and section 4(2)(a)(ii) of the Act.

Decision: Case closed.

Reason

The Commission considered the information, facts and data placed on record by the Informant. For evaluating the allegations of the informant regarding section 4 of the Act, the relevant market is to be considered as per section 2(r) read with section 19(5) of the Act. The relevant market comprises of the relevant product market and relevant geographical market. The relevant product market proposed by the Informant was 'iron ore lumps in size of 10 mm to 40 mm.' The Informant further bifurcated the relevant market into two-tiers, one tier comprising of non-NMDC iron ore and the other comprising of NMDC iron ore in Karnataka region.

As per information obtained from public domain1, over the years, there has been a change in the nature of raw material used in blast furnace industries i.e. from a totally lump oriented feed towards use of higher sinter and pellet. As such, the requirement of fines has gone up considerably and more emphasis is placed on enriching quality of iron ore fines through technology. Further, low grade iron ore can also be used by the blast furnaces by incurring some additional costs on processing the lumps. Hence, the relevant product in the present case cannot be limited to iron-ore lumps of 10 mm to 40 mm because iron ore lumps, iron ore pellets and iron ore fines of different sizes and quality in terms of purity, moisture content etc. are easily substitutable as raw material for industrial consumers. The relevant product market appears to be much wider than the market delineated by the Informant. As such, relevant product market in this case would be 'production/supply of iron ore.'

Iron ore mining activities in India are spread over in States of Karnataka, Goa, Chhattisgarh, Jharkhand, Orissa, Maharashtra, Andhra Pradesh, Madhya Pradesh and Rajasthan of which Karnataka, Goa, Chhattisgarh, Jharkhand and Orissa contributing to 98% of the total iron ore production of country. Industrial consumers of iron ore are located in close proximity of iron ore mines to ensure that minimum costs are incurred on transportation of iron ore to the industries. In the present case, the relevant geographical market would be State of Karnataka, because transporting iron ore from other states would involve heavy transportation costs. It is therefore, not economically viable for industrial consumers in State of Karnataka to purchase iron ore from other states and vice versa. Thus, the relevant geographical market in the present case would be 'geographic region of Karnataka.'

In view of the above discussion, the Commission is of the view that relevant market in the present case would be market of 'production/supply of iron ore in the State of Karnataka'.

As regards the contention of the Informant that OP has adopted unfair pricing mechanism, the Commission in Case No. 69/2012, Sponge Iron Manufacturers Association vs. National Mineral Development Corporation and Ors., while considering the issue of dominance by the OP, had observed that OP held only 16% of the market share in India 2011-12 and is not dominant in the relevant market. As per a recent press release by Ministry of Steel, Government of India, published in May, 2013, during the years 2011-12 and 2012-13, OP produced 26.91 and 24.67 million tonnes of iron ore, amounting to about 16% of total iron ore production in India. However, there is no specific information in the public domain to highlight the market share of OP in region of Karnataka. The figures regarding market share of OP, operating margins etc. do not appear to be of much credence as no source of the same has been given. Even though it may be assumed that the OP was dominant in the State of Karnataka, there was nothing in the public domain to prima facie lead to the inference that OP was abusing its dominance.

The relevance of determining relevant market and dominance of an enterprise is only necessary in free markets. Since, in this case, the mining activities were being done as per the orders of the Supreme Court and pricing was looked after by another Committee, determination of relevant market may not be appropriate. Most of the actions of the OP stated in the information were in pursuance of the order of the Hon'ble Supreme Court. The Supreme Court had banned mining in District Bellary and extended such ban to Districts of Chitradurg and Tumkuru by its orders of July, 2011 etc. Thereafter, Supreme Court, vide its order dated 05.08.2011 permitted resumption of mining operations of OP 1's Kumaraswamy and Donimalai Mines alone. Further, the Supreme Court made it mandatory that the entire production of OP 1 from the State of Karnataka should be sold only by way of e-auction. The Supreme Court banned the supply of iron ore by OP 1 even to its long term customers under the then existing long term contracts. Thus, OP 1 was producing iron ore in the State

of Karnataka under the orders of the Supreme Court, and, neither it was selling nor fixing the sale price of iron ore in the State of Karnataka of its own. Thus, all the actions of OP 1 in so far as it pertained to State of Karnataka were in compliance of the orders of the Supreme Court.

It is also significant to mention herein that Supreme Court has dealt with the pricing policy decisions of OP and has categorically passed an order stating that the fixation of basic price by OP was transparent and did not require any interference. The Supreme Court directed the Central Empowered Committee to monitor the prices adopted by OP and have discussions with OP for any change thereof. The Central Empowered Committee was of the view that the pricing mechanism adopted by OP in fixing of basic price need not be interfered with. Besides, based on the changes in Government policy and iron ore trade dynamics, OP had also been changing its pricing policy from time-to-time. Since the international market shifted to fixing the prices on quarterly basis, instead of annual system prevalent till 2009-10, OP also started fixing prices for its domestic long-term customers on quarterly basis with effect from April, 2010 along with export contracts. Every enterprise is free to undertake such prudent and sound commercial decisions to survive in a dynamic business environment and such changes prima facie do not raise competitive concerns.

In view of the above discussion, there does not exist a prima facie case for causing an investigation to be made by the Director General under section 26(1) of the Act. It is a fit case for closure under section 26(2) of the Act and the same is hereby closed.

LW: 106.11.2013

CCE, ALLAHABAD v. TRIBHUWAN ELECTRICALS PVT. LTD [CESTAT]

Excise Appeal No. 2861/2005-EX[DB]

Archana Wadhwa & Manmohan Singh
[Decided on 10.10.2013]

Central Excise Act - section 4 - valuation - deduction of equated freight - whether allowable - Held, Yes.

Brief facts

As per fact on record the appellants during the period from 01.07.2000 to 28.02.2003, had supplied their goods to U.P. Power Corporation Ltd., under various contracts for delivery of goods on FOR destination basis. They had also entered into separate contracts with their buyers for freight under which they charged freight on equated basis e.g. Rs. 100/- per KM length of conductor irrespective of destination distances. Such equated freight being part of the transaction value was not allowed to be deducted for the purpose of Central Excise duty in terms of Section 4(1) (b) of the Central Excise Act, 1944 read with Rule 5 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules 2000 during the period from 01.07.2000 to 28.02.2003. During the above period, the party charged Rs. 94,643.55 as freight from their buyers but did not pay duty of Rs. 9086/-.

Accordingly, a Show Cause Notice dated 16.04.2004 was issued proposing to demand/recover the Central Excise duty of Rs. 9086/- under proviso to Section 11 A(1) of the Central Excise Act, 1944 along with interest in term of Section 11 AB and also proposing to impose penalty under Section 11 AC with Rule 173 Q of the Central Excise Rules, 1944 (new Rule 25 of the Central Excise Rules, 2002). The adjudicating authority, vide Order-In-Original dated 24.02.2005 confirmed the demand of Rs. 9086/- under proviso to Section 11 A (1) of the Central Excise Act, 1944 along with interest at the rate applicable under Section 11 AB and also imposed a penalty of Rs. 9086/- under Section 11 AC of the Central Excise Act, 1944 read with Rule 173 Q of the Central Excise Rules, 1944 (New Rule 25 of Central Excise Rules, 2002).

On appeal by the party, the Commissioner (Appeals) vide Order-In-Appeal dated 29.06.2005 allowed the appeal of the party on the ground that the clearances made by the party were covered by Section 4(1)(a) itself of Central Excise Act, 1944 and there was no requirement of taking recourse to Section 4(1)(b). The said order of Commissioner (Appeals) is impugned order before the Tribunal.

Decision: Appeal dismissed.

Reason:

After giving our careful consideration to the issue involved, we find that there is no dispute about the fact that the goods were sold on ex-factory basis. The same were to be delivered to their customers on recovery of the freight. As such, the sale cannot be held to be on FOR basis. The respondent was also showing the freight element separately in the invoices.

The Commissioner (Appeals) has correctly relied upon the various decisions, in support of its findings that when the sale

is on ex- factory basis, the transportation charges are not required to be added in the assessable value, irrespective of the fact that whether the same are on equalized or on actual basis. As such, we find no infirmity in the impugned order passed by the Commissioner (Appeals).

Apart from merits of the case, the appellate authority has also held the demand to be barred by limitation. Admittedly, the freight was being reflected in the invoices which were being submitted to the Department. As such no suppression or mis-statement with any malafide intent can be attributed to the respondent. We accordingly uphold the findings of Commissioner (Appeals) on the point of limitation also.

LW: 107.11.2013

KARAMVEER SINGH v.C.C.E. ROHTAK [CESTAT]

Appeal No. C/681/2006-CU(DB)

D.N. Panda & Manmohan Singh .[Decided on 09/10/2013]

Customs Act, 1962 - disposal of duty free goods in the open market - No manufacturing activity in the factory - whether the customs duty and penalty imposed justified - Held, Yes.

Brief Facts

The issue involved in this case is that the Noticee-1, was holding Private Bonded Warehouse License No. 1/2001/SO/RTK/100% EOU dated 24.7.2001 which was suspended on 21.5.2002, after detection of misuse of 100% EOU Scheme. The appellant has imported duty free polyester fabric and disposed it off in the open market. Notice No. 1 exported Readymade garments procured from the open market without undertaking any manufacturing activity in the factory. This was admitted by Shri Karamveer Singh, Prop of the Noticee-1 in his statements dated 11.2.2002 and 12.2.2002. He has admitted that duty free fabric after import has been disposed of in the open market without undertaking any manufacturing activity in the factory.

It is observed that the polyester fabric covered under both the Bill of Entry No. 539120 dated 22.1.2002 and IMP-B-B-601007 dated 15.2.2002 were imported by the appellants without payment of Customs duty leviable thereon under Notification No. 53/97-Cus dated 3.6.97 as amended which allowed exemption from payment of Customs duty to specified imported goods to be used for production of goods for export or for use by a 100% EOU, subject to fulfillment of conditions. Since said imported goods were not warehoused before suspension of warehouse license, the Customs duty involved thereon became demandable and recoverable from the party. It is also observed that the appellant did not intimate the receipt of goods, did not get the goods examined and warehoused, which was obligatory on their part. Instead, the Noticee-1 transferred the imported fabrics as such without permission of the proper officer in violation of the conditions of said Notification and without payment of Customs duty, without examination of goods by the proper officer at the time of removal of the goods from their godown and without issuance of re-warehousing certificate by the proper officer. Revenue accordingly alleged that these was clear manifestation of on the imported fabrics and shows the malafide intention.

Decision: Appeal dismissed.

Reason: From the facts on record it is clear that appellants has misused the License of 100% EOU Scheme and sold the imported goods without being used in manufacture by the appellant. He procured altogether different material i.e. knitted fabric from the open market and sold the same to M/s Shiv Shakti Ankleshwar, Gujrat fabricating documents to show that imported goods upon undergoing manufacture were sold by appellant. This was a deception by appellant to Revenue.

Commissioner (Appeals) in his order the has elaborately discussed the mischief committed by the appellant which committed fraud diverting the imported goods which were allowed to be cleared by customs without payment of customs duty and sold the same open market.

The seized polyester dyed embossed fabrics has been found to be actually knitted fabrics classifiable under Chapter 60 of CTA as is evident from the test report and the said fabrics do not correspond to the material imported i.e. polyester fabrics 58/60and 100% polyester dyed fabrics 58/60 of chapter 54 filed by Noticee-1 under Section 46 of the said Act and claimed to have been sent to Noticee-2 by Noticee-1 under ARE-3 No.1&2, both dated 11.6.2002, therefore, the seized fabric held is held liable to confiscation under Section 113 (i) of the said Act. It is further held that the seized fabrics, are also liable to confiscation under Section 113 (d) of the said Act as the same were attempted to be exported through another EOU contrary to the provisions under said Act and the Notification No. 53/97-Customs dated 3.6.1997, as amended, I hold that the Customs duty of Rs. 24,37,818/- on the imported polyester fabrics so diverted in the local market, and not utilized for intended purpose is recoverable from Notiee-1 under proviso to Section 28(1) of the said Act read with Notification No. 53/97-Cus dated 3.6.1997, as amended Noticee-1 is also hold liable to penal action under Section 114 as well as under Section 112 of the Said Act. The license granted to noticee-1 under Section 58(1) of the said act is also held liable to be cancelled under Section 58(2) of the said Act for contravention of the provisions of the said Act.

In view of the above it can be concluded that Commissioner (Appeals) has rightly held that Shri Karamveer Singh, Proprietor M/s Singh Overseas is liable for action under section 112 of Customs Act, 1962 for the contraventions of the provisions of Customs Act, 1962. Accordingly the demand of Customs duty of Rs.24,37,818/- on polyester fabric imported duty free and diverted in open market and not utilized for intended purpose is upheld by us for no rebuttal to appellate findings. Interest on duty amount of Rs.24,37,818 is also confirmed.

Imposition of penalty of Rs. 25 lakhs on Shri Karamveer Singh, Proprietor does not appear to be unreasonable. Therefore the appellant does not deserve any leniency who has also committed fraud against Revenue by his ill design. That is also upheld.

LW: 108.11.2013

MGM TOOLS PVT LTD v. C.C.E., INDORE [CESTAT]

Appeal No. E/72 & E/73/2011- EX[SM]

Rakesh Kumar [Decided on 08/10/2013]

Central Excise Act, 1944 - issue of fake invoices - penalty imposed on the manufacturer and its director - whether tenable-Held, Yes.

Brief facts

These two appeals are filed by the manufacturer company and its director. The appellants are manufacturers of flexible pipes and tubes of iron and steel. The allegation against them is that during the period from Nov'99 to Feb'2000 they issued invoices to M/s. Polymermann Asia Pvt. Ltd., Nasik regarding the supply of capital goods valued at about Rs. 59,00,000/- involving duty of Rs.7,92,702/- without actually supplying any goods and only with the purpose of enabling M/s. Polymermann Asia Pvt. Ltd. to avail the Cenvat Credit. On the basis of these invoices, M/s. Polymermann Asia Pvt. Ltd. took Cenvat Credit of Rs. 7,92,702/-. The Show Cause Notice was adjudicated by the Assistant Commissioner by which the demand of Rs.7,92,702/- under section 11D against M/s. MGM Tools Pvt. Ltd. was confirmed and penalties were imposed of M/s. MGM Tools Pvt. Ltd. and its director.

Decision: Appeal partly allowed.

Reason: So far as, the demand under section 11D on M/s. MGM Tools Pvt. Ltd. is concerned, this section is applicable to the manufacturer who has collected some amount from his customers as duty in respect of certain goods sold by him and that amount collected as duty has not been paid to the Government. In this matter, the case against MGM Tools Pvt. Ltd. is that they have issued bogus invoices for 3% commission without supply any goods just to enable his customer M/s. Polymermann Asia Pvt. Ltd., Nasik avail Cenvat Credit and this fact is confirmed not only by the statement of the Directors of the appellant company Sh. S.N.Godia and Sh. Dilip Mehta,but also by the evidence of the transporters. When no goods have been supplied against the invoices issued to M/s. Polymermann Asia Pvt. Ltd. and except for 3% commission, the appellant have not received any thing, there is no question of the appellant having received any amount towards duty which was not paid by them to the Government. Just because the invoices were issued by the appellant to M/s. Polymermann Asia Pvt. Ltd. showing sales of duty paid capital goods, it cannot be presumed that they had received the payment against those invoices when the evidence on record shows otherwise. In view of this so far as the demand under section 11D is concerned, the order of the Commissioner (Appeals) is not sustainable.

However, so far as the imposition of penalty for issue a fake invoices on both the appellant concerned, I find that during the period of dispute, Rule 173Q(1)(bbb) provided for imposition of penalty on any manufacturer, producer, a registered person of a Ware House or registered dealer, who willfully enters any wrong or incorrect particulars in the invoices issued for the excisable goods dealt by him with intent to facilitate the buyer to avail credit of the duty of excise in respect of such goods, which is not permissible under the Rules. In my view of issue of fake invoice of capital goods by M/s. MGM Tools Pvt. Ltd. would be covered by Rule 173Q(1)(bbb), and as such the appellant's plea that during the period of dispute there was no provision for imposition of penalty on any manufacturer for issue a fake invoice, is not correct. Therefore, penalty on M/s. MGM Tools Pvt. Ltd. under Rule 173Q(1)(bbb) of Central Excise Rules 1944 is upheld.

As regards penalty on Sh. S.N.Godia, Director of appellant company under Rule 209A of Central Excise Rules from the evidence on records, it is clear that he was also involved in issue of fake invoices. It is pleaded that during the period prior to 01.03.07 there was no provisions for imposition of penalty on such persons and such a provision was introduced only w.e.f. 01.03.07 by inserting sub-rule (2) to Rule 26 of the Central Excise Rules, 2002. However, on this issue Hon'ble Punjab & Haryana High Court in para 10 of the judgment in case of Vee Kay Enterprises Vs. CCE, reported in 2011(266) ELT-436 (P&H) has held that even in such cases penalty is imposed under section 26 of Central Excise Rules 2001/2002 (analogous to Rule 209 A of Central Excise Rules, 1944 for issue of fake invoices.

In view of the above discussion while the demand for amount under section 11D is set aside, imposition on penalty on Sh. S.N. Godia, Director of M/s. MGM Tools Pvt. Ltd. is upheld. Both the appeals stands dispose of as above.

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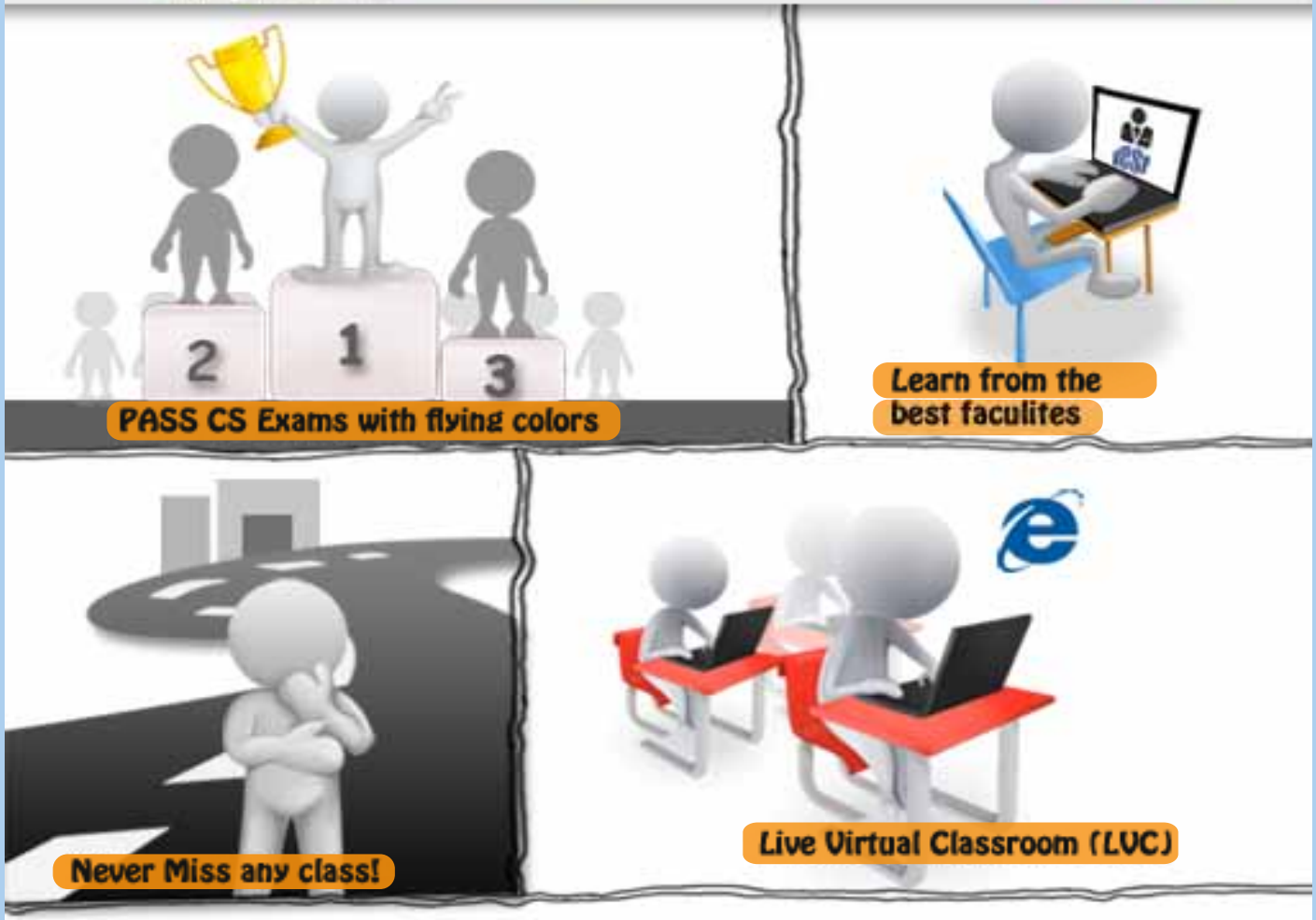

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Corporate Laws

01 Notification regarding establishment of Local Office of the Board at Ranchi

[Issued by the Securities and Exchange Board of India vide No. LAD-NRO/GN/2013-14/29/6752 and Published in the Gazette of India (Extraordinary), Part III, Section IV dated : 10.10.2013]

In exercise of the powers conferred by sub-section (4) of section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board has established its Local Office at Ranchi under the administrative control of its Eastern Regional Office at Kolkata. The Local Office so established shall look after the regulatory aspects of investor protection, facilitating redressal of investor grievances, financial and investor education and such other functions as may be assigned from time to time, and its role and responsibility shall extend to the areas falling under the territorial jurisdiction of the State of Jharkhand.

U. K. SINHA
Chairman

02 Securities and Exchange Board of India (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013

[Issued by the Securities and Exchange Board of India vide No. LAD-NRO/GN/2013-14/27/6720 and Published in the Gazette of India (Extraordinary), Part III, Section IV dated : 08.10.2013]

In exercise of the powers conferred by sub-sections (1) and (2) of section 11, sub-section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), section 31 read with section 21A of the Securities Contracts (Regulation) Act, 1956(42 of 1956), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, namely:-

Short title and commencement.

1. These regulations may be called the Securities and Exchange Board of India (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013.
2. They shall come into force on the date of their publication in the Official Gazette.

Amendment to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

3. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, –

(i) after Chapter XB, the following Chapter shall be inserted, namely:-

"CHAPTER XC

LISTING AND ISSUE OF CAPITAL BY SMALL AND MEDIUM ENTERPRISES ON INSTITUTIONAL TRADING PLATFORM WITHOUT INITIAL PUBLIC OFFERING

Applicability.

106W. The provisions of this Chapter shall apply to small and medium enterprises which do not have their securities listed on any recognised stock exchange and which seek listing of their specified securities exclusively on the institutional trading platform.

Definitions.

106X. (1) In this Chapter, unless the context otherwise requires,-

(a) "institutional trading platform" means the trading platform in a SME exchange for listing and trading of specified securities of small and medium enterprises for informed investors;

(b) "small and medium enterprise" means a public company including start-up company, that complies with all the eligibility conditions specified in regulation 106Y.

(2) All other words and expressions used in this Chapter but not defined under subregulation (1) shall derive their meaning from regulation 2 of these regulations.

Eligibility.

106Y. A small and medium enterprise shall be eligible for listing of its securities on the institutional trading platform, if it satisfies the following:

a) the company, its promoter, group company or director does not appear in the wilful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;

b) there is no winding up petition against the company that has been admitted by a competent court;
c) the company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
d) no regulatory action has been taken against the company, its promoter or director, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
e) the company has not completed a period of more than ten years after incorporation and its revenues have not exceeded one hundred crore rupees in any of the previous financial years;
f) the paid up capital of the company has not exceeded twenty five crore rupees in any of the previous financial years;
g) the company has atleast one full year's audited financial statements, for the immediately preceding financial year at the time of making listing application;
h) any one of the following criteria:
   (i) Atleast one alternative investment fund, venture capital fund or other category of investors/lenders approved by the Board has invested a minimum amount of fifty lakh rupees in equity shares of the company, or
   (ii) Atleast one angel investor who is a member of an association/group of angel investors which fulfils the criteria laid down by the recognised stock exchange, has invested a minimum amount of fifty lakh rupees in the equity shares of the company through such association/group, or
   (iii) The company has received finance from a scheduled bank for its project financing or working capital requirements and a period of three years has elapsed from the date of such financing and the funds so received have been fully utilized, or
   (iv) A registered merchant banker has exercised due diligence and has invested not less than fifty lakh rupees in equity shares of the company which shall be locked in for a period of three years from the date of listing, or
   (v) A qualified institutional buyer has invested not less than fifty lakh rupees in the equity shares of the company which shall be locked in for a period of three years from the date of listing, or
   (vi) A specialized international multilateral agency or domestic agency or a public financial institution as defined under section 4A of the Companies Act, 1956 has invested in the equity capital of the company.

Listing of specified securities.

106Z. (1) A company that fulfils the eligibility criteria specified in regulation 106Y may apply to a recognised stock exchange for listing of its specified securities on the institutional trading platform, enclosing therewith an information document containing disclosures as specified in Schedule XIX A.

(2) The information document shall be made public by hosting it on the website of recognised stock exchange for a period of atleast twenty one days from the date of such filing.

(3) The recognised stock exchange may grant in-principle approval to the company.

(4) The company which has received in-principle approval from the recognised stock exchange for listing of its specified securities on the institutional trading platform shall be deemed to have been waived by the Board under sub-rule (7) of rule 19 from clause (b) of sub-rule (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 for the limited purpose of listing on institutional trading platform.

(5) The recognised stock exchange on satisfying that the applicant is compliant with regulation 106Y and its bye-laws may list the securities of the company on the institutional trading platform.

Conditions on issue of securities and raising of capital.

106ZA. (1) Listing of specified securities on institutional trading platform shall not be accompanied by any issue of securities to the public in any manner.

(2) The company shall not make initial public offering while its specified securities are listed on institutional trading platform.

(3) The company listed on institutional trading platform may raise capital through private placement or rights issue without an option for renunciation of rights.

(4) The private placement of securities by a company whose securities are listed on institutional trading platform shall be subject to the following:

a) the company shall obtain in-principle approval from the recognised stock exchange prior to private placement;
b) the approval of shareholders through a special resolution under sub-section (1A) of section 81 of Companies Act, 1956 shall be obtained;
c) the company shall complete allotment of securities within two months of obtaining such approval;
d) the explanatory statement to the notice to shareholders shall include the disclosures regarding:
   (i) the purpose for private placement;
   (ii) identity of allottees;
   (iii) whether allottee is a promoter or belongs to the promoter group and if not the relationship between promoter and allottee;
   (iv) nature of securities being issued;
   (v) price at which the security is being issued.
e) the disclosures as referred to in clause (d) of sub-regulation (4) shall be made available to the recognised stock exchanges for dissemination, atleast fifteen days

prior to the general body meeting where approval of shareholders is being sought for the proposed private placement;

f) the securities so issued through private placement shall be made at a price not less than higher of the following:
   (i) the book value of the equity shares as per its last audited financial statement not older than six months;
   (ii) value of shares as determined in an independent auditor's or registered merchant banker's report.

(5) A company listed on institutional trading platform making a rights issue shall comply with the following:

a) there shall not be an option for renunciation of rights;
b) the company shall obtain in-principle approval from the recognised stock exchange where its securities are listed prior to a rights issue;
c) the company making a rights issue shall send a letter of offer to its shareholders through registered post or speed post or electronic mode and the same shall be made available on the website of the company and the recognised stock exchange.

Minimum promoter shareholding and lock-in.

106ZB. Not less than twenty per cent. of the post listing capital shall be held by the promoters at the time of listing of specified securities of the small and medium enterprise which shall be locked-in for a period of three years from date of listing.

Trading of specified securities.

106ZC. (1) All specified securities of the company shall be in dematerialized form upon listing on institutional trading platform.

(2) The company shall have connectivity with atleast one depository at all times.

(3) The minimum trading lot on institutional trading platform shall be ten lakh rupees.

Exit from institutional trading platform.

106ZD. (1) A company whose specified securities are listed on institutional trading platform may exit from that platform, if:

a) its shareholders approve such exit by passing a special resolution through postal ballot where ninety per cent. of total votes and the majority of non-promoter votes have been cast in favor of such proposal;
b) the recognised stock exchange where its shares are listed approve such exit.

(2) A company whose securities are listed on institutional trading platform shall exit the platform in the event of:

a) its specified securities have been listed on this platform for a period of ten years;
b) the company has paid up capital of more than twenty five crore rupees;
c) the company has revenue of more than three hundred crore rupees as per the last audited financial statement;
d) the company has market capitalization of more than five hundred crore rupees:

Provided that the stock exchange may grant eighteen months time to such company to delist upon happening of any of the events as referred to in clauses (a) to (d).

(3) A company listed on institutional trading platform shall be delisted and permanently removed from the institutional trading platform under the following circumstances:

a) the company has failed to file its periodic filings with the recognised stock exchange for more than one year; or
b) the company has failed to comply with corporate governance norm(s) for more than one year; or
c) notwithstanding anything contained in clauses (a) and (b), the recognised stock exchange may delist the company on non-compliance of the condition of listing as may be specified by the recognised stock exchange.

(4) In case of a company delisted under sub-regulation (3), no company promoted by promoters and directors of such delisted company shall be permitted to be listed on institutional trading platform for a period of five years from the date of such delisting:

Provided that the provisions of sub-regulation (4) shall not apply to a company promoted by the independent directors of such a delisted company.

Liability for mis-statement in the information document.

106ZE. In case of any mis-statement in the information document or any omission therein, any person who has authorized the issue of information document shall be liable in accordance with the provisions of the Act and regulations made thereunder."

(ii) after Schedule XIX, the following Schedule shall be inserted, namely:-

"SCHEDULE XIXA
[See regulation 106Z(1)]
INFORMATION DOCUMENT

1. Business.

1.1. Description of business:

I. Describe the general development of the business of the company, its subsidiaries;
II. The principal products produced and services rendered by the company in the segment and the principal markets for the segment's principal products and services;
III. The sources and availability of raw materials;
IV. The importance of the segment and the duration and effect of all patents, trademarks, licenses, franchises and concessions held;
V. The practices of the company and the industry (respective industries) relating to working capital items;
VI. If material, the estimated amount spent during each of the last three fiscal years on company-sponsored research and development activities determined in

accordance with generally accepted accounting principles;

VII. The number of persons employed by the company;

VIII. This section is not intended to require disclosure of otherwise non-public corporate information the disclosure of which would affect adversely the company's competitive position.

1.2. Financial information:
Complete audited Balance Sheet, Profit & Loss Account, Cash Flow statement, with attendant annexure and notes to accounts for the previous year.

1.3. The capital structure shall be presented in the following manner in a tabular form:
(a) The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);
(b) Share premium account;
(c) The details of the existing share capital of the company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted and the form of consideration.

1.4. Description of property:

I. This section requires disclosure of information on fixed assets and intellectual property rights etc;

II. The names of the entities from whom such property has been acquired, nature of title, details of whether such property acquired by the company is free from all encumbrances and has a clear title and whether it is registered in the name of the company;

III. Whether any such property has been acquired from related parties.

2. Risk factors.

2.1. Where appropriate, provide under the caption "Risk Factors" a description of the most significant factors that make the offering speculative or risky. This description must be concise and organized logically.

2.2. The risk factors may include, among other things, the following:

I. The lack of an operating history;

II. The lack of profitable operations in recent periods;

III. The financial position;

IV. The business or proposed business;

V. The lack of a market for the company's equity shares or securities convertible into or exercisable for equity shares.

3. Security ownership of certain beneficial owners and management.

3.1. Information with respect to the shareholding of a beneficial owner:

Class/ type of securities	Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent

3.2. Any significant shareholders agreement and details thereof.

4. Directors and executive officers.
List the names and ages of all directors of the company and all persons nominated or chosen to become directors; indicate all positions and offices with the company held by each such person; state his term of office as director and any period(s) during which he has served as such; describe briefly any arrangement or understanding between him and any other person(s) (naming such person(s)) pursuant to which he was or is to be selected as a director or nominee.

5. Promoters.

5.1. A complete profile of their promoters, including their name, age, personal addresses, educational qualifications, experience in the business or employment and in the line of business proposed in the offer document, positions/posts held in the past, directorship(s) held, other ventures of each promoter, their business and financial activities, photograph, voter identification number, driving license number, shall be disclosed.

5.2. Where the promoters are companies:
History of the companies and their promoters shall be furnished. In case the promoters of such companies are again companies or bodies corporates, names of natural persons in control (i.e., holding fifteen per cent. or more voting rights) or who are on the board of directors of such bodies corporate shall be disclosed. Details of change in control or management of the promoter companies, if any, including details of the persons who held the controlling interest in the three years immediately preceding the filing the draft offer document.

6. Certain relationships and related transactions, and director independence.
Describe any transaction with related parties in which the company was or is to be a participant and the amount involved exceeds a twenty five thousand rupees.

7. Legal proceedings.
This section requires disclosure of any material pending legal proceedings (other than ordinary routine litigation incidental to the business, such as lawsuits against an insurance company's customers) to which the company or any of its subsidiaries is a party or in which any of their property is the subject. This section must include a description of the facts underlying the proceedings and the court action(s) sought.

8. Declaration.

8.1 The draft information document and the final information document shall be approved by the board of directors of the issuer and shall be signed by all directors, the Chief

Executive Officer, i.e., the Managing Director or Manager within the meaning of the Companies Act, 1956 and the Chief Financial Officer, i.e., the whole-time finance director or any other person heading the finance function and discharging that function.

8.2 The signatories shall further certify that all disclosures made in the offer document are true and correct."

Amendment to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

4. In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, in regulation 1,-
   (i) in sub-regulation (3), for the full stop, the symbol ":" shall be substituted;
   (ii) after sub-regulation (3), the following proviso shall be inserted, namely,-
   "Provided that these regulations shall not apply to direct and indirect acquisition of shares or voting rights in, or control over a company listed on the institutional trading platform of a recognised stock exchange."

Amendment to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

5. In the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in regulation 3, -
   (i) in sub-regulation (1), for the full stop, the symbol ":" shall be substituted;
   (ii) after sub-regulation (1), the following proviso shall be inserted, namely,-
   "Provided that these regulations shall not apply to securities listed on the institutional trading platform of a recognised stock exchange."

U. K. SINHA
Chairman

03 Know Your Client Requirements

[Issued by the Securities and Exchange Board of India vide CIR/MIRSD/ 09/ 2013 dated : 08.10.2013]

1. Please refer to SEBI circular No. CIR/MIRSD/ 09 /2012 dated August 13, 2012, advising that Aadhaar Letter issued by UIDAI would be admissible as Proof of Address in addition to it being recognized as Proof of Identity.

2. In consultation with Unique Identification Authority of India (UIDAI) and the market participants, it has now been decided to accept e-KYC service launched by UIDAI also, as a valid process for KYC verification. The information containing relevant client details and photograph made available from UIDAI as a result of e-KYC process shall be treated as sufficient proof of Identity and Address of the client. However, the client shall have to authorize the intermediary to access his data through UIDAI system.

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

A.S.Mithwani
Deputy General Manager

04 Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure.

[Issued by the Securities and Exchange Board of India vide CIR/MRD/ DSA/32/2013 dated : 04.10.2013]

1. SEBI vide circular SEBI /IMD / CIR No.11/183204/ 2009 dated November 13, 2009 and circular CIR/IMD/ DF/17/2010 dated November 9, 2010, on captioned subject, facilitate purchasing and redeeming the permitted units of mutual fund schemes through stock exchange infrastructure. However, this facility was available for stock brokers and clearing members.

2. In order to enable the mutual fund distributors also to leverage the stock exchange platform so as to improve their reach and mutual fund distributions, it has been decided to allow mutual fund distributors to use recognised stock exchanges' infrastructure to purchases and redeem mutual fund units directly from Mutual Fund/Assets Management Companies on behalf of their clients. This would be in addition to the existing channels of mutual funds distribution.

3. For the aforesaid purpose, only a mutual fund Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by the concerned recognised stock exchange, (MF distributor) shall eligible to use recognised stock exchanges' infrastructure to purchases and redeem mutual fund units directly from Mutual Fund/Assets Management Companies.

4. The recognised stock exchange shall grant permission on a request made by a AMFI registered mutual fund distributor on the basis of criteria including fee, code of conduct, etc. as laid down by it.

5. The MF distributors shall not handle payout and pay in of funds as well as units on behalf of investor. The recognised stock exchange shall put necessary system in place to ensure that pay in will be directly received by recognised clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demat account of investors.

6. The respective recognised stock exchanges, recognised clearing corporations and depositories shall provide detailed operating guidelines for MF distributor to facilitate the above.

7. The recognised stock exchanges and recognised clearing corporations may make necessary amendment to their existing byelaws, rules and/or regulations, wherever required.

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

9. This Circular is also available on SEBI website at www.sebi.gov.in.

Sunil Kadam
General Manager

05 Amendment to bye-laws of recognised stock exchanges with respect to non-compliance of certain listing conditions and adopting Standard Operating Procedure for suspension and revocation of trading of shares of listed entities for such non compliances.

[Issued by the Securities and Exchange Board of India vide CIR/MRD/ DSA / 31 /2013 dated : 30.09.2013]

1. Based on general feed- back received from various stakeholders, it has been decided to streamline the processes and procedures with regard to actions for non compliances of certain listing conditions which have so far been considered as grounds for suspension of trading by the recognised stock exchanges. Accordingly, it has been decided that recognised stock exchanges shall use imposition of fines as action of first resort in case of such non compliances and invoke suspension of trading in case of subsequent and consecutive defaults. In order to maintain consistency and uniformity of approach in this regard, it has been decided to lay down, in the bye -laws of the recognised stock exchanges, the following: -
   (i). Uniform fine structure for non-compliance of certain clauses of the listing agreement as per Annexure I;
   (ii). Standard Operating Procedure (SOP) for suspension and revocation of suspension of trading in the shares of such listed entities as per Annexure II.

2. Further, in order to ensure effective enforcement of listing conditions, it is felt to bring in place appropriate system to enforce the liabilities of listed entities and their promoters/promoter group as disclosed to the concerned recognised stock exchange under clause 35 of the Listing Agreement. It is also felt desirable that while the relevant disclosures are not made, such promoters/ promoter group should not exit from the listed entity. Accordingly, it has been decided that during the process of the suspension of the trading/ revocation of trading as provided in the SOP, the concerned recognised stock exchange shall intimate the details of the concerned non-compliant entity and its promoter /promoter group to the depositories. On receipt of such intimation, the depositories shall freeze or unfreeze, as the case may be, the entire shareholding of the promoter and promoter group in such entity.

3. Every recognised stock exchanges shall put in place the system to monitor and review the compliance of respective listing conditions by the listed entities. It is hereby further clarified that each recognised stock exchange, where the shares of the concerned entity are listed, shall enforce the compliance of respective listing conditions in terms of the requirements of this circular.

4. The recognised stock exchanges shall disclose on its website the action/s taken against the listed entities for non-compliance/s of the listing conditions; including the details of respective requirement, amount of fine, period of suspension, freezing of shares, etc.

5. In view of the above, the recognised stock exchanges are advised to:-
   (a) make necessary amendments to the their bye-laws, rules or regulations, for incorporation of the above fine structure and SOP immediately;
   (b) put in place appropriate systems to monitor compliance with listing requirements and disclosure of compliance status with respect to listing requirements on their website;
   (c) bring the provisions of this circular to the notice of its trading members and the entities that have their listed

shares on the concerned recognised stock exchange and also to disseminate the same through their website ; and

(d) communicate to SEBI, the status of implementation of this circular in the Monthly Development Reports to SEBI.

6. Without prejudice to the provisions of the Securities Contracts (Regulation) Act, 1956 and Securities Contracts (Regulation) Rules, 1957, recognized stock exchanges may, having regard to the interests of investors and securities market, take appropriate action in line with the principles and procedures laid down in Annexure I and II and any deviation therefore should not dilute the spirit of the policy contained therein. Any necessary and reasonable deviation shall be on justifiable reasons to be recorded in writing.

7. This circular is issued in exercise of the powers conferred under sections 11(1) and 11A (2) of the Securities and Exchange Board of India Act 1992, read with section 10 of the Securities Contracts (Regulation) Act, 1956 in the interest of trade and public interest and for the protection of the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.

8. This Circular is also available on SEBI website at www.sebi.gov.in.

Sunil Kadam
General Manager

Annexure I
Imposition of fine

1. The recognised stock exchange shall impose fine on listed entities for noncompliance with certain clauses of the listing agreement due to non-submission /delay in submission of reports/documents to recognised stock exchange as under:

Clause of listing agreement	Fine payable for 1st non-compliance	Fine Payable each subsequent and consecutive noncompliance
Listing agreement Clause 31 Non-submission of the Annual Report within period prescribed under this clause.	If non-compliance continues for more than 5 days, ₹1,000 per day till the date of compliance.	₹2,000 per day till the date of compliance.
Listing agreement Clause 35 Non submission of the shareholding pattern within period prescribed under this clause.	₹1,000 per day till the date of compliance and If non-compliance continues for more than 15 days additional fine of 0.1 % of paid up capital* of the entity or ₹1 crore, whichever is less.	₹2,000 per day till the date of compliance and If non-compliance continues for more than 15 days additional fine of 0.1 % of paid up capital* of the entity or ₹1 crore, whichever is less.
Listing agreement Clause 41 Non submission of the financial results within period prescribed under this clause	₹5,000 per day till the date of compliance and If non-compliance continues for more than 15 days additional fine of 0.1 % of Paid Up capital* of the entity or ₹1crore, whichever is less.	₹10,000 per day till the date of compliance and If non-compliance continues for more than 15 days additional fine of 0.1 % of Paid Up capital* of the entity or ₹1 crore, whichever is less.
Listing agreement Clause 49 Non submission of the Corporate governance compliance report within period provided under this clause	₹1,000 per day till the date of compliance.	₹2,000 per day till the date of compliance.

**Paid up capital as on first day of the financial year in which the non compliance occurs.*

2. The amount of fine realized as per the above structure shall be credited to the "Investor Protection Fund" of the concerned recognised stock exchange.
3. The recognised stock exchange shall disseminate on their website the names of noncompliant listed entities that are liable to pay fine for non-compliance of the above clauses of the listing agreement.
4. Every recognised stock exchange shall review the compliance status of the listed entities within 45 days from the end of the each quarter (for clauses at 35 and 49) and within 15 days from the due date of submissions under the clauses 31 and 41 and issue notices to the non-compliant listed entities to ensure compliance and pay fine as per this circular within 15 days from the date of the notice.
5. If any non-compliant listed entity fails to pay the fine despite receipt of the notice as stated above, the recognised stock exchange may initiate appropriate enforcement action including prosecution.

Creation of a new category "Z" for trading

6. The recognised stock exchange shall create a new category "Z" for trading of shares of such non- compliant listed entities wherein trades shall take place in 'trade for trade' basis.
7. If a listed entity commits two or more consecutive defaults in compliance of the aforesaid clauses of the listing agreement within 15 days from date of the notice issued under clause 4, the concerned recognised stock exchange shall, in addition to imposing fine as specified above, move the scrip of the listed entities to "Z" category.
8. The recognised stock exchange shall move back the scrip of the listed entity to the normal trading category, if it complies with respective clauses of the listing agreement and completely pays fine prescribed as above.
9. The recognised stock exchange shall give 7 days prior public notice to investors before moving the share of non-compliant entity to "Z" category or vice versa.

Annexure II
Standard Operating Procedure (SOP)

A. SOP for suspension of trading

1. Criteria for suspension of the trading in the shares of the listed entities:
   (a) failure to comply with clause 31 of listing agreement with respect to submission of Annual Report for 2 consecutive financial years;
   (b) failure to comply with clause 35 of listing agreement with respect to submission of shareholding pattern for two consecutive quarters;
   (c) failure to comply with clause 41 of listing agreement with respect to submission of financial results for two consecutive quarters;
   (d) failure to comply with clause 49 of listing agreement with respect to submission of corporate governance compliance report for two consecutive quarters;
   (e) failure to submit information on the reconciliation of shares and capital audit report, for two consecutive quarters;
   (f) receipt of the notice of suspension of trading of that entity by any other recognised stock exchange on any or all of the above grounds.
2. Before suspension of trading on any of the above grounds, except clause 1 (f), the concerned recognized stock exchange shall send written intimation to the noncompliant listed entity calling upon it to comply with respective requirement/s mentioned in clause (a) to (e) above and pay the applicable fine within 21 days of the date of the intimation.
3. If the non-compliant listed entity fails to comply with aforesaid requirement/s and pay fine despite the receipt of the intimation of the recognised stock exchange within the time as aforesaid, the concerned recognised stock exchange shall forthwith intimate the depositories to freeze entire shareholding of the promoter and promoter group of the non-compliant entity. Simultaneously, the recognised stock exchange shall give a 21 days (prior to the proposed date of suspension) public notice on its website proposing suspension of trading in the shares of the non-compliant listed entity.
4. If the non-compliant listed entity complies with respective requirement/s and pays fine five days before the proposed date of suspension, the trading in its shares shall not be suspended on the proposed date and the concerned recognised stock exchange shall intimate to the depositories to unfreeze, after one month from the date of compliance, the shares of the promoter and promoter group of the entity. Simultaneously, the recognised stock exchange shall give a public notice on its website informing compliance by the entity.
5. In case of failure to comply with respective requirement/s and/or pay fine as aforesaid, the recognised stock exchange shall suspend the trading in the shares of a non-compliant listed entity. The entire shareholding of promoter/prompter group of such non-compliant listed entity shall remain frozen till expiry of three months from the date of revocation of suspension.
6. While suspending trading in the shares of the non-compliant entity the recognised stock exchange shall send intimation of suspension to other recognised stock exchanges where the shares of the non-compliant entity are listed. On receipt of such intimation the other recognised stock exchanges shall also suspend trading in the shares of the entity.
7. After 15 days of suspension, trading in the shares of non-compliant entity may be allowed on the "Trade for Trade" basis, on the first trading day of every week for 6 months. In this regard, the recognised stock exchange shall give instruction to its trading members/stock brokers to obtain confirmation from clients before accepting an order for purchase of shares of non-compliant entity on the 'Trade for Trade' basis.
8. The recognised stock exchange shall put in place a system to publish caution message "Trading in shares of the company is under 'suspension and trade to trade basis' and trading shall stop completely if the company remains not compliant for six months " on trading terminals.

B.SOP for revocation of suspension of trading

1. If the non-compliant listed entity complies with the aforesaid requirement/s and pays applicable fine within three months from the date of suspension, the recognized stock exchange may revoke the suspension of trading of its shares.
2. If the non-compliant listed entity complies with the aforesaid requirement/s and pays applicable fineafter three months from the date of suspension, the recognized stock exchange may revoke the suspension of trading of its shares after a period of three more months from the date of such compliance.
3. The recognised stock exchange shall, 7 days prior to revocation of suspension of trading in shares of the entity, issue public notice on its website.
4. After 3 months from the date of revocation of the suspension, the recognised stock exchange shall send intimation to the depositories to unfreeze the shares of the promoter and promoter group.
5. After revocation of suspension, the trading of shares shall be permitted only in the 'Trade for Trade' basis for a period of three months from the date of revocation and after this period of three months, trading in the shares of the entity shall be shifted back to the normal trading category, after giving prior notice of 7 days to it.

06 Simplification of registration requirements for Stock Brokers

[Issued by the Securities and Exchange Board of India vide No. LAD-NRO/GN/2013-14/25/24775 dated 27.09.2013, CIR/MIRSD/8/2013 dated : 30.09.2013]

1. Please find enclosed the Notification amending the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as Broker Regulations). As per the amendment, the existing practice of obtaining multiple registrations for operating in different segments of a stock exchange / clearing corporation has been done away with and instead a single registration per stock exchange / clearing corporation shall be required. For operating in multiple segments, approval will be required from the stock exchange or clearing corporation.

2. For the purpose of implementing the revised registration requirements, the following guidelines are being issued:
   a. If a new entity intends to register as a stock broker or clearing member in any segment(s) of a stock exchange or a clearing corporation promoted by that stock exchange, then the entity shall apply to SEBI through the respective stock exchange or clearing corporation in the manner prescribed in the Broker Regulations in any one segment. The entity shall be issued a certificate with a unique registration number for each stock exchange or clearing corporation, as the case may be, irrespective of number of segments.
   b. If an entity is already registered with SEBI in any segment of the stock exchange, then for operating in any other segment of that stock exchange or for operating in the clearing corporation promoted by that stock exchange, the entity need not apply to SEBI. The entity can directly apply to the concerned stock exchange or clearing corporation as per the procedure prescribed in the Broker Regulations for approval.
   c. Similarly, if any entity is already registered with SEBI in any segment of the clearing corporation, then for operating in any other segment of the clearing corporation or for operating in the stock exchange which has promoted that clearing corporation, the entity shall follow the procedure as prescribed in Clause 2b above.
   d. Fees shall be applicable for all the stock brokers, self clearing members and clearing members as per Schedule V of the Broker Regulations. As per current practice, the entity shall continue to be liable to pay fees for each additional segment approved by the stock exchange or clearing corporation, as per the Schedule to the Brokers Regulations. For stock brokers coming under Schedule III, fees shall continue to be applicable as per that Schedule till such time as the Schedule V becomes applicable to them.

3. The stock exchange or clearing corporation shall grant approval for any additional segment to the stock broker, self-clearing member or clearing member, as the case may be, after exercising due diligence and on being satisfied about the compliance of all relevant eligibility requirements, and shall also ensure:
   a. The applicant, its directors, proprietor, partners and associates satisfy the Fit and Proper Criteria as defined in the SEBI (Intermediaries) Regulations, 2008 and whether any past actions taken / initiated against them by SEBI / stock exchange(s) or other regulators.
   b. The stock exchange or clearing corporation shall satisfy itself that the applicant has taken corrective steps to rectify the deficiencies or irregularities observed in the past. They may also seek details whether the Board of the applicant is satisfied about the steps taken. They may also carry out inspection, wherever considered appropriate.
   c. Recover all pending fees / dues payable to SEBI and / or stock exchange.

4. The Stock Exchanges and Clearing Corporations are directed to -
   a. bring the provisions of this circular to the notice of the Stock Brokers, Self Clearing members and Clearing members as the case may be, and also disseminate the same on their websites;
   b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another; and
   c. communicate to SEBI, the status of the implementation of the provisions of this circular through Monthly Development Report of the following month.

5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 29 & 30 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

A.S.Mithwani
Deputy General Manager

07 Securities And Exchange Board Of India (Stock Brokers And Sub-Brokers) (Second Amendment) Regulations, 2013

[Issued by the Securities and Exchange Board of India vide No. LAD-NRO/GN/2013-14/25/24775 and Published in the Gazette of India (Extraordinary), Part III, Section IV dated : 27.09.2013]

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, namely,–

1. These regulations may be called the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2013.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992,–

I. regulation 2 shall be re-numbered as sub-regulation (1);

II. in regulation 2, -

(i) the opening statement shall be substituted with the following:

" 2(1) In these regulations, unless the context otherwise requires, - "

(ii) in the substituted sub regulation (1), -

(A) for clause (ad), the following shall be substituted, namely,-

"(ad) "clearing corporation" shall mean a clearing corporation as defined in clause (d) of sub-regulation (1) of regulation 2 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012;"

(B) for clause (ae), the following shall be substituted, namely,-

"(ae) "clearing member" shall mean a clearing member as defined in clause (e) of sub-regulation (1) of regulation 2 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012;"

(C) for clause (ca), the following shall be substituted, namely, -

"(ca) "proprietary trading member" means a stock broker who trades in the debt segment of the recognised stock exchange, exclusively on its own account or as permitted by its sectoral regulator;"

(D) for clause (fa), the following shall be substituted, namely,-

"(fa) "self-clearing member" means a member of a clearing corporation who is also a stock broker and clears and settles trades on its own account or on account of its clients only;"

(E) for clause (gb) the following shall be substituted, namely,-

"(gb) "stock broker" means a person having trading rights in any recognised stock exchange and includes a trading member;

(F) clause (gd) shall be omitted;

(G) clause (h) shall be omitted;

III. after substituted sub-regulation (1), the following new sub-regulation shall be inserted, namely, -

"(2) Words and expressions used and not defined in these regulations but defined in the Act, the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or any rules or regulations made thereunder shall have the same meanings respectively assigned to them in those Acts, rules or regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be." ;

IV. for Chapter II, the following shall be substituted, namely, -

"CHAPTER II
REGISTRATION OF STOCK BROKERS

Application for registration.

3. (1) No person shall act as a stock broker, unless he seeks a certificate of registration from the Board for each stock exchange in which he seeks to operate:
Provided that no separate registration shall be required for a clearing member registered with the Board to operate as a stock broker in the stock exchange which has promoted the clearing corporation of which he is a clearing member.

(2) An application for grant of a certificate of registration as a stock broker shall be submitted to the Board in Form A of Schedule I through the stock exchange(s) of which he is admitted as a member.

(3) The stock exchange(s) shall forward the application form to the Board as early as possible but not later than thirty days from the date of its receipt.

Furnishing of information, clarification.

4. (1) The Board may require the applicant, or the concerned stock exchange, to furnish further information or clarifications, regarding the trading, settling or dealing in securities and matter connected thereto, to consider the application for grant of a certificate.

(2) The applicant or, its principal officer shall, if so required, appear before the Board for personal representation.

Consideration of application for grant of registration.

5. The Board shall take into account for considering the grant of a certificate, all matters relating to trading, settling or dealing in securities and in particular the following, namely, whether the applicant,-

(a) is eligible to be admitted as a member of a stock

exchange;
(b) has the necessary infrastructure like adequate office space, equipments and man power to effectively discharge his activities;
(c) has any past experience in the business of trading or dealing in securities, as the case may be;
(d) has been subjected to disciplinary proceedings under the rules, and bye-laws of a stock exchange, or enforcement action under securities laws, with respect to his business as a stock-broker involving either himself or any of his partners, directors or employees;
(e) is a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
(f) has any financial liability which is due and payable in terms of the Act, the Securities Contracts (Regulation) Act, 1956 or rules and regulations thereunder;
(g) has obtained certification in terms of SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 or as may be specified by the Board;
(h) satisfies the minimum networth and deposit requirements as specified in Schedule VI, for the segment for which membership or approval is sought.

Procedure for registration.

6. The Board may, after consideration of the application under regulation 3 and on being satisfied that the applicant has complied with the conditions laid down in regulation 5 grant a certificate of registration in Form D to the stock-broker, and send an intimation to that effect to the stock exchange(s) of which it is a member.

Procedure where registration is not granted.

7. (1) Where an application under regulation 3, does not fulfil the requirements mentioned in regulation 5, the Board may reject the application after giving a reasonable opportunity of being heard.
(2) The refusal to grant the registration certificate shall be communicated by the Board within thirty days of such refusal to the applicant and to the concerned stock exchange stating therein the grounds on which the application has been rejected.
(3) An applicant whose application has been rejected by the Board under subregulation (2), may apply within a period of thirty days from the date of receipt of such intimation, to the Board for reconsideration of its decision.
(4) The Board shall reconsider an application made under sub-regulation (3) and communicate its decision as soon as possible in writing to the applicant and to the concerned stock exchange.

Payment of fees.

8. Every applicant eligible for grant of a certificate of registration as a stock broker shall pay such fees and in such manner as specified in Schedule III or Schedule V as the case maybe:
Provided that the Board may on sufficient cause being shown permit the stockbroker to pay such fees at any time before the expiry of six months from the date on which such fees become due.

Conditions of registration.

9. Any registration granted by the Board under regulation 6 shall be subject to the following conditions, namely,-
(a) the stock broker holds the membership of any stock exchange;
(b) he shall abide by the rules, regulations and bye-laws of the stock exchange which are applicable to him;
(c) where the stock broker proposes change in control, he shall obtain prior approval of the Board for continuing to act as such after the change;
(d) he shall pay fees charged by the Board in the manner provided in these regulations;
(e) he shall take adequate steps for redressal of grievances, of the investors within one month of the date of receipt of the complaint and inform the Board as and when required by the Board;
(f) he shall at all times abide by the Code of Conduct as specified in Schedule II; and
(g) he shall at all times maintain the minimum networth as specified in Schedule VI.

Approval for operation in segments of stock exchange.

10. (1) Approval for operating in segments of a stock exchange shall be granted by the concerned stock exchange.
(2) A stock broker registered with the Board, who desires to operate in any segment(s) of the stock exchange of which it holds a membership, shall apply to the concerned stock exchange, in the manner specified by the Board.
(3) A clearing member registered with the Board, who desires to operate in any segment(s) of the stock exchange which has promoted the clearing corporation, of which he is a member, shall apply to the concerned stock exchange in the manner specified by the Board.
(4) On receipt of an application under sub-regulation (2) or sub-regulation (3), the stock exchange shall, on being satisfied with the compliance of provision of the regulations and other relevant eligibility requirements specified by the Board, grant approval for operation in any segment(s) and shall inform the Board about such grant of approval." ;

V. after Chapter II, the following new Chapter shall be inserted, namely-

"CHAPTER II-A
REGISTRATION OF CLEARING MEMBERS

Application for registration.

10A. (1) Any person who desires to act as a clearing member, shall seek a certificate of registration from the Board for each clearing corporation in which he seeks to operate:

Provided that no separate registration shall be required for a stock broker registered with the Board to operate as a clearing member in the clearing corporation which is promoted by the stock exchange of which he is a member.

(2) An application for grant of a certificate of registration as clearing member shall be submitted to the Board in Form AD of Schedule I through the clearing corporation(s) of which he is admitted as a member.

(3) The Clearing Corporation(s) shall forward the application form to the Board as early as possible but not later than thirty days from the date of its receipt.

Applicability of Chapter II.

10B. The provisions of Chapter II shall be applicable *mutatis mutandis* to registration of a clearing member, except as otherwise provided."

Payment of fees.

10C. Every applicant eligible for grant of a certificate of registration as a clearing member shall pay such fees and in such manner as specified in Schedule III or Schedule V as the case maybe:

Provided that the Board may on sufficient cause being shown permit the clearing member to pay such fees at any time before the expiry of six months from the date on which such fees become due.

Approval for operation in segments of clearing corporation.

10D. (1) Approval for operating in any segments of a clearing corporation shall be granted by the concerned clearing corporation.

(2) A clearing member registered with the Board, who desires to operate in any segment(s) of the clearing corporation of which it holds a membership, shall apply to the concerned clearing corporation in the manner specified by the Board.

(3) A stock broker registered with the Board, who desires to operate in any segment(s) of the clearing corporation promoted by the stock exchange of which he is a member, shall apply to the concerned clearing corporation in the manner specified by the Board.

(4) On receipt of an application under sub-regulation (2) or sub-regulation (3) , the clearing corporation shall, on being satisfied with the compliance of provision of the regulations and other relevant eligibility requirements specified by the Board, grant approval for operation in any segment(s), and shall inform the Board about such grant of approval." ;

VI. Chapter III-A, Chapter III-B and Chapter III-C shall be omitted;

VII. after regulation 28 the following new Chapter shall be inserted, namely-

"CHAPTER VII
MISCELLANEOUS

Power to remove difficulties.

29. In order to remove any difficulties in the interpretation or application of the provisions of these regulations, the Board shall have the power to issue directions through guidance notes or circulars.

Power to specify procedures, etc. and issue clarifications.

30. For the purposes of implementation of these regulations and matters incidental thereto, the Board may specify norms, procedures, processes, manners or guidelines as specified in these regulations, by way of circulars to recognised stock exchange(s) and recognised clearing corporation(s)."

VIII. in Schedule I, -

(i) for Form A, the following shall be substituted, namely-

"FORM A

[Regulation 3]

Application Form for Registration as Stock Broker with Securities and Exchange Board of India

Table 1:

Sl. No.	Particulars	Details
1	Name of Member with Code No.	
2	Trade name of Member	
3	Name of the Stock Exchange/ segment of which the applicant is the member	
4	Date of admission to exchange/ segment	
5	Address of Member	
6	Fax Number(s), Phone Number(s) of office and residence and email address	
7	Form of Organization—Sole proprietorship, partnership, corporate body, financial institution	
8	Net worth along with supporting document	

Table 2: Details of proprietor/ partners/ directors

Sl. No.	Names	Age	PAN	Educational Qualifications	Experience in derivatives trading or securities market, as applicable

Table 3: Details of membership in other stock exchanges

Sl. No.	Names	Stock Exchange with code no.	SEBI Registration No.

Table 4: Details of sales personnel or approved user who has passed any certification programme

Sl. No.	Name	Date of test	Percentage	Certificate No.

Other details:

1. Please furnish a copy of the memorandum and articles of association or the partnership deed, as the case may be.
2. If the applicant is applying for self-clearing membership, the applicant must provide a letter from concerned Clearing Corporation confirming that the application is prima facie in order and approval for self-clearing membership shall be given once SEBI registration is granted as stock broker.
3. If the applicant intends to clear and settle his trades through a clearing member, the applicant is required to furnish the name and details of the clearing member along with a copy of MoU/ agreement/ contract with them for the same.
4. Whether the application is accompanied by a requisite fee as per Schedule V of the Regulations as applicable to the applicant.

Undertaking:

5. Whether the applicant or its director or partners, any time convicted of any economic offence? If so, furnish the details.
6. Whether the applicant or its directors or partners, declared insolvent or declared defaulter by any exchange? If so, furnish details.
7. Whether the applicant or its directors or partners at any time subjected to any proceedings or penalty by the Board under SEBI Act or any of the regulations framed under the SEBI Act? If so, furnish the details.
8. Whether any disciplinary action has been initiated/ taken or penalty has been imposed by SEBI/ stock exchange(s)/ clearing corporation(s) or any other regulatory authority? If yes, furnish details. Also provide the details of corrective steps taken thereon.

Declaration:

I declare that the information given in this form is true and in the event of any information furnished is false, misleading or suppression of facts, my certificate of registration is liable to be cancelled by SEBI without assigning any reasons whatsoever.

Dated..... Signature

RECOMMENDATION OF THE STOCK EXCHANGE

This is to certify that …… is a member of this Stock Exchange and is recommended for registration with the Securities and Exchange Board of India.
Signature :
Name :
Designation :

(ii) after Form AC, the following new Form shall be inserted, namely,-

"FORM AD
[Regulation 10A]
Application Form for Registration as Clearing Member with Securities and Exchange Board of India

Table 1:

Sl. No.	Particulars	Details
1	Name of Member with Code No.	
2	Trade name of Member	
3	Name of the Clearing Corporation of which the applicant is the member	
4	Date of admission to Clearing Corporation	
5	Address of Member	
6	Fax Number(s), Phone Number(s) of office and residence and email address	
7	Form of Organization—Sole proprietorship, partnership, corporate body, financial institution	
8	Net worth along with supporting document	

Table 2: Details of proprietor/ partners/ directors

Sl. No.	Names	Age	PAN	Educational Qualifications	Experience in derivatives trading or securities market, as applicable

Table 3: Details of membership in other clearing corporations

Sl. No.	Names	Clearing Corporation with code no.	SEBI Registration No.

Other details:

1. Please furnish a copy of the memorandum and articles of association or the partnership deed, as the case may be.
2. Whether the application is accompanied by a requisite fee as per Schedule V of the Regulations as applicable to the applicant.

Undertakings:

3. Whether the applicant or its director or partners, any time convicted of any economic offence? If so, furnish the details.
4. Whether the applicant or its directors or partners, declared insolvent or declared defaulter by any exchange? If so, furnish details.
5. Whether the applicant or its directors or partners at any time subjected to any proceedings or penalty by the Board under SEBI Act or any of the regulations framed under the SEBI Act? If so, furnish the details.
6. Whether any disciplinary action has been initiated/ taken or penalty has been imposed by SEBI/ stock exchange(s)/

clearing corporation(s) or any other regulatory authority? If yes, furnish details. Also provide the details of corrective steps taken thereon.

Declaration:
I declare that the information given in this form is true and in the event of any information furnished is false, misleading or suppression of facts, my certificate of registration is liable to be cancelled by SEBI without assigning any reasons whatsoever.

Dated..... Signature

RECOMMENDATION OF THE CLEARING CORPORATION

This is to certify that ..... is a member of this Clearing Corporation and is recommended for registration with the Securities and Exchange Board of India.

Signature :
Name :
Designation :

(iii) Form AB, Form AC, Form DA, Form DB and Form DC shall be omitted;
(iv) for Form D, the following shall be substituted, namely, -

"FORM D
[Regulations 6 and 10B]
CERTIFICATE OF REGISTRATION

In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder, the Board hereby grants a certificate of registration to..... .....a member of the .... stock exchange/ clearing corporation, as a stock broker/proprietary trading member/ clearing member / self-clearing member for carrying on the activities of buying, selling or dealing in securities/ clearing and settlement of trades and for carrying on such other activities as are permitted by such exchange(s)/ clearing corporation subject to the conditions prescribed therefor, from time to time, by the Board.
Registration number allotted is as under:
.....
This certificate shall be valid till it is suspended or cancelled in accordance with the Regulations.
Date : .....

By order
For and on behalf of Securities and Exchange Board of India

IX. in Schedule III, for clause IV, the following shall be substituted, namely-
" IV. Non-applicability to stock brokers governed by Schedule V.
The provisions of this Schedule shall not apply to stock brokers to whom Schedule V applies, from the time when it becomes so applicable."

X. after Schedule IVB, the following new schedules shall be inserted, namely,

"SCHEDULE V
Payment of Fees by Stock Brokers/ Clearing Members/ Self-Clearing members
[Regulation 10(1)]

PART A
APPLICABILITY

1. This Schedule shall apply to stock brokers in cash segment from the following points of time:
(a) All stock brokers who are granted registration by the Board on or after the first day of October, 2006 — upon grant of such registration;
(b) All stock brokers who were granted registration by the Board on or after the first day of April, 2006, but before the first day of October, 2006 — from the first day of October, 2006;
(c) All stock brokers who have not completed five financial years from the date of grant of registration by the Board, as on the thirty first day of March, 2006 — upon completion of ten financial years from the date of grant of registration by the Board;
(d) All stock brokers who have completed five financial years from the date of grant of registration by the Board, as on the thirty first day of March, 2006 — upon completion of the current block of five financial years, within the meaning of item I(1)(c) of Schedule III;
(e) All stock brokers falling under sub-clause (c) or (d), who opt in accordance with clause 2 of this Schedule — from such date as may be specified by the Board.
2. Stock brokers falling under sub-clause (c) or (d) of clause 1 may opt to pay fees in accordance with this Schedule before completion of the relevant time periods mentioned in those sub-clauses, by exercising an option in writing to that effect and communicating it to the Board, in such manner and within such time as may be specified by the Board.

PART B
CHARGE OF FEES

3. (1) On and from the applicability of this Schedule, every stock broker/ clearing member/ self clearing member shall pay to the Board in accordance with Part C, a fee in respect of the securities transactions including off-market transactions undertaken by them, at the rates mentioned below:

Segment	Rate/ Amount (in ₹)			Remarks
	Stock Broker	Clearing member	Self-clearing member	
Cash	0.0001 per cent of the price at which the securities are purchased or sold (₹ 10 per crore)	*	*	All sale and purchase Transactions in securities other than debt securities.
Equity derivatives	0.0001 per cent of his turnover (₹ 10 per crore)	50,000/-	50,000/-	Explanation.—(A) The expression 'turnover' shall include the value of the trades executed by the stock broker on the concerned segment of the recognized stock exchange and of the trades settled on the expiration of the contracts.
Currency derivatives	0.0001 per cent of his turnover (₹ 10 per crore)	50,000/-	50,000/-	
Interest rate derivatives	0.000025 per cent of his turnover (₹ 2.5 per crore)	50,000/-	50,000/-	(B) In case of options contracts, 'turnover' shall be computed on the basis of premium traded for the option contracts and in case where the option is exercised or assigned, it shall be additionally computed on the basis of notional value of option contracts exercised or assigned.
Debt	0.00001 per cent of his turnover (₹1 per crore) Explanation.—For the purpose of this clause, the expression 'turnover' shall include the aggregate value of the trades executed, including both sale and purchase transactions, by the stock broker including the proprietary trading member on the debt segment of the recognized stock exchange.	50,000/-	50,000/-	The fee shall not be applicable for clearing member or self-clearing member in case the said clearing member or self-clearing Member is already a clearing member or self clearing member in any other segment and is paying fee, as specified in this Part, for such segment.

*** As may be specified by the Board from time to time**

(2) A clearing member/ self-clearing member shall pay a fee of ₹ 50,000 every year till his registration is in force, in the manner specified below:-

(a) for the first financial year along with the application for registration;

(b) for the subsequent financial years before 1st June of that financial year.

4. Nothing in clause 3 shall affect the liability of any stock broker to pay fees under Schedule III, which accrued before this Schedule became applicable to him and such fees shall be paid as per the relevant provisions of Schedule III as if they had not ceased to be applicable to him.

PART C
MANNER OF PAYMENT AND RECOVERY

5. (1) Every recognized stock exchange shall collect from every stock broker in cash segment, the fee payable under clause 3 in respect of—

(a) securities transactions entered into by him in that stock exchange; and

(b) off-market transactions entered into by him which are reported to that stock exchange,—

in accordance with the provisions of its bye-laws.

Explanation.—The Board may specify the manner in which fees shall be collected from stock brokers who report the same transactions to different stock exchanges in which they are members, under clause (b).

(2) Every recognized stock exchange shall collect from every stock broker in any segment other than cash segment, the fee payable under clause 3 in respect of turnover in the relevant segment of that stock exchange in accordance with the provisions of its bye-laws.

(3) The fee collected by a recognized stock exchange under sub-clause (1) or (2) of this clause during a calendar month shall be paid by the stock exchange to the Board by the fifth working day of the following calendar month.

(4) All recognized stock exchanges shall maintain such registers and furnish such returns or information to the Board in respect of the fee collected under this Schedule, as may be specified by the Board.

(5) Without prejudice to sub-clause (4), a recognized stock exchange shall also be liable to furnish such information or explanations to the Board as may be required by it in respect of fee collected or liable to be collected under this Schedule.

6. A stock broker who also acts as a clearing member/ self-clearing member shall pay the annual fee separately, as applicable to each category as specified in clause 3 above.

7. (1) Nothing contained in clause 5 shall affect the primary liability of a stock broker/ clearing member/ self-clearing member to pay the fees under clause 3 or shall preclude the Board from recovering any such fee remaining unpaid by any stock broker/ clearing member/ self-clearing member directly from him.

(2) Where due to the stock broker's/ clearing member's/ self-clearing member's default any fee which was liable to be paid on his behalf under clause 5 remains unpaid or is paid belatedly, he shall, without prejudice to any other action that may be taken under the Act, rules or regulations, pay an interest of 15 per cent per annum for every month of delay or part thereof to the Board.

(3) Every stock broker/ clearing member/ self-clearing member shall be liable to furnish such information or explanations to the Board as may be required by it in respect of fee paid or payable under this Schedule.

8. The financial year shall mean the year commencing from 1st April and ending on 31st March of the following year.

9. For the purposes of this Part, the obligations cast on recognised stock exchanges and stock brokers shall, mutatis mutandis, apply to recognised clearing corporations and clearing members/self-clearing members also.

SCHEDULE VI
Networth and Deposit requirements for Stock Brokers/ Clearing Members/ Self-Clearing members
[Regulation 5(h), 9(g)]
APPLICABILITY, MANNER OF PAYMENT AND RECOVERY

1. The stock broker shall have a net-worth and shall deposit with the stock exchange a sum as may be specified by the Board/ Stock Exchange for the relevant segment from time to time.
2. The clearing member/ self-clearing member shall have the minimum networth and shall deposit the minimum sum specified hereunder or a higher amount with the clearing corporation promoted by the respective stock exchange in the manner specified from time to time.
3. The quantum of networth and deposit to be maintained by the stock broker/clearing member shall be as specified in the Table provided in this Schedule.
4. The quantum of deposit to be maintained by the stock broker/clearing member shall be separately calculated segment wise.
5. The quantum of networth to be maintained by the stock broker/clearing member shall be collectively reckoned for all segments. It therefore means that if a stock broker/ clearing member has a networth which is higher, then he may not be required to maintain separate networth for the other segments requiring lower networth.

TABLE ON NETWORTH AND DEPOSIT

Segment	Stock Broker (in ₹)		Clearing member (in ₹)		Self clearing member (in ₹)	
	Networth	Deposit	Networth	Deposit	Networth	Deposit
Cash	*	*	*	*	*	*
Equity Derivatives	*	*	3 crore	50 lakh	1 crore	50 lakh
Currency Derivatives	1 crore	*	10 crore	50 lakh	5 crore	50 lakh
Debt	50 Lakh (including for proprietary trading member)	*	3 crore	*	1 crore	*

*** As may be specified by the Board from time to time**

Explanation.- For the purposes of this Schedule, 'networth' shall mean paid up capital, free reserves and other securities approved by the Board from time to time but shall not include fixed assets, pledged securities, value of member's card, non-allowable securities (unlisted securities), bad deliveries, doubtful debts and advances (debts or advances overdue for more than three months or debts or advances given to the associate persons of the member), prepaid expenses, losses, intangible assets and 30% value of marketable securities:
Provided that the deposit requirement specified for the debt segment shall not be applicable when a clearing member clears and settles all the trades only on gross basis for both securities and funds, without using settlement or trade guarantee fund:
Provided further that where the stock broker, clearing member or self-clearing member in the debt segment, is also regulated by a sectoral regulator other than the Board, the networth shall be computed in the manner as specified by such sectoral regulator."

XI. Schedule IIIA, Schedule IV, Schedule IVA and Schedule IVB shall be omitted.

U.K. SINHA
CHAIRMAN

08 Investor Grievance Redressal Mechanism

[Issued by the Securities and Exchange Board of India vide CIR/MRD/ICC/30/2013 dated 26.09.2013]

1) Reference may be made to CIR/MRD/DSA/03/2013 dated January 20, 2012, CIR/MRD/DSA/24/2010 dated August 11, 2010 and MRD/DoP/SE/Cir-38/2004 dated October 28, 2004.

2) With a view to streamline and make more effective the investor grievance redressal mechanism at Stock Exchanges, and consequent to discussions with Stock Exchanges and Depositories, it has been decided to shorten the time taken for the proceedings as well as to give monetary relief to the investors, during the course of pendency of proceedings. In this regard, Stock Exchanges are advised as under:
   a) Stock Exchanges shall ensure that all complaints are resolved at their end within 15 days as mentioned in the circular no. CIR/MRD/ICC/16/2012 dated June 15, 2012. The correspondence with the Member & investor (who is client of a Member) may be done on email if the email id of the investor is available in the UCC database. The Member (Stock Broker, Trading Member and Clearing Member) shall provide a dedicated email id to the stock exchange for this purpose.
   b) In case the matter does not get resolved, conciliation

process of the exchange would start immediately after the time lines stated in sub-para (a) above.

c) Investor Grievance Redressal Committee (IGRC) shall be allowed a time of 15 days to amicably resolve the investor complaint.

d) IGRC shall adopt a two-fold approach i.e. for proceedings leading to direction to the Member to render required service in case of service related complaints and proceedings leading to an order concluding admissibility of the complaint or otherwise in case of trade related complaints.

e) In case the matter is not resolved through the conciliation process, IGRC would ascertain the claim value admissible to the investor.

f) Upon conclusion of the proceedings of IGRC, i.e. in case claim is admissible to the investor, Stock Exchanges shall block the admissible claim value from the deposit of the Member.

g) The Stock Exchange shall give a time of 7 days to the Member from the dateof signing of IGRC directions as mentioned under sub-para (d) above to inform the Stock Exchange whether the Member intends to pursue the next level of resolution ie. Arbitration.

h) In case, the Member does not opt for arbitration, the Stock Exchange shall, release the blocked amount to the investor after the aforementioned 7 days.

i) In case, the Member opts for arbitration and the claim value admissible to the investor is not more than Rs. 10 lac, the following shall be undertaken by the Stock Exchange

   i. 50% of the admissible claim value or Rs. 0.75 lac, whichever is less, shall be released to the investor from IPF of the Stock Exchange.

   ii. In case the arbitration award is in favour of the investor and the Member opts for appellate arbitration then a positive difference of, 50% of the amount mentioned in the arbitration award or Rs. 1.5 lac, whichever is less and the amount already released to the investor at clause (i) above, shall be released to the investor from IPF of the Stock Exchange.

   iii. In case the appellate arbitration award is in favour of the investor and the Member opts for making an application under section 34 of the Arbitration and Conciliation Act, 1996 to set aside the appellate arbitration award, then a positive difference of 75% of the amount determined in the appellate arbitration award or Rs. 2 lac, whichever is less and the amount already released to the investor at clause (i) and (ii) above, shall be released to the investor from IPF of the Stock Exchange.

   iv. Before release of the said amounts from the IPF to the investor, the Stock Exchange shall obtain appropriate undertaking/ indemnity from the investor against the release of the amount from IPF, to ensure return of the amount so released to the investor, in case the proceedings are decided against the investor.

   v. If it is observed that there is an attempt by investor/client either individually or through collusion with Member(s) or with any other stakeholders, to misuse the provision of this Circular, then without prejudice to the powers of the Board to take action, appropriate action in this regard shall be taken against any such person, by the Stock Exchange, including disqualification of the person so involved from henceforth accessing the benefits of this Circular.

   vi. In case the complaint is decided in favour of the investor after conclusion of the proceedings, then amount released to the investor shall be returned to IPF from the blocked amount of the Member by the Stock Exchange and the rest shall be paid to the investor.

   vii. Total amount released to the investor through the facility of monetary relief from IPF in terms of this Circular shall not exceed Rs. 5 lac in one financial year.

   viii. Stock Exchanges may devise a detailed procedure with regard to release of funds from IPF and recovery thereof and necessary formats of documentation.

   ix. In case the investor loses at any stage of the proceedings and decides not to pursue further, then the investor shall refund the amount released from IPF, back to the IPF. In case the investor fails to make good the amount released out of IPF then investor (based on PAN of the investor) shall not be allowed to trade on any of the Stock Exchanges till such time the investor refunds the amount to IPF. Further, the securities lying in the demat account(s) of the investor shall be frozen till such time as the investor refunds the amount to the IPF.

   x. The Stock Exchanges may also resort to displaying the names of such investors on their websites if considered necessary.

3) With a view to rationalise the timelines involved in the arbitration mechanism, Stock Exchanges are advised as under:

   a) As per clause 6.2 of circular no. CIR/MRD/DSA/24/2010 dated August 11, 2010 the Members are required to file application for appellate arbitration within one month of the date of receipt of arbitral award. Further as per section 34 (3) of the Arbitration and Conciliation Act, 1996 the Members have three months to make an application to set aside an

arbitral award. In this regard, the Members shall convey their intention to Stock Exchanges within 7 days of receipt of the award, as regards whether such Members desire to challenge the arbitration award/appellate arbitration award in Court or not.

b) If the Members do not express their intent to challenge the arbitration award/appellate arbitration award then it would be presumed that Members does not intend to challenge the award and the Stock Exchange shall take further steps accordingly.

In addition to the above, the stock exchanges shall also take the below mentioned steps:

4) With a view to address complaints regarding 'unauthorised trades' Stock Exchanges are advised to direct the Members to put in place the following:
   a) In case the Member has made margin calls to the client and the client has failed to comply with these margin calls, then the contract note issued by Member for transactions owing to non-compliance of such margin calls would bear a remark specifying the same.
   b) The Member shall maintain a verifiable record of having made such margin calls and that the clients have not complied with the same.

5) With a view to assist investors engaged in dispute resolution process, Stock Exchanges shall set up facilitation desks at all investor service centres as specified by SEBI from time to time. These facilitation desks would interalia also assist investors in obtaining documents/details from Stock Exchanges wherever so required for making application to IGRC and filing arbitration.

6) The stock exchanges are advised to:-
   a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;
   b) bring the provisions of this circular to the notice of the members of the stock exchange and also to disseminate the same through their website; and
   c) take steps to make the investors aware of the scheme.
   d) communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Reports to SEBI.

7) This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 9(2)(n) and Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.

8) This Circular is available on SEBI website at www.sebi.gov.in.

B K Gupta
Deputy General Manager

09 Arbitration Mechanism in Stock Exchanges

[Issued by the Securities and Exchange Board of India vide CIR/MRD/ICC/29/2013 dated 26.09.2013]

1. Reference may be made to circular no. CIR/MRD/DSA/29/2010 dated August 31,2010 and MRD/DoP/SE/Cir-38/2004 dated October 28, 2004. Para 7.4 of\ the said circular no. CIR/MRD/DSA/29/2010 dated August 31,2010 is being modified.
2. The para 7.4 of aforementioned circular no. CIR/MRD/DSA/29/2010 dated August 31, 2010 currently reads as follows:
   " 7.4 A party filing an appeal before the appellate panel [as mentioned under item 6 above] shall pay a fee not exceeding Rs. 30,000,as may be prescribed by the stock exchange, in addition to statutory dues (stamp duty, service tax, etc) along with the appeal."
3. With a view to unburden the investors from the cost of arbitration mechanism aforementioned para is being revised. Para 7.4 of the aforementioned circular shall now read as under:
   " 7.4 A party filing an appeal before the appellate panel [as mentioned under item 6 above] shall pay a fee not exceeding Rs. 30,000,as may be prescribed by the stock exchange, in addition to statutory dues (stamp duty, service tax, etc) along with the appeal. In case the party filing the appeal is a client having claim/counterclaim of upto Rs. 10 lakh, then the party shall pay a fee not exceeding Rs. 10,000/- .
   Further expenses thus arising shall be borne by the Stock Exchanges and the Investor Protection Fund of Stock Exchanges equally.
4. The stock exchanges are advised to:-
   a. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;
   b. bring the provisions of this circular to the notice of the members of the stock exchange and also to disseminate the same through their website; and
   c. take steps to make the investors aware of the scheme.
   d. communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Development Reports to SEBI.

5. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.
6. This Circular is available on SEBI website at www.sebi.gov.in.

B K Gupta
Deputy General Manager

10 Establishment of Connectivity with both depositories NSDL and CDSL – Companies eligible for shifting from Trade for Trade Settlement (TFTS) to Normal Rolling Settlement

[Issued by the Securities and Exchange Board of India Vide CIR/MRD/DP/ 28 /2013 dated 24.09.2013]

1. It is observed from the information provided by the depositories that the companies listed in Annexure 'A' have established connectivity with both the depositories.
2. The stock exchanges may consider shifting the trading in these securities to normal Rolling Settlement subject to the following:
   a) At least 50% of other than promoter holdings as per clause 35 of Listing Agreement are in dematerialized mode before shifting the trading in the securities of the company from TFTS to normal Rolling Settlement. For this purpose, the listed companies shall obtain a certificate from its Registrar and Transfer Agent (RTA) and submit the same to the stock exchange/s. However, if an issuer-company does not have a separate RTA, it may obtain a certificate in this regard from a practicing company Secretary/Chartered Accountant and submit the same to the stock exchange/s.
   b) There are no other grounds/reasons for continuation of the trading in TFTS.
3. The Stock Exchanges are advised to report to SEBI, the action taken in this regard in the Monthly/Quarterly Development Report.

Maninder Cheema
Deputy General Manager

Annexure A

Sl. No.	Name of the Company	ISIN
1.	Thacker And Company Limited	INE077P01018
2.	Voltaire Leasing & Finance Limited	INE763D01019
3.	Pretto Leather Industries Limited	INE384M01015
4.	MIPCO Seamless Rings Gujarat Limited	INE860N01012
5.	Anugraha Jewellers Limited	INE125F01016
6.	Artech Power Products Limited	INE421N01013
7.	Bhagyashree Leasing And Finance Limited	INE655F01012
8.	KDJ Holidayscapes and Resorts Limited	INE089E01017
9.	Boston Teknowsys (India) Limited	INE777E01017
10.	Arnold Holdings Limited	INE185K01010
11.	Satya Miners & Transporters Limited	INE394F01018

IDENTITY CARDS FOR MEMBERS

Members who are yet to get the Identity Card issued from the Institute are requested to apply for the same along with their latest two coloured passport size photographs in the format given below (indicating on the reverse the Name and Membership Number) to the Membership Section of the Institute at ICSI House, 22, Institutional Area, Lodi Road, New Delhi-110003. For queries, if any, contact on -

Phone No. 011 45341062 **Mobile No. + 91 9868128682**

Email Ids ***member@icsi.edu /ashish.tiwari@icsi.edu***

Request for issue of Member's Identity Card

Please send latest two coloured passport size photographs mentioning your name & membership no. on the reverse of the photograph alongwith the following details:

Membership No. ACS/FCS .....
Name .....
(in block letters) (First Name) (Middle Name) (Surname)
Date of birth .....
Phone: Office: ..... Residence: .....
Mobile No. .....
E-mail address .....

Passport size coloured photograph

Signature with date

Institute News

Members Admitted

Sl. No.	Name	Membership No.	Region
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01	Sh. Avaneesh	FCS - 7338	NIRC
02	Sh. R. Venkataraman	FCS - 7339	NIRC
03	Ms. Pinky Shrivastava	FCS - 7340	Wirc
04	Sh. Hari Babu Nadella	FCS - 7341	SIRC
05	Sh. Yogesh Kumar	FCS - 7342	NIRC
06	Sh. Pankaj Kumar Nigam	FCS - 7343	NIRC
07	Sh. Bharat Kumar Sajnani	FCS - 7344	NIRC
08	Ms. Ramadevi Gundeti	FCS - 7345	WIRC
09	Mr. Sureshan K	FCS - 7346	SIRC
10	Mrs. Khushboo Anish Pasari	FCS - 7347	WIRC
11	Mr. Hemant Kumar Sajnani	FCS - 7348	NIRC
12	Sh. Pratik Umesh Shah	FCS - 7349	WIRC
13	Ms. Neha Pankaj Agrawal	FCS - 7350	WIRC
14	Mr. S S Thanu	FCS - 7351	SIRC
15	Sh. Inderpreet Singh Dhaliwal	FCS - 7352	NIRC
16	Sh. S V Krishnamurthy	FCS - 7353	SIRC
17	Sh. Vishnu Narayanappa Hasalkar	FCS - 7354	SIRC
18	Sh. Veerendra Kumar Achanta	FCS - 7355	NIRC
19	Ms. Brij Bala Agnihotri	FCS - 7356	NIRC
20	Sh. Jack Kuriyakku Thalakottur	FCS - 7357	WIRC
21	Ms. T S Jwala	FCS - 7358	SIRC
22	Sh. John Vadassery	FCS - 7359	SIRC
23	Sh. Manesh Gulab Jiandani	FCS - 7360	WIRC
24	Mrs. Garima Anurag Misra	FCS - 7361	WIRC
25	Mrs. Anjali Verma	FCS - 7362	NIRC
26	Sh. Samir Kumar Kundu	FCS - 7363	EIRC
27	Ms. Meenaxi Shankar Devagekar	FCS - 7364	WIRC
28	Sh. Prashant Bharatkumar Patel	FCS - 7365	WIRC
29	Sh. Basavaraj Vijaya Kumar	FCS - 7366	SIRC
30	Sh. C Ponnuchamy	FCS - 7367	SIRC
31	Sh. Ravi Kumar	FCS - 7368	NIRC
32	Sh. Gunjan Arya	FCS - 7369	NIRC
33	Sh. Sanjay Wamanrao Parnerkar	FCS - 7370	WIRC
34	Sh. R. Hariharan	FCS - 7371	NIRC
35	Sh. Devendra Singh Varma	FCS - 7372	WIRC
36	Ms. Anita Kakar	FCS - 7373	NIRC
37	Sh. Ramesh Kumar Shivnani	FCS - 7374	NIRC
38	Sh. Rajkumar Goel	FCS - 7375	WIRC
39	Sh. Prashant Arun Kumar Mehta	FCS - 7376	WIRC
	ASSOCIATES*		
01	Ms. Hinal Jayendrakumar Kothari	ACS - 33628	WIRC
02	Ms. Sweta Harlalka	ACS - 33629	EIRC
03	Mr. Manoranjan Kumar	ACS - 33630	EIRC
04	Ms. Chaitali Dhar	ACS - 33631	EIRC
05	Ms. Varsha Sanghai	ACS - 33632	EIRC
06	Ms. Kanchan Jhawar	ACS - 33633	EIRC
07	Ms. Ankita Karnani	ACS - 33634	EIRC
08	Ms. Astha Jhunjhunwala	ACS - 33635	EIRC
09	Mr. Himanshu Maheswari	ACS - 33636	EIRC
10	Ms. Babita Kaur Bagga	ACS - 33637	EIRC
11	Ms. Poonam Mundhra	ACS - 33638	EIRC
12	Ms. Sakshi Karnani	ACS - 33639	EIRC
13	Ms. Rashmi Jaiswal	ACS - 33640	EIRC
14	Ms. Divya Goel	ACS - 33641	NIRC
15	Ms. Dolly Gaur	ACS - 33642	NIRC
16	Mrs. Bhumika Bohra	ACS - 33643	NIRC
17	Mr. Sudhanshu Gupta	ACS - 33644	NIRC
18	Ms. Anika Garg	ACS - 33645	NIRC
19	Ms. Bulbul Daga	ACS - 33646	NIRC
20	Mr. Vineet Maheshwari	ACS - 33647	NIRC
21	Ms. Ushma Jain	ACS - 33648	NIRC
22	Mr. Abhishek Pandey	ACS - 33649	NIRC
23	Mr. Dharmendra Sharma	ACS - 33650	NIRC
24	Mr. Luv Sharma	ACS - 33651	NIRC
25	Ms. Kanchan	ACS - 33652	NIRC
26	Mr. Sahil Mahajan	ACS - 33653	NIRC
27	Ms. Indu	ACS - 33654	NIRC
28	Mr. Surjeet	ACS - 33655	NIRC
29	Ms. Mamta Saini	ACS - 33656	NIRC
30	Mr. Sanjay Maheshwari	ACS - 33657	NIRC
31	Ms. Neha Kaushik	ACS - 33658	NIRC
32	Mr. Vivek Singh	ACS - 33659	NIRC
33	Ms. Reena Dwivedi	ACS - 33660	NIRC
34	Mrs. Pratiksha Duradundeegouda Patil	ACS - 33661	SIRC
35	Mr. Sheikhar Parameishwar Naik	ACS - 33662	SIRC
36	Ms. Chethana Rajashekar	ACS - 33663	SIRC
37	Ms. Neha Mishra	ACS - 33664	SIRC
38	Ms. Namitha Soni	ACS - 33665	WIRC
39	Ms. Khyati Kishorkumar Adhiya	ACS - 33666	WIRC
40	Mr. Mayur Popatbhai Gangani	ACS - 33667	WIRC
41	Mrs. Chitra Birju Kapadia	ACS - 33668	WIRC
42	Ms. Mansi Jayesh Mody	ACS - 33669	WIRC
43	Ms. Krishna Virendra Parekh	ACS - 33670	WIRC
44	Mr. Azim Nooruddin Shaikh	ACS - 33671	WIRC
45	Mr. Ajay Arvind Vaishampayan	ACS - 33672	WIRC
46	Ms. Monica Singh	ACS - 33673	WIRC
47	Ms. Neha Mahesh Khokhani	ACS - 33674	WIRC
48	Ms. Amruta Chandrakant Pai	ACS - 33675	WIRC
49	Mr. Mohammad Anwar Ul Haq Abdul Mannan	ACS - 33676	SIRC

* Admitted on 20th September, 30th September and 10th October, 2013

50	Mrs. Dipal Kush Vyas	ACS - 33677	WIRC
51	Mr. Mukund Ramesh Jalgaonkar	ACS - 33678	WIRC
52	Ms. Anita Jaiswal	ACS - 33679	WIRC
53	Mr. Mustafeez Afsar Siddiqui	ACS - 33680	SIRC
54	Ms. Mitti Ghisulal Jain	ACS - 33681	WIRC
55	Ms. Renu Brijlal Bang	ACS - 33682	WIRC
56	Ms. Vineeta Arvindkumar Shah	ACS - 33683	WIRC
57	Mr. Hitesh Jagdamkumar Gupta	ACS - 33684	WIRC
58	Mr. Rattan Lal	ACS - 33685	NIRC
59	Ms. Sonal Jitendrakumar Gor	ACS - 33686	WIRC
60	Ms. Jasmine Jamaludin Jiwani	ACS - 33687	WIRC
61	Mr. Abhay Vijay Kadam	ACS - 33688	WIRC
62	Mr. Sandesh Pralhad Kasabe	ACS - 33689	WIRC
63	Mr. Ronak Dilip Shah	ACS - 33690	WIRC
64	Ms. Megha Mahendra Vyas	ACS - 33691	WIRC
65	Mr. Sandeep Agarwal	ACS - 33692	WIRC
66	Mr. Amit Ashishkumar Pal	ACS - 33693	WIRC
67	Ms. Ruchi Mahesh Sharma	ACS - 33694	WIRC
68	Ms. Archana Sheshnath Dubey	ACS - 33695	WIRC
69	Mr. Vinod Vijay Koyande	ACS - 33696	WIRC
70	Mr. Chintan Jagdishgiri Goswami	ACS - 33697	WIRC
71	Ms. Priyanka Madhusudan Borkar	ACS - 33698	WIRC
72	Ms. Jharna Jayantilal Dhoka	ACS - 33699	WIRC
73	Mr. Urvish Kiritbhai Desai	ACS - 33700	WIRC
74	Mr. Niraj Kumar Sinha	ACS - 33701	EIRC
75	Ms. Smriti Mukerji	ACS - 33702	NIRC
76	Mr. Kanukollu Janakirama Lakshmana Rao	ACS - 33703	SIRC
77	Ms. Sonica Bambi	ACS - 33704	NIRC
78	Ms. Shilpa Sushil Kawadkar	ACS - 33705	WIRC
79	Mr. Rajat Chhabra	ACS - 33706	SIRC
80	Mr. Souresh Maitra	ACS - 33707	NIRC
81	Mr. Indrajit Mahesh Bhagat	ACS - 33708	WIRC
82	Mr. Murali S	ACS - 33709	SIRC
83	Mr. Sachin Jain	ACS - 33710	NIRC
84	Mr. Syed Asif Raza	ACS - 33711	EIRC
85	Mr. George John	ACS - 33712	SIRC
86	Ms. Anita Rani	ACS - 33713	NIRC
87	Ms. Garima Bhansali	ACS - 33714	WIRC
88	Ms. Shilpi Karnani	ACS - 33715	SIRC
89	Mr. Abhijeet Kamalakar Dixit	ACS - 33716	WIRC
90	Ms. Amruta Krishna Tendulkar	ACS - 33717	WIRC
91	Mr. Alok Singh	ACS - 33718	NIRC
92	Ms. Varsha Jalora	ACS - 33719	NIRC
93	Ms. Khushboo Kothari	ACS - 33720	WIRC
94	Mr. C S Giridhar	ACS - 33721	SIRC
95	Mr. Suresh Kumar Goenka	ACS - 33722	EIRC
96	Mr. Hitesh Poonambhai Kapoor	ACS - 33723	WIRC
97	Ms. Gunjan Gupta	ACS - 33724	EIRC
98	Mr. Anuj Kumar	ACS - 33725	NIRC
99	Ms. Archana Savleram Langhe	ACS - 33726	WIRC
100	Mr. Rajesh Kumar Yadav	ACS - 33727	EIRC
101	Mr. Rahul Rungta	ACS - 33728	EIRC
102	Ms. Sneha Khemka	ACS - 33729	NIRC
103	Ms. Shivani Khanna	ACS - 33730	EIRC
104	Ms. Nikita Singhal	ACS - 33731	EIRC
105	Ms. Ankita Agarwal	ACS - 33732	EIRC
106	Ms. Shalini Kumari Agarwal	ACS - 33733	EIRC
107	Ms. Rachna Arora	ACS - 33734	SIRC
108	Ms. Samiksha Sharma	ACS - 33735	NIRC
109	Ms. Pooja Borana	ACS - 33736	NIRC
110	Mr. Sandeep Verma	ACS - 33737	NIRC
111	Mr. Sachin Bishnoi	ACS - 33738	NIRC
112	Ms. Shruti Goel	ACS - 33739	NIRC
113	Ms. Divya Jain	ACS - 33740	NIRC
114	Ms. Bhawna Aggarwal	ACS - 33741	NIRC
115	Ms. Sapna Jain	ACS - 33742	NIRC
116	Ms. Subhashini Ghantoji	ACS - 33743	SIRC
117	Ms. Neeta Aggarwal	ACS - 33744	NIRC
118	Ms. Chetna Huria	ACS - 33745	NIRC
119	Mr. Amritanshu Balani	ACS - 33746	NIRC
120	Ms. Lily Bali	ACS - 33747	NIRC
121	Mr. Nikhil Kumar Verma	ACS - 33748	NIRC
122	Ms. Karishma Agarwal	ACS - 33749	NIRC
123	Ms. Dipti Sarna	ACS - 33750	NIRC
124	Ms. Mansi Gupta	ACS - 33751	NIRC
125	Mr. Amit Nakra	ACS - 33752	NIRC
126	Ms. Neha Baid	ACS - 33753	NIRC
127	Ms. Kamini Sharma	ACS - 33754	NIRC
128	Ms. Deepti Singla	ACS - 33755	NIRC
129	Ms. Ipsa Hemnani	ACS - 33756	NIRC
130	Ms. Heena Sharma	ACS - 33757	NIRC
131	Mr. Manish Jain	ACS - 33758	NIRC
132	Mr. Harsh Venu Gopalan	ACS - 33759	NIRC
133	Ms. Twinkle Saluja	ACS - 33760	NIRC
134	Ms. Swati Sharma	ACS - 33761	NIRC
135	Mr. Devendra Dilip Shinde	ACS - 33762	WIRC
136	Ms. Sweety Purohit	ACS - 33763	WIRC
137	Mr. Viral Praful Suravaiya	ACS - 33764	WIRC
138	Ms. Shweta Sanjaybhai Shah	ACS - 33765	WIRC
139	Ms. Varsha Arjan Punwani	ACS - 33766	WIRC
140	Ms. Nafisa Sultanali Charania	ACS - 33767	WIRC
141	Ms. Unnati Kantilal Shah	ACS - 33768	WIRC
142	Ms. Kinjal Manoj Kadakia	ACS - 33769	WIRC
143	Mr. Labhesh Anil Bhandari	ACS - 33770	WIRC
144	Mr. Tribhuvan Aggarwal	ACS - 33771	NIRC
145	Mr. Ratnesh Kumar Pandey	ACS - 33772	EIRC
146	Ms. Puja Surelia	ACS - 33773	SIRC
147	Mr. Sankar G	ACS - 33774	SIRC
148	Mr. Y N Y Subrahmanya Sarma	ACS - 33775	SIRC
149	Mr. Ajay Gupta	ACS - 33776	EIRC
150	Ms. Usha Rajbhar	ACS - 33777	EIRC
151	Mr. Manish Kumar Lakhotia	ACS - 33778	EIRC
152	Mrs. Nidhi Jain	ACS - 33779	EIRC
153	Mr. Rahul Gupta	ACS - 33780	NIRC
154	Ms. Deepa Gupta	ACS - 33781	EIRC
155	Mr. Shantanu Kumar Awasthi	ACS - 33782	NIRC
156	Ms. Sudha V	ACS - 33783	SIRC
157	Mr. Amit Kumar Bihani	ACS - 33784	EIRC
158	Mr. Sudipta Ranjan Sahoo	ACS - 33785	EIRC
159	Ms. Deepika Sethia	ACS - 33786	EIRC
160	Ms. Dipti Singh Chauhan	ACS - 33787	EIRC
161	Ms. Snehlata	ACS - 33788	NIRC
162	Mr. Sunny Kohli	ACS - 33789	NIRC
163	Ms. Nandita Dhar	ACS - 33790	NIRC
164	Mr. Lokesh Kumar Jain	ACS - 33791	NIRC
165	Mr. Srikant Mishra	ACS - 33792	NIRC

166	Ms. Heena Gauba	ACS - 33793	NIRC
167	Ms. Prarthna Mehta	ACS - 33794	NIRC
168	Ms. Rashmi Jain	ACS - 33795	NIRC
169	Ms. Purva Mehra	ACS - 33796	NIRC
170	Ms. Monika Lodha	ACS - 33797	NIRC
171	Ms. Neha Gupta	ACS - 33798	NIRC
172	Mr. Vaibhav Jain	ACS - 33799	NIRC
173	Ms. Shalini Sharma	ACS - 33800	NIRC
174	Mr. Deshratan Marwah	ACS - 33801	NIRC
175	Mr. Pramod Kumar Chaubey	ACS - 33802	NIRC
176	Ms. Parul Jain	ACS - 33803	NIRC
177	Mr. Kunal Gupta	ACS - 33804	NIRC
178	Mr. Ashvary Gupta	ACS - 33805	NIRC
179	Mr. Rishabh Jain	ACS - 33806	NIRC
180	Mr. Prateek Mittal	ACS - 33807	NIRC
181	Ms. Pragati Sharma	ACS - 33808	NIRC
182	Mr. Sumukha B M	ACS - 33809	SIRC
183	Mr. Sriram S	ACS - 33810	SIRC
184	Ms. Dipti Pradeep Sanghavi	ACS - 33811	WIRC
185	Mr. Rajat Sethi	ACS - 33812	NIRC
186	Mrs. Ruchita Pareek	ACS - 33813	NIRC
187	Ms. Priyanka Jain	ACS - 33814	EIRC
188	Mr. Man Singh Yadav	Acs - 33815	NIRC
189	Mr. Deepak Sharma	Acs - 33816	NIRC
190	Ms. Monika Jindal	Acs - 33817	NIRC
191	Ms. Kiran	ACS - 33818	NIRC
192	Ms. Hemlata Sewag	ACS - 33819	NIRC
193	Mr. Rohan Sampat	ACS - 33820	WIRC
194	Ms. Nivedita Pathak	ACS - 33821	NIRC
195	Ms. Namrata Sajnani	ACS - 33822	NIRC
196	Ms. Deepika Dutt	ACS - 33823	NIRC
197	Mr. Vankayala Shyam Sunder Chaitanya	ACS - 33824	SIRC
198	Mr. Ravindra Vithal Jayade	ACS - 33825	WIRC
199	Ms. Meenakshi Sharma	ACS - 33826	WIRC
200	Mr. Rahul Chhaganlal Patel	ACS - 33827	WIRC
201	Mr. Pawan Balmukundji Randad	ACS - 33828	WIRC
202	Ms. Khushboo Parag Shah	ACS - 33829	WIRC
203	Ms. Preeti Prasad Sabnis	ACS - 33830	WIRC
204	Ms. Kavita Ashok Somvanshi	ACS - 33831	WIRC
205	Mr. Rahul Gupta	ACS - 33832	NIRC
206	Mr. Sikander Singh	ACS - 33833	NIRC
207	Mr. Roopendra Prasad B	ACS - 33834	SIRC
208	Ms. Namita Afzulpurkar	ACS - 33835	SIRC
209	Ms. Khushboo Jayvadan Suratwala	ACS - 33836	WIRC
210	Ms. Neha Harshad Rushi	ACS - 33837	WIRC
211	Ms. Aditi Raghuvir Hukeri	ACS - 33838	WIRC
212	Ms. Nidhi Suresh Parekh	ACS - 33839	WIRC
213	Ms. Aakanksha Rajeev Kelkar	ACS - 33840	WIRC
214	Ms. Kavita Manohar Khatri	ACS - 33841	WIRC
215	Mr. S Kalyanaraman	ACS - 33842	SIRC
216	Ms. Deepa H R	ACS - 33843	SIRC
217	Ms. Rashmi Mishra	ACS - 33844	WIRC
218	Mr. Durdundi Ningappa Birangaddi	ACS - 33845	WIRC
219	Ms. Asha	ACS - 33846	NIRC
220	Mr. Gaje Singh Solanki	ACS - 33847	WIRC
221	Mr. Bobjee Srinivas	ACS - 33848	SIRC
222	Mr. Nikhil Bihari Pandey	ACS - 33849	NIRC
223	Ms. Sudeshna De	ACS - 33850	WIRC
224	Ms. Ritu Maheshwari	ACS - 33851	WIRC
225	Mr. Vasudevarao Cherukuri	ACS - 33852	SIRC
226	Mr. Sreejan A S	ACS - 33853	SIRC

RESTORED*

1	Sh. P C Nandakumar	ACS - 8731	SIRC
2	Sh. Harish Chander Dhamija	ACS - 6940	NIRC
3	Ms. Shiwangi Harwani	ACS - 25517	NIRC
4	Ms Jyoti Agarwal	ACS - 19949	NIRC
5	Sh. Sajjan Kumar Agrawala	ACS - 14857	NIRC
6	Sh. Pradeep Kumar Bhandari	ACS - 6937	WIRC
7	Ms. Isha Batla	ACS - 29814	NIRC
8	Sh. Ashwani Chaloo	ACS - 12539	WIRC
9	Ms. Amee Jitendra Bhuta	ACS - 15659	WIRC
10	Ms. Pavani Tulasi Pullipaka	ACS - 22948	SIRC
11	Sh. V Ramana Reddy	ACS - 15911	SIRC
12	Mr. Amrut Joshi	ACS - 28268	WIRC
13	Sh. Srinivasa Naidu Kotturi	ACS - 26516	SIRC
14	Sh.P Dhileepan	ACS - 8062	SIRC
15	Sh. Aditya Kumar Tibrewal	ACS - 16297	EIRC
16	Ms. Sneha Chandrakant Jadhav	ACS - 29411	WIRC
17	Sh. Prahallad Sawdia	ACS - 15919	WIRC
18	Ms. Abhilasha Tyagi	ACS - 25122	NIRC
19	Sh. Purushottam K Grover	FCS - 4555	NIRC
20	Sh. P Siva Prasad Rao	ACS - 7934	SIRC
21	Sh. Ajay Kumar Siwach	FCS - 6479	NIRC
22	Sh. Navin Chandra J Desai	FCS - 6719	WIRC
23	Ms. Manika Mahendra Jain	ACS - 28179	NIRC
24	Sh. Harsh Sinha	ACS - 8195	NIRC
25	Sh. Y Surender	ACS - 15337	SIRC
26	Sh. Gangadharan Murlidhar	ACS - 7577	WIRC
27	Sh. S. Salai Kumaran	ACS - 12892	SIRC
28	Ms. Radhika Nikhil Bhalwankar	ACS - 33320	WIRC
29	Sh. Ashok Kumar Soni	ACS - 3713	WIRC
30	Sh. Devinder Kumar Jain	ACS - 14674	NIRC
31	Mr. Karamjit Singh Lall	ACS - 28506	NIRC
32	Ms.Shweta Jain	ACS - 14458	NIRC
33	Sh. Brajesh Kumar	FCS - 6965	NIRC
34	Sh G Kartik	ACS - 19982	SIRC
35	Sh. R Ramanathan	ACS -10981	SIRC
36	Sh. S Ganesh	ACS -1456	SIRC
37	Sh. M S Shankar	ACS -16509	SIRC
38	Sh. B R Subbareddy	FCS - 5471	SIRC
39	Mr. Shyam Lal Sharma	ACS - 29993	NIRC
40	Ms. Dipti Gupta	ACS - 13269	NIRC
41	Sh. Mukund Gajanan Kelkar	FCS - 3737	WIRC
42	Mr. Suresh Sampat Chattise	ACS - 31038	WIRC
43	Sh. Sanjeev Churiwala	ACS - 13192	WIRC
44	Sh. Mahesh M Bhatt	ACS - 3552	WIRC
45	Sh. Ganesh P.	ACS - 19307	WIRC
46	Sh. Anupam Kumar Garg	ACS - 11152	NIRC
47	Ms. Saroj Sherawat	ACS - 28082	NIRC
48	Sh. V Ganesh	FCS - 3988	SIRC
49	Mr. Devansh Garg	ACS - 30288	NIRC
50	Sh. Shambhoo Dayal Nigam	FCS - 455	NIRC
51	Sh. Kanhaiya Lal Vyas	FCS - 5202	NIRC

* Restored from 21st September 2013 To 21st October 2013

Certificate of Practice

Sl. No.	Name	ACS/FCS No.	C P No.	Region
	ISSUED*			
1	Ms. Snehal Manish Raikar	ACS - 27133	12405	WIRC
2	Ms. Radhika Somani	ACS - 25848	12406	WIRC
3	Ms. Sakshi Arora	ACS - 33384	12407	WIRC
4	Ms. Sonia Grover	ACS - 30993	12408	NIRC
5	Mr. Prince Chadha	ACS - 32856	12409	NIRC
6	Ms. Megha Batra	ACS - 33376	12410	NIRC
7	Mr. Ramesh Kumar Singh	ACS - 33530	12411	EIRC
8	Ms. Mohini Agarwal	ACS - 33546	12412	NIRC
9	Sh. N Thiagarajan	FCS - 2986	12413	Sirc
10	Sh. Ajit Prasad Singh	FCS - 4144	12414	NIRC
11	Mr. Vijay Kumar Narera	ACS - 33505	12415	NIRC
12	Sh. G K Sharma	FCS - 2300	12416	NIRC
13	Ms. Kamakshi Singh	ACS - 28373	12417	NIRC
14	Sh. Vijay Vallabhadas Parekh	ACS - 7927	12418	WIRC
15	Ms. Mitali Goel	ACS - 33543	12419	NIRC
16	Sh. B Prabakar	ACS - 13914	12420	SIRC
17	Sh. Deepak Ramachandra Suryavanshi	ACS - 27641	12421	NIRC
18	Sh. D R Anand	ACS - 26407	12422	SIRC
19	Ms. Nidhi Maheshwari	ACS - 27560	12423	WIRC
20	Mr. Manupreet Singh Batra	ACS - 30924	12424	NIRC
21	Ms. Asha Mittal	ACS - 32348	12425	NIRC
22	Ms. Juhee Banka	ACS - 25018	12426	EIRC
23	Ms. Sarita Jagdishbhai Limbasiya	ACS - 28419	12427	WIRC
24	Ms. Sonu Saraf	ACS - 27093	12428	EIRC
25	Ms. Chandni Patel	ACS - 33270	12429	EIRC
26	Ms. Charu Jaiswal	ACS - 30539	12430	NIRC
27	Ms. Pinki Mishra	ACS - 33267	12431	EIRC
28	Mr. Ankit Jayantilal Jain	ACS - 33562	12432	SIRC
29	Sh. Dinesh Arora	FCS - 5393	12433	NIRC
30	Mr. Shashank Poddar	ACS - 33464	12434	EIRC
31	Mr. Gaurav Sovasaria	ACS - 33466	12435	EIRC
32	Ms. Nishi Jain	ACS - 33460	12436	EIRC
33	Ms. Radhika Yogesh Kabade	ACS - 31506	12437	WIRC
34	Mr. Amit Mangla	ACS - 32638	12438	NIRC
35	Mr. Manoj Kumar	ACS - 33604	12439	NIRC
36	Reetika Gupta	ACS - 27111	12440	NIRC
37	Ms. Upma Jain	ACS - 32486	12441	NIRC
38	Ms. Pulkita Rajvanshi	ACS - 33298	12442	NIRC
39	Sh. Bharat Bhushan	FCS - 5116	12443	NIRC
40	Sh. G R Murthy	ACS - 7594	12444	SIRC
41	Mr. Raj Kishor Chourasia	ACS - 33445	12445	EIRC
42	Sh. S N Madhavan	FCS - 3846	12446	SIRC
43	Ms. Komal Kamal Kumar Jain	ACS - 33504	12447	WIRC
44	Mr. Shailendra Singh	ACS - 33436	12448	NIRC
45	Ms. Archna Walia	ACS - 25902	12449	NIRC
46	Mr. Keshav Jha	ACS - 22127	12450	NIRC
47	Mr. Kunwar Karnail Singh	ACS - 33451	12451	NIRC
48	Sh. R Ragul	ACS - 29750	12452	SIRC
49	Mr. Bhupendra Kaushik	ACS - 33558	12453	NIRC
50	Ms. Neelam Somani	ACS - 33462	12454	EIRC
51	Ms. Amita Balkesh Vishwakarma	ACS - 30793	12455	WIRC
52	Ms. Nishanka Srivastava	ACS - 28684	12456	NIRC
53	Ms. Alheena Khan	ACS - 33254	12457	WIRC
54	Sh. Arvind Kumar Mishra	ACS - 26258	12458	EIRC
55	Sh. K Venkataraman	ACS - 8897	12459	WIRC
56	Ms. Ekta Singh	ACS - 29221	12460	NIRC
57	Ms. Varsha Vinay Shenoy	ACS - 33522	12461	WIRC
58	Sh. Ranadeep Bhattacharya	ACS - 15524	12462	WIRC
59	Mr. Jitender Singh	ACS - 33610	12463	NIRC
60	Mr. Shashal Sahu	ACS - 32832	12464	WIRC
61	Mr. Sandeep Gupta	ACS - 23477	12465	NIRC
62	Ms. Deepika Patawari	ACS - 33408	12466	EIRC
63	Ms. Manisha Agarwal	ACS - 33480	12467	EIRC
64	Mr. Ghelani Keyur Pravinbhai	ACS - 33400	12468	WIRC
65	Mr. Gaurav Srivastava	ACS - 32060	12469	NIRC
66	Sh. Karan Bhatia	ACS - 27322	12470	NIRC
67	Mr. Manish Kumar Verma	ACS - 31547	12471	NIRC
68	Mr. Pankaj Kumar Modi	ACS - 28600	12472	EIRC
69	Ms. Nisha Garg	ACS - 26233	12473	NIRC
70	Ms. Neha Gyanchandani	ACS - 31421	12474	WIRC
71	Ms. Dhara Anil Solanki	ACS - 29177	12475	WIRC
72	Sh. Sanjay Dilipkumar Talati	ACS - 27144	12476	WIRC
73	Ms. Monisha Prasad	ACS - 27486	12477	SIRC
74	Ms. Bira Agarwal	ACS - 25508	12478	EIRC
75	Ms. Sonica Bambi	ACS - 33704	12479	NIRC
76	Ms. Shilpa Sushil Kawadkar	ACS - 33705	12480	WIRC
77	Ms. Megha Mahendra Vyas	ACS - 33691	12481	WIRC
78	Sh. S Natarajan	FCS - 1943	12482	SIRC
79	Sh. Nitin Mehta	FCS - 7025	12483	NIRC
80	Ms. Hiral Nandkishor Shah	ACS - 31512	12484	WIRC
81	Mr. Rattan Lal	ACS - 33685	12485	NIRC
82	Mr. Kaustubh Onkar Moghe	ACS - 31541	12486	WIRC
83	Sh. Pratik Shah	ACS - 29653	12487	WIRC
84	Mr. Bharatkumar Kalagonda Pomai	ACS - 33397	12488	WIRC
85	Ms. Priyanka Madhusudan Borkar	ACS - 33698	12489	WIRC
86	Sh. Raghav Kumar Singh	ACS - 21569	12490	NIRC
87	Ms. Kanti P	ACS - 32600	12491	SIRC
88	Mr. Sonu Shaw	ACS - 31940	12492	EIRC
89	Mr. Vineet Maheshwari	ACS - 33647	12493	NIRC
90	Mr. Amit Khowala	ACS - 33525	12494	EIRC
91	Sh. Rajan A Siluai	ACS - 30186	12495	WIRC
92	Ms. Neha Jain	ACS - 33365	12496	EIRC
93	Mrs. Bhumika Bohra	ACS - 33643	12497	NIRC
94	Ms. Priyanka Manghwani	ACS - 23692	12498	NIRC
95	Mr. Saqib Suhail	ACS - 33486	12499	NIRC
96	Mr. Shivansh Tiwari	ACS - 33060	12500	NIRC
97	Mr. Ashish Sharma	ACS - 31645	12501	NIRC
98	Ms. Anita Venkatesh Gupta	ACS - 33162	12502	NIRC
99	Ms. Lalita Parakh	ACS - 33559	12503	NIRC

* Issued during the month of September 2013

100	Mr. Amar Kumar Nayak	ACS - 29989	12504	EIRC
101	Ms. Kanika Phophalia	ACS - 33291	12505	NIRC
102	Ms. Supriya Ichharam Wagh	ACS - 32614	12506	WIRC

CANCELLED*

1	Sh. Suresh B. Menon	ACS - 16202	12107	WIRC
2	Mrs. Anju Biyani	ACS - 20012	9755	NIRC
3	Ms. Sonia Bajpai	ACS - 29191	10646	NIRC
4	Ms. Rupanshi Dubey	ACS - 32274	11937	NIRC
5	Mr. Sanjay Chopra	ACS - 32624	12141	NIRC
6	Ms. Richa Sharma	ACS - 28362	11248	NIRC
7	Mr. Sandeep Singh Chouhan	ACS - 31523	11861	NIRC
8	Ms. Pavitra Agarwal	ACS - 29922	10801	NRC
9	Ms. Neha Wadhawan	ACS - 25235	11455	NIRC
10	Sh. Milind Subhash Jog	ACS - 15403	10375	WIRC
11	Sh. Rajesh Kumar Jain	FCS - 7227	7253	EIRC
12	Ms. Laxmi Mandal	ACS - 27020	9697	NIRC
13	Sh. M V M Sundar	FCS - 5451	4485	SIRC
14	Ms. Swapnla Gupta	ACS - 29434	11215	NIRC
15	Mr. Manish Kumar Verma	ACS - 31547	11619	NIRC
16	Ms. Ann Mathew	ACS - 22594	10754	SIRC
17	Mr. Ram Kumar Mishra	ACS - 30498	11040	NIRC
18	Sh. Vikram Yadav	ACS - 27290	11065	NIRC
19	Ms. Mamata Chakraborty	ACS - 27236	9872	EIRC
20	Sh Chintan Kirit Kumar Gandhi	ACS - 21369	7894	WIRC
21	Mrs. Anjali Arora	ACS - 25914	9849	NIRC
22	Ms. Radhika Satish Karmarkar	ACS - 32782	12218	SIRC
23	Mr. Shashank Agarwal	ACS - 29043	10580	NIRC
24	Sh. R Hariharan	FCS - 855	9934	SIRC
25	Ms. Vidhi Malhotra	ACS - 28216	10082	NIRC
26	Ms. Rekha Kumari	ACS - 27655	10129	NIRC
27	Mr. Sandeep Kumar	ACS - 21549	9961	NIRC
28	Mr. Shanmugaraja R	ACS - 29001	11233	SIRC

Licentiate ICSI

Sl. No.	Name	Licentiate No.	Region
	ADMITTED**		
1	Sh. Karan Dawar	6562	NORTH
2	Sh. Shailesh Suvarna	6563	SOUTH
3	Sh. Rahul S Balduwa	6564	WEST
4	Sh. Sanjeev Aggarwal	6565	NORTH
5	Sh. Aman Rajesh Jain	6566	WEST
6	Sh. Vishnu Kumar M	6567	SOUTH
7	Sh. Vinaya Simha N J	6568	SOUTH
8	Sh. Avinash Patodia	6569	EAST
9	Sh. Pawan Kumar	6570	EAST

* Cancelled During the Month of September, 2013
** Admitted During the Month of September, 2013

ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEES FOR 2013-14

The names of members who could not remit their annual membership fee for the year 2013-14 by the last extended **date i.e. 31st August, 2013** stand removed from the Register of Members w.e.f. **1st September, 2013.** They may pay the fee and get their names restored by making an application in Form 'BB' with the entrance fee (Associate members Rs. 1500/- & Fellow members Rs. 1000/- respectively) alongwith restoration fee of Rs. 250/. Form-BB is available on the web-site of the Institute and also published else where in this issue.

The Certificate of Practice of the members who could not remit their annual Certificate of Practice fee for the year 2013-14 by the specified date i.e. on or before 30th September, 2013 stand cancelled **w.e.f. 1st October, 2013.** They may restore their Certificate of Practice by making an application in Form 'D' with the restoration fee of Rs. 250/-. Form-D is available on the web-site of the Institute and also published else where in this issue.

The annual membership and certificate of practice fee payable is as follows:-

1.	Annual Associate membership fee	Rs. 1125/-
2.	Annual Fellow membership fee	Rs. 1500/-
3.	Annual certificate of practice fee	Rs. 1000/- (*)

**The certificate of practice fee must be accompanied by a declaration in form D duly completed in all respects and signed. The requisite form 'D' is available on the website of Institute www.icsi.edu and also published elsewhere in this issue.*

MODE OF REMITTANCE OF FEE

The fee can be remitted by way of :

(i) On-Line (through payment Gateway of the Institute's web-site (www.icsi.edu).

(ii) Credit card at the Institute's Headquarter at Lodi Road, New Delhi or Regional Offices located at Kolkata, New Delhi, Chennai and Mumbai.

(iii) Cash/ local cheque drawn in favour of `The Institute of Company Secretaries of India', payable at New Delhi at the Institute's Headquarter or Regional/ Chapter Offices located at Kolkata, New Delhi, Chennai, Mumbai and Chandigarh, Jaipur, Bangalore, Hyderabad, Ahmedabad, Pune respectively. Out Station cheques will not be accepted. However, at par cheques will be accepted .

(iv) Demand draft / Pay order drawn in favour of 'The Institute of Company Secretaries of India', payable at New Delhi (indicating on the reverse name and membership number).

For queries, if any,

the members may please contact Mr. D.D. Garg, Admn. Officer or Mrs. Vanitha Dhanesh on telephone Nos.011-45341062/64 or Mobile No.8130454693 or through *e-mail ids: annualfee@icsi.edu, cp@icsi.edu*

INVITATION OF APPLICATIONS FOR PANEL OF PAPER SETTERS AND/EXAMINERS FOR THE COMPANY SECRETARIES EXAMINATIONS

The Institute is inviting applications for preparing a panel of Paper Setters and/Examiners for evaluation of answer books from suitably qualified, competent and experienced persons having academic flair and willingness to undertake such academic and confidential assignments in the following subjects of Company Secretaries examinations:

I	***LEGAL DISCIPLINE SUBJECTS***	
	(a) **Law:**	
	(i) Economic and Commercial Laws	Executive Programme
	(ii) Company Law	Executive Programme
	(iii) Industrial, Labour and General Laws	Executive Programme
	(iv) Capital Markets and Securities Laws	Executive Programme
	(b) **Law and Practice:**	
	(i) Tax Laws and Practice	Executive Programme
	(ii) Company Secretarial Practice	Professional Programme
	(iii) Drafting Appearances and Pleadings	Professional Programme
	(iv) Corporate Restructuring and Insolvency	Professional Programme
	(v) Advanced Tax Laws and Practice	Professional Programme
	(c) **Law and Management:**	
	(i) Strategic Management, Alliances and International Trade	Professional Programme
	(ii) Due Diligence and Corporate Compliance Management	Professional Programme
	(iii) Governance, Business Ethics and Sustainability	Professional Programme
II	***ACCOUNTING AND FINANCE DISCIPLINE SUBJECTS***	
	(i) Company Accounts and Auditing Practices	Executive Programme
	(iii) Cost and Management Accounting	Executive Programme
	(iii) Financial, Treasury and Forex Management	Professional Programme

QUALIFICATIONS:

A person applying for empanelment of his/her name as Paper Setter or Examiner should be holding professional qualification as member of the Institute of Company Secretaries of India/Institute of Cost Accountants of India/Institute of Chartered Accountants of India at least for five years and/or a Doctorate Degree/Postgraduate Qualification with at least second class in the discipline of Law, Management, Finance, Accounting, Commerce, etc., with five years experience either in an academic position or in practice or in employment in the concerned field/discipline having relevance to the subjects of examinations.

DESIRABLE EXPERIENCE:

Persons having adequate experience of teaching and as Head Examiner/Moderator/Paper Setter/Examiner in subjects of Law, Management, Finance, Accounting, etc. at graduate/post-graduate level or professional examinations or in writing book(s) or study material in the relevant subject(s) or any other specialised graduate/post-graduate level course (s) with relevant work experience having direct relevance to the aforesaid subject(s) of examination(s) will be preferred.

SCALE OF HONORARIUM FOR EVALUATION OF ANSWR BOOKS

Sl No.	Stage of Examination	Rate
(i)	Executive Programme	Rs.80/- per answer book.
(ii)	Professional Programme	Rs.100/- per answer book.

HOW TO APPLY:

Candidates fulfilling the above conditions **and not registered as a student of the Institute** may send their bio-data in the prescribed application form along with relevant certificates to the ***Joint Director, Directorate of Examinations, The Institute of Company Secretaries of India, C-37, Institutional Area, Sector - 62, NOIDA – 201 309. The prescribed application form can be downloaded from the Institute's website:*** *http://www.icsi.edu/webmodules/member/forms/examnew.pdf*

Company Secretaries Benevolent Fund

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

Sl. No.	LM No.	Name	Mem No.	City
		EIRC		
1.	10109	Mr. Mahendra Muskara	ACS - 2184	Kolkata
2.	10116	Mr. Rajesh Kumar Shaw	ACS - 1946	24paragans (N)
		NIRC		
3.	10110	Ms. Raina Kapoor	ACS - 1200	New Delhi
4.	10111	Mr. Sachin Agarwal	ACS - 6114	Ghaziabad
5.	10112	Ms. Varsha Jalora	ACS - 3719	Jaipur
6.	10118	Mr. Rajiv Mahajan	FCS - 3604	Ludhiana
7.	10122	Mr. Rajat Sethi	ACS - 3812	New Delhi
		SIRC		
8	10113	Mr. Rajat Chhabra	ACS - 3706	Kualalumpur
9	10117	Mr. N A Harish Kumar	ACS - 9107	Hyderabad
10	10119	Mr. Y N Y Subrahmanya Sarma	ACS - 3775	Secunderabad
11	10121	Ms. Bhumika Chandan	FCS - 7378	Bangalore
12	10123	Ms. Jayalakshmi V	ACS - 3876	Chennai
		WIRC		
13	10114	Mr. A Parthasarathy Naidu	ACS - 5038	Navi Mumbai
14	10115	Mr. Leonard Joseph Peter D'souza	ACS - 7922	Mumbai
15	10120	Mr. Shankar Sundaresan Iyer	ACS - 1308	Mumbai

* (Enrolled from 21st September 2013 to 21st October, 2013)

List of Companies & other Organisations Registered for Imparting Training During the Month of September 2013

Region	Training Period	Stipend (Rs.)
Eastern		
Banik Rubber Industries (India) Private Limited Ajanta House', 79/2, A.J.C Bose Road, Kolkata, West Bengal 700014, India	15 Months	Suitable
Mr. A K Gangopadhyay **Company Secretary & Compliance Officer, Kanco Tea & Industries Limited** "Jasmine Tower", 3Rd Floor, 31 Shakespeare Sarani, Kolkata 700 017, India	15 Months	Suitable
Mr. Arbind Kumar Jain **Company Secretary,** **Skipper Limited.** 3A, Loudon Street, 1st Floor Kolkata 700 017	15/3 Months	Suitable
Mr. Amrita Kanjilal **Company Secretary** **Arohan Financial Services Pvt. Ltd.,** "Prafulla', 195/1 Rajdanga Chakrabortypapra, Kasba Kolkata 700 107	15/3 Months	Suitable
The Director **Sunplant Construction Limited** 172 RGM, Tegharia VIP Road Kolkata 700059	15/3 Months	Suitable
Mr. M. Ravi **Managing Director** **Network Clothing Company Pvt. Ltd.** NCC House, 2/642 Mangalam Road, Andipalayam, Tirupur- 641687	15/3 Months	Suitable
Shri Timir Mukherjee **Director** **Nalanda Learning Systems Pvt. Ltd.,** DA 143, Sector 1, Salt Lake Kolkata 700064 (West Bengal)	15 Months	Suitable
Northern		
Mr. Lalit Anand **Director** **Cargo Partner Logistics India Private Limited** Plot No. 35-P, Tower-B, 2nd Floor, Sector 44, Gurgaon, Haryana, 122002	15 Months	Suitable
Mr. Aman Gupta **Manager Hr & Administration** **Dhir & Dhir Associates Advocated And Solicitors** D-55, Defence Colony, New Delhi 110 024, India	15 Months	Suitable
Mr. Sankalp Shakunt **Director Human Resource** **Capsugel Healthcare Limited** 21, Joniawas, Dharuhera, District Rewari, Haryana 122100, India	15 Months	Suitable
Mr. Rakesh Chandra Sharma **Company Secretary** **Frick India Limited** 21.5 Km., Main Mathura Road, Faridabad 121003(Haryana), India	15/3 Months	Suitable
Mr. Raman Deep Bhatti **Company Secretary** **Capl Hotels And Spa Private Limited** Nh-8, Sector 15, Part II, Gurgaon 22001 (Haryana) India	15/3 Months	Suitable
M/S HPC Bioscience Limited Flat No. 6A, 40 Hanuman Road, Connaught Place,New Delhi 110001	15/3 Months	Suitable
Mr. Ajay Garg **AGB & Partner** **Corporate Counsel & Lawyers** 1st Floor, 970,Sector 21D, Faridabad 121001	15 Months	Suitable
Ms. Rekha Sadana **Company Secretary** **Haldiram Snacks Private Limited** B-1/H-3, Mohan Co-Operative Indl. Estate, Main Mathura Road, New Delhi 110 044, India	15 Months	Suitable
Mr. Ankur Garg **Company Secretary** **FIITJEE Limited** 29A, Kalu Sarai, Sarvapriya Vihar New Delhi 110 016	15 Months	Suitable
Mr. Dharmender Singhal **Director, Galaxy Gems Jewels & Handicrafts (P) Ltd.** C-1/67 Safdarjung Development Area, New Delhi 110 016	15/3 Months	Suitable

Mr. Rajan Khanna **Partner** **Rajan Khanna & Associates** **Advocates & Solicitors** Lg-20, Ansal Plaza, Sector 1, Vaishali, Delhi/Ncr, Ghaziabad India 201010	15 Months	Suitable
Mr. Srinivas Kotni **Managing Partner** Lexport,Advocates & Legal Consultants R-1, Sf, Park View Apartments, Hauz Khas Enclave, New Delhi 110016	15 Months	Suitable
Mr. Divyanshu Aggarwal **Director** Growfast Securities & Credit Limited 103/37, Suryadeep Building, Wazirpur Commercial Complex, Delhi -110 052, India	15 Months	Suitable
M/S. Radikal Overseas Private Limited Radikal House, 28, Community Centre, Saket, New Delhi -110017- India	15 Months	Suitable
Mr. Ram J. Bhatia **Managing Director** **Bhatia Corporation Pvt. Ltd.** 23-24, Industrial Estate, Kota-324007 (Rajasthan)	15/3 Months	Suitable
Mr. R C Garg **Director** **Good Luck Steel Tubes Ltd.** 5/102 Sikka Complex (1st Floor) Community Centre, Preet Vihar Vikas Marg, Delhi 110 092	15/3 Months	Suitable
Mr. R K Singal **Director** **R Kumar Singal & Company** **Consultants Pvt. Ltd.** 7C Sagar Apartments 6 Tilak Marg, Delhi 110 002	15/3 Months	Suitable
Ms. Akanki Jain **Company Secretary** **Positive Television Pvt. Ltd.** M3M House, 7-C, Doctor's Lane, Gole Market, New Delhi-1	15/3 Months	Suitable
M/s. Infinite Telesolutions Pvt. Ltd. 250 First Floor, Udyog Vihar Phase I, Gurgaon 122016	15/3 Months	Suitable
Ms. Amninder Kaur **Company Secretary** **G S Auto International Ltd.,** G S Estaste, G T Road Ludhiana 141 010	15 Months	Suitable
Mr. Danny Samuel **Company Secretary** **Road Infrastructure Development** **Company of Rajasthan Ltd.,** LIC Jeevan Nidhi Building Ambedkar Circle, Bhawani Singh Marg Jaipur 302 005	15 Months	Suitable
Mr. Rishabh Jain **Company Secretary,** **Namo Alloys Pvt. Ltd.** 14/1, Mile Stone, Main Mathura Road Faridabad (Haryana)	15/3 Months	Suitable
The Company Secretary **Delhi Aviation Fuel Facility Pvt. Ltd.,** Aviation Fuelling Station Shahbad Mohammad Pur IGI Airport, New Delhi 110 061	15 Months	Suitable
Shri Atul Krishna Pandey **Monark Furniture Limited** 45-46-47, Ground Floor Centrum Plaza, Sector- 53 Golf Course Road, Gurgaon, Phase V, Haryana-122002	15 Months	Suitable
Shri Yamini Chawla **Mercurio Pallia Logistics Pvt. Ltd.** Plot No. 60, IInd Floor, Sector - 18 HUDA Industrial Area, Gurgaon 122015	15 Months	Suitable
Shri Rajeev Nain **Financial Controller** **Chandan Healthcare Limited** Chandan Building, Biotech Park Kursi Road, Sector G Jankipuram, Lucknow	15 Months	Suitable
M/s. Relay Strategy Pvt. Ltd., DLF Building. IT Park, Tower D, Leve II, Kishangarh, Chandigarh	15/3 Months	Suitable
Shri Anil Kohli **Director** **Teradata India Pvt. Ltd.,** 304, 3rd Floor, Tower 4A S-Block DLF Corporate Park, DLF City Phase II MG Road, Guraon, Haryana 400 076	15/3 Months	Suitable
Shri Gagan Singhal **LSC Infratech Limited** Village Hathikhal Goraparao P O Arjunpur, Haldwani, Nainital	15/3 Months	Suitable

Southern

Mr. T G Bharat **Chairman & Managing Director** **Sree Rayalaseema Hi-Strength** **Hypo Limited** 216, K.J.S. Complex, Bhagya Nagar, Kurnool Andhra Pradesh, India 518 004	15 Months	Suitable
Mr. M. Naresh Kumar **Company Secretary** **Sujana Universal Industries Limited** 41, Nagarjuna Hills, Panjagutta, Hyderabad 500 082, Andhra Pradesh, India	15/3 Months	Suitable
Mr. Kamlesh P **Director** **M.S. Investments Limited** 749, Anna Salai, Chennai 600 002, India	15 Months	Suitable

Mr. Johnkutty James **General Manager & Compliance Officer** **Doha Brokerage & Financial Services Ltd.,** III/947 Smart Centre, M K K Nair Road Vazhakkala, Kochi 682 021	15 Months	Suitable
Mr. Vinitha Venugpalan **Assistant Company Secretary** **Snowman Logistics Ltd.** No. 54, Old Madras Road, Virgo Nagar Bangalore-560049 (Karnataka)	15/3 Months	Suitable
Mr. Lakshmisha Babu S **Company Secretary** **Murudeshwar Ceramics Ltd.,** Naveen Complex, 7th Floor 14 M G Road, Bangalore 560 001	15/3 Months	Suitable
The Company Secretary **& Vice President** **Madura Coats Pvt. Ltd.** 44 M G Road, Bangalore 560001	15/3 Months	Suitable
Shri P K Tripathy **Chief General Manager** **Human Resources & Org. Dev. Section** **Human Resource Wing** Canara Bank, 112 J C Road Bangalore 560002	15 months	Suitable

Western

Mr. Gurnish Chhabda **Company Secretary** **Gtpl Hathway Private Limited** C-202, 2nd Floor, Sahajanand Shopping Centre, Opposite, Swaminarayan Temple, Shahibaug, Ahmedabad 380 004. India	15 Months	Suitable
Ms. Rajeshwari Sharma **Company Secretary** **Gujarat Gas Company Limited** Near Parimal Garden, Ellisbridge, Ahmedabad, India 380 006	15 Months	Suitable
Mr. Ashok Devarajan **Avp & Compliance Officer** **Centrum Broking Limited** Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai, India 400 098	15 Months	Suitable
Mr. Onkar Kothari **Company Secretary &** **Compliance Officer** **Bajaj Allianz General** **Insurance Company Limited** Ge Plaza, Airport Yerwada, Pune 411 006	15 Months	Suitable
Mr. Bheru Choudhary **Partner,** **IC Legal Advocates & Solicitors,** 21, Commerce House, Ropewalk Street, Fort, Mumbai 400 023 India	15 Months	Suitable
Mr.Pandurang Chougale **Sr Manager-Human Resources** **Classic Stripes Private Limited** 164, S.B. Marg, Matunga(W), Mumbai 400 016 India	15/3 Months	Suitable
Mr. Rajendra C. Patel **Director** **Makson Industries Private Limited** 401/A, Suresh Smrutiprathmesh Complex, Veera Desai Road, Andheri Mumbai, Maharashtra, India	15 Months	Suitable
Mr. Vijay H Patel **Partner, H. L. Patel Advocates,** A/14, Shakti Enclave, Judges Bungalow Road, Bodakdev, Ahmedabad-380054	15/3 Months	Suitable
Mr. Ajay Meshram **Company Secretary** **Gupta Energy Pvt. Ltd.** Gupta Tower, 5th Floor, Temple Road, Civil Lines, Nagpur -01	15/3 Months	Suitable
Mr.Dhirajbhai Koradiya **Managing Director** **Synergy Bizcon Ltd.** 404 Navneet Plaza, 5/2 Old Palasia Indore 452001 (MP)	15/3 Months	Suitable
Mr. R. S. Shenoy **V. P. (Finance & Accounts)** **Elcome Integrated Systems Pvt. Ltd.** Great Eastern Summit A 11th Floor, Plot No. 56, Sector 15, CBD Belapur, Navi Mumbai-400614	15/3 Months	Suitable
Shri Vallari Gupte **Company Secretary** **Bajaj Holdings & Investments Ltd.,** Bombay-Pune Road, Akurdi, Pune	15/3 Months	Suitable
Ms. Amisha shah **Company Secretary** **Sundaram Multi Pap Limited** 903, Dev Plaza, Opp. Andheri Fire Station S. V. Road, Andheri (W) Mumbai-400058	15 Months	Suitable
Shri Akhilesh jain **Mumbai International** **Airport Pvt Ltd.** Office of the Airport Director Terminal IB, CSI Airport, Mumbai	15 Months	Suitable
Shri Jitin Parekh **Head-Legal & Co. Secretary** **AEGON Religare Life Insurance** Nomura B-Wing, First Floor Unit No. 102, Near D-Mart Hiranandani Business Park Powai, Mumbai 400 076	15/3 Months	Suitable

Mutreja & Associates **Corporate Consultants & Legal Advisors** 146/8 Premium Center, M P Nagar, Zone I, Bhopal 462011	15/3 Months	Suitable
Shri Sanjay Asher **Senior Partner** **Crawford Bayley & co.,** **Advocates & Solicitors** State Bank Building, NGN Vaidya Marg, Mumbai 400 023	15/3 Months	Suitable

List of Practising Members Registered for the Purpose of Imparting Training During the Month of September, 2013

CS SUMIT NAIB PCSA – 3646
Company Secretary in Practice
G-17/A, East Chander Nagar
Street No .1, Delhi -110 051

CS VISHAL CHHAPARIA PCSA – 3647
Company Secretary in Practice
70, Diamond Harbour Road
Dhanshree Tower Flat 8-B
Kolkata – 700 023

CS ABDUL KARIM KAZI PCSA – 3648
Company Secretary in Practice
Room No.2,1st Floor, House No.2
Near Little Flower High School
Kamgar Road, Andheri(E)
Mumbai – 400 069

CS REKHA GADWAL PCSA – 3649
Company Secretary in Practice
403, Naina Residency
Srinivas Nagar (East)
Ameerpet, Hyderabad – 500 038

CS CHETAN GANDHI PCSA – 3650
Company Secretary in Practice
502, Aekveera Regency
Shankar Lane, Kandivli West
Mumbai – 400 067

CS HEMANT NARANBHAI PAWAR PCSA – 3651
Company Secretary in Practice
A-29; Sardar Kunj Society
Shahpur Bahai Center
Ahmedabad – 380 001

CS GAJENDRA SINGH SOLANKI PCSA – 3652
Company Secretary in Practice
C-8, Ground Floor,
Shreevardhan Complex,
RNT Marg
Indore – 452 001

CS CHANDRA PRAKASH JHA PCSA – 3653
Company Secretary in Practice
201, 2nd Floor, M.G. House,
R.T. Road, Civil Lines
Nagpur – 440 001

CS MEGHNA M. PATEL PCSA – 3654
Company Secretary in Practice
F-57, Silicon Shoppers,
Udhna Main Road
Near South Zone Office
Surat – 394 210

CS DEEPA SINGAL PCSA – 3655
Company Secretary in Practice
D-208/A, Street No.-9,
Laxmi Nagar
Delhi – 110 092

CS VISHANT KUMAR JAIN PCSA – 3656
Company Secretary in Practice
306,H-1,Garg Tower
Netaji Subhash Place
Pitampura,
New Delhi -110 034

CS VENKATESH N PCSA – 3657
Company Secretary in Practice
2Nd Floor, No. 15, 6th E Main
15th Cross
Mahalakshmipuram
Bangalore – 560 086

CS RACHANA DAWDA PCSA – 3658
Company Secretary in Practice
412, Navjivan Bldg. No -3
Navjivan Commercial
Premises Co-Operative Society Ltd.
Lamington Road
Mumbai -400 008

CS AMIT PRAKASH JASTE PCSA – 3659
Company Secretary in Practice
B 404, Chamunda Apartment,
Ravalpada
Western Express Highway,
Dahisar (E)
Mumbai – 400 068

CS SHALU SINGHAL PCSA – 3660
Company Secretary in Practice
B-587, Weavers Colony
Ashok Vihar Phase-4
Delhi - 110 052

CS PRIYANK GATTANI PCSA – 3661
Company Secretary in Practice
5/17,Mahesh Nagar
Indore – 452 002

CS V. VISWANATHAN PCSA – 3662
Company Secretary in Practice
No. 78, M.P. Appan Road
Vazhuthacaud
Trivandrum - 695 014

CS ASHISH GUPTA PCSA – 3663
Company Secretary in Practice
G-1 (101) Shri Ganesh Aptt.
15-A,Vandana Nagar
Ext. Near Tilaknagar
Indore

CS PARAMJEET SINGH BATRA PCSA- 3664
Company Secretary in Practice
WZ-135, Gali No. 35
Sant Garh, Tilak Nagar
New Delhi – 110 018

CS GAGANDEEP SINGH SABHARWAL PCSA- 3665
Company Secretary in Practice
C-19, Rose Apartments
Sector -14 Extn.
Rohini, New Delhi -110 085

CS SUJANA NANDULA PCSA- 3666
Company Secretary in Practice
Flat 508
Venkateswara Arcade
Mothynagar
Hyderabad – 500 018

CS NEERAJ BAJAJ PCSA- 3667
Company Secretary in Practice
B-2, Ferozeshah Kotla
Vikram Nagar, Near ITO
New Delhi – 110 002

CS SUMAN PCSA- 3668
Company Secretary in Practice
A-348, Siddharth Gali
Buddha Marg
Mandawali
Delhi - 110 092

CS RAMBHAGAT SINGH YADAV PCSA- 3669
Company Secretary in Practice
H. No. 937, Sector 43, Golf Course
Near Galaxy Appartments (HBH)
Gurgaon – 122 001

CS RACHIT MITTAL PCSA- 3670
Company Secretary in Practice
A1/201, Printer Apartments
Sector -13, Rohini
New Delhi - 110 085

CS BISWANATH MUKHERJEE PCSA- 3671
Company Secretary in Practice
Gobindapore
P O Dearah, P S Singur
Distt Hooghly - 712223

CS HIMANI GUPTA PCSA- 3672
Company Secretary in Practice
E-219, Sector-36
Noida - 201 301

CS JATIN CHADHA PCSA- 3673
Company Secretary in Practice
N.D. 14
Bikram Pura
Jalandhar – 144 001

CS JIVIKA SHRAVAN UTHADA PCSA- 3674
Company Secretary in Practice
101, Dattawadi
Near Mhatre Bridge
Pune – 411 030

CS NEHA JAIN PCSA- 3675
Company Secretary in Practice
1/170, Vidhyadhar Nagar
Jaipur – 302 023

CS PRATIBHA A. KHANDELWAL PCSA- 3676
Company Secretary in Practice
F-II-14, Jeevan Suraksha
Colony, Sector-2
Vidhyadhar Nagar
Jaipur – 302 039

CS GOPAL RUKIYA KADAWAT PCSA- 3677
Company Secretary in Practice
S.No. 15, Flat No. 10, Krishna Palace
B/H Bharti Vidyapeeth, Next To Keshar
Complex, Ambegaon Pathar
Pune – 411 046

CS A. ELANGOVNAN PCSA- 3678
Company Secretary in Practice
No.166, IInd Floor
Canara Bank Building Annex
T.V. Samy Road West, R.S Puram
Coimbatore -641 002

CS SNEHA TODI PCSA- 3679
Company Secretary in Practice
C/O Salasar Auto Agency
Chirwapatty
Tinsukia -786 125

CS KUNAL DUTT PCSA- 3680
Company Secretary in Practice
B-7/58, Raja Rajehwari Nagar,
Road No.10
Old Bowenpally
Hyderabad -500 011

CS ASHWANI KUMAR PCSA- 3681
Company Secretary in Practice
207, Gupta Palace
Near Rajouri Garden Metro Station
New Delhi -110 027

CS RAVI KUMAR BAJAJ PCSA- 3682
Company Secretary in Practice
B-302, Madhav Baug Co-Operative Soc.
Near Tope Nagar, Malwadi
Hadapsar
Pune – 411 028

CS BINOD KUMAR MORE PCSA- 3683
Company Secretary in Practice
Room No:207, 2nd Floor
A R Complex, S J Road
Athgaon
Guwahati – 781 001

CS MANJULA PODDAR PCSA- 3684
Company Secretary in Practice
Mercantile Building
9, Lal Bazar Street, Block –B
Room No. 3084, 3rd Floor
Kolkata – 700 001

CS RAGHAV AGARWAL PCSA- 3685
Company Secretary in Practice
KG-115, Kavi Nagar
Ghaziabad - 201001

CS SARITA BAID PCSA- 3686
Company Secretary in Practice
11/1 Watkins Lane,, Sohandeep
Howrah – 711 101

CS RASNA GOYAL PCSA- 3687
Company Secretary in Practice
Flat B-12, 883(New 1008/6),
Jessore Road, Radha Rani Abasan –I
2nd Floor,China Mandir,Lake Town,
Kolkata – 700 055

CS VIJAY KUMAR VERMA PCSA- 3688
Company Secretary in Practice
95, Sahridaya Apartments
A-4, Paschim Vihar
New Delhi – 110 063

CS ABHIJIT SANJAY MHETRE PCSA- 3689
Company Secretary in Practice
303, Mahadkar Chambers
Karishma Square,Karve Road
Kothrud
Pune -411 038

CS GAUTAM KUMAR CHHAPARIA PCSA- 3690
Company Secretary in Practice
908, Arunachal
19, Barakhamba Road
New Delhi – 110 001

CS ALKA PCSA- 3691
Company Secretary in Practice
Wz -504 A, Basai Dara Pur
Ramesh Nagar Post Office
New Delhi – 110015

CS C. SREEDEVI PCSA- 3692
Company Secretary in Practice
151, 2nd Floor,
Kalidas Road, Ramnagar,
Coimbatore – 641 009

CS VISHAL NANDKUMAR SALUNKE PCSA- 3693
Company Secretary in Practice
F-21, Shivsundar Apartment
Bhelke Nagar
Kothrud
Pune – 411 038

CS B. MURUGESAN PCSA- 3694
Company Secretary in Practice
D-34, Balan Nagar
Peelamedu
Coimbatore – 641 004

CS VIKAS RAI BERRY` PCSA- 3695
Company Secretary in Practice
206, 2nd Floor
Brm Towers ,Loha Mandi
Miller Ganj
Ludhiana – 141 003

CS NARAYAN DAS DAGA PCSA- 3696
Company Secretary in Practice
Near Narsingh Temple
Daga Chowk
Bikaner

CS SAARTHI BHATIA PCSA- 3697
Company Secretary in Practice
5/19,
Kirti Nagar Industiral Area
Neew Delhi – 110 015

CS KISHORI NARAYAN KHANOLKAR PCSA- 3698
Company Secretary in Practice
Plot No.35/1
Near Ganesh Temple
Sudarshan Chs, Temple Wadi
Kolhapur – 416 005

CS KAILASH NARAIN MEHTA PCSA- 3699
Company Secretary in Practice
Office No-311-B 3rd Floor Padam
Business Park Plot No-INS-1
Sec-12A Avas Vikas Sikandra Yojna
Agra – 282 007

CS EESHA BHARDWAJ PCSA- 3700
Company Secretary in Practice
P-57, Senior Citizen Society
P-4, Greater Noida – 201308

News From the Regions

Eastern India Regional Council

Full Day Seminar on The Companies Act, 2013 – Understanding Draft Rules, Draft Forms & Recent Notifications

On 21.9.2013 the Regional Council organized a Full-Day Seminar on The Companies Act, 2013 – Understanding Draft Rules, Draft Forms & Recent Notifications at National Library, Kolkata.

CS Deepak Khaitan, Chairman, ICSI EIRC in his address said that draft rules, draft forms and notifications need to be understood by Company Secretaries as the new Companies Act have brought in immense change and the clients look up to the professionals for understanding and implementing the change. CS Arun Khandelia, Vice Chairman, ICSI EIRC introduced the theme and the Speakers to the delegates present. CS Amit Sen, Past Vice-President - ICSI & President, Bengal National Chamber of Commerce & Industry, Managing Director, East India Pharmaceutical Works Ltd. inaugurated the programme and discussed the new Companies Act 2013.

The first technical session was on an "Overview of Draft Rules & Draft Forms" and the speaker of the session was CS Pavan Kumar Vijay, Past President – ICSI and Managing Director, Corporate Professionals Capital Pvt. Ltd. Vijay highlighted the notified sections under Companies Act, 2013 like Section 161 which deals with appointment of Additional, Alternate and Nominee Director which further states that a person who fails to be appointed in a general meeting is restricted to be appointed as additional director. Section 180 states restrictions on the powers of the board, and it mentions certain specified items in which approval is mandatory. He then discussed section 185, which deals with loans to directors which now only requires special resolution in general meeting instead of Central Govt. approval. Section 192 restricts non-cash transactions with directors and Section 195 is newly inserted which prohibits Insider Trading of Securities. Sections 447 to 449 gives definitions for fraud, false statement, false evidence and also penalties for it. He concluded with the quote "The wisest mind has something yet to learn".

The second technical session was on Notified Sections and the speaker of the session was CS Pavan Kumar Vijay who gave an overview on rules & forms. He said that in the new Companies Act concept of One Person Company (OPC) has been inserted and it will be formed as a private company. One person can open only 5 OPCs and most importantly there should be one nominee. He further stated that OPC will cease to exist if the paid up share capital exceeds Rs. 50 lakhs or the last 3 years average annual turnover exceeds Rs. 2 crores, i.e. compulsory conversion. Voluntary conversion is also allowed. He said that emphasis is given to every listed company and every public company having paid up capital of 100 crores required to appoint woman director on the Board. Further, approval of financial statement and annual accounts is not allowed in video conferencing.

The third technical session was on New Laws relating to Accounts & Audit and the speaker of the session was CS Debashis Mitra, Past Chairman, EIRC of ICAI. He began the session by saying that as per Section 203 every company as maybe prescribed shall have MD, CEO or Manager, CS and CFO as the whole-time key Managerial Personnel and that KMPs shall not hold office in more than one company except in its subsidiary company at the same time. Every company shall at first AGM appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its 6th AGM & thereafter till the conclusion of every 6th AGM. The prohibited areas for auditors are management services, investment in banking services & advisory services, internal audit and design & implementation of any financial information system. An auditor who has resigned shall file within a period of 30 days from the date of resignation a prescribed statement. Emphasis was given on the documents required to be given with the financial statement.

The fourth technical session was on Emerging Legal Issues under The Companies Act, 2013 with Emphasis on NCLT. The speaker was CS Virender Ganda Past President – ICSI, Senior Advocate, Supreme Court of India and High Court, Delhi. He in his deliberation spoke on NCLT and its constitution which involves replacing of existing CLB, BIFR. Central Government is required to constitute NCALT comprising of chairperson & Judicial or Tribunal member which should not exceed eleven. He then highlighted the topic related to reduction of share capital. The application should be made to NCLT and companies in arrear of repayment of any deposit is not allowed to reduce its share capital. He further stated that the merger of foreign company require prior approval of RBI. The scheme of payment of consideration to share holder should be either in cash or partly in depository receipts. The other legal issues under The Companies Act 2013 were also discussed by him.

Full Day Seminar on LLP, Professional Tax and Introduction to Certificate on Valuation

On 14.9.2013 the EIRC of the ICSI organized a Full Day Seminar on LLP, Professional Tax, And Introduction To Certificate On Valuation at its premises in Kolkata.

CS Debasish Bandopadhyay, Registrar of Companies, West Bengal, inaugurated the seminar and in his address appreciated the effort of the ICSI to organise a seminar on a very pertinent topic of LLP and Valuation. He said that Company Secretaries should come forward for setting up of LLP and also said that valuation is also a very good forefront for practice. CS Deepak Khaitan, Chairman, ICSI EIRC and CS Arun Khandelia, Vice Chairman, ICSI EIRC also spoke on the occasion.

The first technical session was on LLP – The New Business Vehicle: Procedures & Advantages. CS Manoj Kumar Banthia, Proprietor, MKB & Associates while addressing stated that LLP is a hybrid form of business with no limit on maximum no of partners. Incorporation documents have to be registered with the registrar. He emphasized on the steps for setting up an LLP like deciding the designated partners, obtaining Designated Partners, Identification Number, and filing of form 2. He discussed the various forms related to LLP like Form 1 which deals with name availability, Form 2 deals with incorporation document, and other important Forms such as Form 3, Form 4, Form 11, Form 15, Form 18. He further stated that LLP is not permitted to avail External Commercial Borrowings. FIIs and venture capital investors are not permitted to make investment in LLP. He highlighted various advantages of LLP such as applicability of AMT, no distribution tax and non applicability of speculation loss.

CS Deepak Kumar Khaitan, Chairman, ICSI EIRC in the second technical session spoke on the Certificate course on valuation and gave the details of Certificate Course on Valuation which comprise of valuation of tangible & intangible assets, shares, takeover target, and exchange ratio in merger and amalgamation. This course will further enable professionals to perform services relating to brands, plant & machinery, bonds, gold, assets etc. He said Members of the institute and professional qualified students are eligible for participating in the course. There will be classroom training of 30 hours divided in 5 weeks after which an examination will be conducted.

The third technical session was on An Overview on Profession Tax and the speaker on the topic was CS Timir Baran Chatterjee Sr. Executive Vice-President & Company Secretary, DIC India Limited. Chatterjee gave an overview on Professional Tax. He says that every person, who is engaged in any profession, trade, calling or employment and falling under any one or more of the entries enumerated in the schedule appended to the Act, is liable to pay Profession Tax. He explained the types of tax payers, documents needed for registration like Trade license, PAN card of Company/Firm, MOA/AOA of company etc. He stated how and when to pay tax and file return. He further quoted the recent amendments in West Bengal Professional Tax like 'each branch is a separate person', inclusion of Amnesty Scheme as per Finance Act 2013 and other relevant changes.

An Interactive Session on "Profession Tax" was moderated by S.B.Mandal, Additional Commissioner, Directorate of Profession Tax, Govt. of West Bengal & R.K.Sen, Joint Commissioner, Directorate of Profession Tax, West Bengal Central Range, Govt. of West Bengal. Mandal and Sen conducted the interactive session on Professional Tax where they handled queries from the audience on the applicability of the tax. Various queries and answers were discussed such as definition, applicability and other important matters related to professional tax which proved to be very useful and gave an insight about the topic.

Management Skills Orientation Programmes

From 2.9.2013 to 17.9.2013 the North Eastern Chapter of EIRC of the ICSI organised Management Skills Orientation Programme at Guwahati.

Again from 23.9.2013 to 10.10.2013 the EIRC of the ICSI organised Management Skills Orientation Programme (80th MSOP) at its premises. CS Tehnaz Punwani, Sr. General Manager - Legal & Company Secretary, Eveready Industries India Ltd was the Chief Guest.

HOOGHLY CHAPTER

Investor Awareness Programme

On 18.8.2013 the Hooghly Chapter of EIRC in collaboration with Ministry of Corporate Affairs organized an Investor Awareness Programme at Sarat Sadan, Howrah Maidan, Howrah. CS Sikha Gupta, Company Secretary, Bhubaneshwari Coal Mining Limited discussed the rights of investors and nomination of shares and securities.

Full Day Workshop

On 1.9.2013 the Hooghly Chapter of EIRC of the ICSI organized a Full Day Workshop on the Companies Bill - 2012 at the Conference Hall of Hooghly Chapter at Rishra. Practicing Company Secretary and Past Chairman of ICSI-EIRC, CS Anjan Kumar Roy was the guest speaker in the first session. He discussed the clauses related with Mergers and Amalgamations. CS Payel Jain, Company Secretary of Emami Infrastructures Limited, was the guest speaker in the second session. She discussed the clauses related to "Related Parties Transaction". Company Secretary and General Manager of Essel Mining and Industries Limited, CS Narendra Singh was the guest speaker in the third and last session. His deliberation was about Meetings, Key Managerial Personnel (KMP) and Directors.

Around 80 delegates including senior members participated in the workshop.

Half Day Workshop

On 18.9.2013 the Hooghly Chapter of EIRC of the ICSI organized a half day workshop on "The Companies Act -2013" at Sarat Sadan, Howrah Maidan.

CS Debashis Bandopadhyay, Registrar of Companies (West Bengal), was the Chief Guest on the occasion. He said that the much awaited, new Companies Act will open many avenues and add many more responsibilities for the company secretaries. CS Manoj Banthia, Practising Company Secretary and Past Chairman of ICSI-EIRC, was the Guest Speaker who discussed the new provisions added under the new Act and deliberated on the added responsibilities of a company secretary.

CS Jamshed Alam, Chapter Secretary coordinated the programme. The programme was attended by more than 150 delegates including many senior members of ICSI.

NORTH EASTERN CHAPTER

Programme on New Companies Bill 2012

First Technical Session: On 4.9.2013 Dr. Debasish Mitra, Past Chairman, EIRC delivered his address on "CSR, Audit and Accounting" with Power Point presentation. He explained the gathering about the details of the aforesaid topic.

CS Deepak Kumar Khaitan, Chairman EIRC spoke on "Comparative Analysis of the Clauses of the Companies Bill, 2012 and the corresponding section of the Companies Act 1956" with power point presentation.

Second Technical Session: CS Anjan Kr. Roy, Past Chairman, EIRC of the ICSI delivered his address on Companies Act 2013 using power point. CS Ashok Kumar Pareek, Central Council Member, the ICSI delivered his talk on Capital Market and Companies Bill 2013.

The participants raised various queries which were suitably replied by the speakers.

Full Day Professional Development Programme on "Due Diligence" and "Critical Thinking & Innovative Approach"

First Technical Session: On 10.9.2013 at the First Technical Session CS Mamta Binani, Past Chairman, EIRC addressed on "Due Diligence" with power point presentation.

Second Technical Session: At the Second Technical Session Sanjay Kedia, Renowned Corporate Trainer from Guwahati delivered his address on "Critical Thinking & Innovative Approach" using power point presentation.

The queries raised by the participants were satisfactorily replied by the speakers.

Northern India Regional Council

Companies Act, 2013 - Consolidation of the Corporate Jurisdiction

On 28.9.2013 NIRC-ICSI organized a one day seminar on "Companies Act, 2013 - Consolidation of the Corporate Jurisdiction" at New Delhi. BSV Prakash Kumar, Member, Company Law Board was the Chief Guest on the occasion. Around 500 members including Regional and Central Council members were present at the inaugural session.

Inaugural Session: CS Vineet Chaudhary anchored the inaugural session of the seminar. He said that the theme of the seminar is very relevant for the professionals. He mentioned that under the Companies Act, 2013 various jurisdictions have been vested with NCLT and Company Secretaries have also been authorized to appear before NCLT. He requested the members to gear up and take the full advantage of the opportunity available. He also requested the members to come forward with their suggestions on the Draft Rules to NIRC.

CS Deepak Kukreja while addressing the gathering said that under the new Companies Act, the consolidation of the various jurisdictions has been done and the authority lies with the National Company Law Tribunal/National Company Law Appellate Tribunal. Now for various kinds of approvals, appeals and litigation under the Companies Act, 2013, Members have to appear before the NCLT/NCLAT. Apart from providing consultancy/advices to the clients, the members have to gear up and must be equipped with the skills of drafting and representing the cases before NCLT/NCLAT.

CS P K Mittal said that prescribing 5 years of experience for appearing before NCLT is not desirable and we hope that this issue will soon be resolved. He also said that for practicing members it is high time to equip them to appear before NCLT. He shared his rich experience with the delegates.

CS Atul Mittal while addressing the gathering said that the Practicing Company Secretaries have in depth knowledge and they provide guidance to the lawyers because of their in depth knowledge about law. He said that the role of CS professionals vis a vis other professionals has increased manifold, court itself has recognized their role by providing that CS is not only compliance officer but a strategist also and provided for the enhanced role of the Practicing Company Secretaries to represent before NCLT & NCLAT.

BSV Prakash Kumar said that it is because of the efforts of Sachin Pilot, Hon'ble Minister for Corporate Affairs that this Act is in place. He said that no Act has a provision of giving power of Contempt of Court in the Act. He explained why it is necessary to include Contempt of Court provisions in the Companies Act. He mentioned that except one special jurisdiction, Court of record is with High Court and all other jurisdictions have been consolidated and given

to NCLT. He discussed in detail the procedure for seeking reliefs etc. and requested the members to try to bring something in the rules relating to court fee.
CS Avtaar Singh arranged presentation of the mementoes to the best participants & best presenters of 178th & 179th MSOP.

First Technical session: CS Ranjeet Pandey anchored the first technical session of the seminar.
P Nagesh, Advocate spoke on the topic "Prevention of O& M - Changes & Challenges". While addressing the gathering, he said that Companies Act, 2013 gave opportunity to every professional to create niche for him. He mentioned that the term oppression is not defined and it is when the conduct of the company is harsh to shareholders and they come to court for seeking relief. He in detail covered the provisions relating to oppression & mismanagement in the Companies Act, 2013. He also advised about the manner of applying for the relief under these provisions and said that as now under Companies Act, 2013 everything is under one roof and Company Secretaries, if they are thorough in substantive Law, they can beat the lawyers.
CS Saurabh Kalia, Partner, Sastra Legal spoke on "Class Action Suit - Issues & Concerns". While addressing the gathering, he explained that Class Suit or Representative action is a form of lawsuit in which large group of people collectively bring a claim to Tribunal/Court against a group of people on a common cause and it is a new concept under Indian Law. He explained in detail about eligibility or who can file this and how & what relief can be sought for under Class Action Suit. He also explained the impact of Class Action Suit for Stakeholders, Industry & Professionals.
CS Satwinder Singh, Partner, Vaish Associates & Past Chairman, NIRC-ICSI spoke on the topic "Revival & Rehabilitation - Legislative Changes & Challenges". While addressing the gathering he made a detailed & elaborate comparative analysis of the provisions of revival & rehabilitation under Companies Act, 2013 and SICA, 1985. He also highlighted few of the challenges relating to provisions of Revival & Rehabilitation.
Nilesh Sharma, Partner, Dhir & Dhir Associates spoke on "Practical Aspects of Revival, Scheme of Revival & Rehabilitation". He very elaborately explained the practical aspects of revival and the provisions relating to Scheme of Revival & Rehabilitation.
Second Technical session: Hitender Mehta anchored the second technical session of the seminar.
CS U K Chaudhary, Sr. Advocate & Past President, ICSI spoke on the topic "NCLT Jurisdiction, Establishment & Draft Rules - Issues & Concerns". He explained in detail the provisions relating to NCLT Jurisdiction, Establishment & Draft Rules and was of the view that as all Company Secretaries, Chartered Accountants and Cost Accountants can appear before NCLT/NCLAT and competitions with the established professionals is also too much, the members in order to have edge over others have to polish their skills and update their knowledge. He shared his rich & vast experience with the delegates.
CS Nesar Ahmad, Past President, the ICSI spoke on "E-Court & Filing Procedure under NCLT". He dealt with the various provisions relating to NCLT, NCLAT and suggested that there is a need to work on the art of drafting. He also requested the members to go through the rules and send suggestions relating to them. He also touched upon various other provisions of the Companies Act, 2013.
After the presentations of the technical sessions, participants present raised various queries, which were very well replied by the guest speakers.

Valedictory Session of 179th MSOP

On 21.9.2013 the Valedictory Session of 179th MSOP took place at ICSI-NIRC Building, New Delhi. CS Yug Samrat, was the Chief Guest and CS Lalit Satija, was Guest of Honour on the occasion.
CS Avtaar Singh in his welcome address congratulated the participants for completing the 179th MSOP of NIRC. He advised the participants to grab every opportunity whichever comes in their way and then try to excel.
CS Rajiv Bajaj said that MSOP is a ceremony to celebrate success. He said that all the participants will become brand ambassador of the CS Profession. He also emphasized on the responsibilities of professionals. He encouraged the participants on being part of Company Secretary Profession.
CS Ranjeet Pandey said that rendering quality services is of paramount importance. He said that we all should understand the duties and responsibilities of being a professional. He also encouraged the participants to remain connected with the Institute through sharing of knowledge.
CS Lalit Satija congratulated the participants for completing their last leg of training i.e. MSOP. He explained few traits which companies are looking at in the budding Company Secretaries. He said that CS is very visible profile and being KMP means at par with CEO & CFO. He emphasized on being honest, sincere, loyal and above all being a solution provider to the company.
CS Yug Samrat congratulated the participants for completing the 179th MSOP. He suggested the participants to unlearn and relearn many things according to new Companies Act 2013. He advised the participants to follow the tips given to them by faculties. He wished the participants for their future.
CS Deepak Kukreja while concluding said that company secretaries should adapt to the changes in global economy. He said that as a professional we should update our knowledge with the changing laws. He also advised the participants to be positive for their future career.

180th MSOP

On 27.9.2013, the 180th MSOP conducted by the ICSI-NIRC was inaugurated by the Chief Guest CS Lalit Prabhakar, GM Legal & Company Secretary, Mother Dairy Fruit & Vegetable Pvt. Ltd. & the Regional Council Members present.
CS Avtaar Singh anchored the inaugural session. In his welcome address he suggested the participants to read the new law in detail.
CS Shyam Agrawal congratulated the participants for reaching the last leg of training i.e. MSOP. He advised the participants to have a positive attitude in life and also suggested them to do research and in depth study of the subject otherwise in the present regulatory scenario, it is very tough to survive.
CS Lalit Prabhakar discussed the practical aspects of Board &

General Meetings. He discussed various provisions of the Companies Act, 2013 and also stated that 98 sections have already been notified and other rules are in public domain. He discussed particularly the new concepts viz. One Person Company, Serious Fraud Investigation Office, Corporate Social Responsibility, etc. He said that lot of responsibility is placed on the Company Secretary by keeping them in the Key Managerial category and suggested the participants to widen their horizon and try to excel.

CS Avtaar Singh concluded the inaugural session of 180th MSOP. He acknowledged the presence of the Chief Guest.

On 15.10.2013 at the valedictory session Charanjot Singh Nanda, Council Member, ICAI was the Chief Guest.
CS Deepak Kukreja welcomed all the participants to ICSI Parivar. He took feedback whether 15 days programme was useful for the participants or not. He suggested the participants to be updated every moment for being successful in the corporate world. He at the end advised the participants not to forget their parents because of whom they have reached this level.
Charanjot Singh Nanda advised the participants to be disciplined Company Secretaries. He gave them various advices and mentioned that emotions play a vital role in the success of the professional and suggested them to spend quality time with their parents and not to hurt them and offered his best wishes.
CS Vineet Chaudhary advised the participants to be focused and lot of opportunities are available for good professionals. He offered his best wishes at the end.

181st MSOP

On 14.10.2013 the 181st MSOP conducted by the Regional Council was inaugurated by the Chief Guest CS G P Agarwal and Regional Council Members present on the occasion.
CS Avtaar Singh while coordinating the inaugural session of 181st batch of MSOP in his welcome address suggested the participants to be participative & interactive with the faculties of MSOP.
CS Deepak Kukreja while delivering his address congratulated the participants for reaching to the last leg of training i.e. MSOP. He said that entire corporate world is looking up towards CS professionals. He advised the participants to learn from the expert faculties of MSOP and suggested them to be attentive and responsive during the MSOP. He emphasized that a lot of things are required to be done for bridging the gap between academic sessions and practical experience.
CS Ashu Gupta said that after completion of 15 days all the participants will be treated as Members of ICSI. She advised them to be updated as the industry look up for updated advises and opinions. She also emphasized on making best use of the faculties of the programme.
CS P K Mittal said that CS is Principal Officer in a company. He strongly recommended for reading of the Chartered Secretary a renowned monthly journal of the Institute. He advised the participants to follow Professional code of Conduct. He advised the participants to read, analyze and confirm their line of interpretation.
CS G P Agarwal congratulated all the participants for reaching the last leg of training i.e. MSOP. He advised the participants to develop contacts & networking skills during these 15 days. He also suggested them to diversify their area of work. He emphasized on reading good books. He wished the participants for their future endeavours.
CS Avtaar Singh concluded the inaugural session of 181st MSOP. He acknowledged the presence of Chief Guest and said that we all should learn from the expert knowledge of Senior Members of the Institute.

Two Day Regional Conference on Professional and Entrepreneur Partnership: Driver to the Industrial Growth

On 13 & 14.9.2013 at the Two Day Regional Conference on Professional and Entrepreneur Partnership: Driver to the Industrial Growth (Host: Ludhiana Chapter) at the Inaugural Session M M Mittal (Hon'ble Minister for Parliamentary Affairs, Govt. of Punjab) was the Chief Guest. Guest of Honour at the Inaugural Session was Prof. Rajinder Bhandari, (Vice-Chairman, Punjab State Planning Board); Chief Guest at the Valedictory Session was Sarvjit Singh Samra (Managing Director, Capital Local Area Bank. Guest speakers were CS Nesar Ahmad, CS P K Mittal, CS NPS Chawla, CS Ranjeet Pandey, CS Rajiv Bajaj, Sanjiv Nanda, Management Consultant, Smart Head Consulting, Parshav Jain and Mohit Kapila of KPMG.

One Day Workshop on Companies Act, 2013

On 14.9.2013 at the One Day Workshop on Companies Act, 2013 CS Pavan Kumar Vijay, Past President, ICSI & Managing Director, Corporate Professionals Capital Pvt. Ltd.; ManMohan Juneja, Registrar of Companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs, Govt. of India and CS H S Grover(Past Chairman, NIRC-ICSI), Group Head Legal & CS, Jaipuria Group of Companies were the speakers.

Vaishali Mega Study Group Meeting on Companies Act- 2013

On 15.9.2013 at the Vaishali Mega Study Group Meeting on Companies Act- 2013 Ranjeet Pandey Past Chairman, NIRC-ICSI; Satwinder Singh, Past Chairman, NIRC-ICSI and Gopal Mandal, Company Secretary & Vice President, IDFC Foundation were the speakers.

Meeting of Company Secretaries in Practice on Independent Director under the Companies Act, 2013

On 16.9.2013 at the Meeting of Company Secretaries in Practice on

Independent Director under the Companies Act, 2013 CS G.P. Madaan, CEO – Corporate Knowledge Foundation and Past Chairman, NIRC-ICSI were the speakers.

South Delhi Study Group Meeting on An Overview of the Companies Act, 2013

On 20.9.2013 at the South Delhi Study Group Meeting on An Overview of the Companies Act, 2013 CS Harish K Vaid, Vice President ICSI was the Chief Guest. Guest speakers were CS Samir Biswas (Ex RD- South & West); CS Ashok Tyagi, Practicing Company Secretary; CS Ajay Garg Corporate Counsel & lawyer; CS Ilam Kamboj, AVP Legal & Company Secretary, Hero MotoCorp Ltd. and CS Ranjeet Pandey (Past Chairman, NIRC-ICSI) & Practicing Company Secretary.

One Day Workshop on Companies Act, 2013

On 21.9.2013 at the One Day Workshop on Companies Act, 2013 CS Ajay Garg, Corporate Counsel and Lawyers, AGB & Partners; CS Saurabh Kalia, Partner, Sastra Legal and CS Rajeev Goel, Advocate were the speakers.

Seminar on Companies Act, 2013 - Consolidation of Corporate Jurisdiction

On 28.9.2013 at the Seminar on Companies Act, 2013 - Consolidation of Corporate Jurisdiction B.S.V. Prakash Kumar (Member, Company Law Board), was the Chief Guest. Nilesh Sharma (Partner, Dhir & Dhir Associates), P. Nagesh (Advocate), CS Satwinder Singh (Partner, Vaish Associates), CS Saurabh Kalia (Partner, Sastra Legal), CS U K Chaudhary (Senior Advocate) & CS Nesar Ahmad, Immediate Past President, ICSI were the speakers.

Study Circle Meeting on Companies Act, 2013

On 29.9.2013 at the Study Circle Meeting on Companies Act, 2013 CS G B Rao, Past President, ICSI was the Chief Guest. Guest Speakers were CS N.K. Jain, Past Secretary & CEO, ICSI; Biswajit Das, Managing Partner, Juris & Juris, Law Firm and CS P K Rustagi, Vice President (Legal) & Company Secretary, J K Tyre & Industries Ltd.

Career Awareness Programmes

The Regional Council organised two Career Awareness Programmes during the month of September, 2013 in various schools & colleges located in Delhi and surrounding areas. CS JK Bareja, T R. Mehta & Himanshu Sharma addressed in these Career Awareness Programmes.

CHANDIGARH CHAPTER

Half-day Seminar

On 23.9.2013 the Chandigarh Chapter of NIRC of the ICSI organised a half-day seminar on Chapter-wise Conceptual Changes under the Companies Act, 2013. Key speakers CS Ranjit Pandey and CS Rajiv Bajaj, Past Chairmen, NIRC covered the Chapter wise conceptual changes along with Draft rules & Notified Section with power point presentations. Queries raised by the members were replied by the speakers. CS Vishwajeet Gupta, Secretary coordinated the seminar.

Career Awareness Programmes

On 2.9.2013 the Chandigarh Chapter of NIRC of the ICSI organised Career Awareness Programmes in Law College, Swami Devi Dayal Group of Professional Institutions, Golpura Village, Panchkula Dist. For the students of Law Stream. On 7.9.2013 at Government College for Girls, Panchkula for B.Com 1st year and 2nd year students at Govt. College for Boys and Sector 11 Chandigarh for B.Com 1 year students. CS Vishwajeet Gupta and Nishi Gupta along with staff of the Chapter highlighted the future prospects of the profession. During their address the students were apprised about the mode of registration in the course, fee structure, eligibility criteria for admission and the avenues available both in employment and in practice. Brochures, pamphlets explaining the company secretary course were also distributed to the students. Between 150-250 students in each school and college along with the staff of the schools & colleges participated in the programme. The queries raised by the students were replied by CS Vishwajeet Gupta, Nishi Gupta and Chapter Staff.

Full Day Seminar on The Companies Act, 2013

On 31.8.2013 the Chandigarh Chapter of NIRC of the ICSI organised a Full Day Seminar on the above topic. CS Mukesh Sharma, Chapter Chairman introduced the topic and welcomed the Chief Guest Vijayendra Kumar, IAS, Director General of Education, Haryana and Guest of Honour Dr. Raj Singh, ROC, Punjab, Chandigarh & Himachal Pradesh and key speakers CS G.P. Madaan, CS Hitender Mehta, Past Chairmen, NIRC and CS Saurav Kalia, Partner, Sastra Legal, New Delhi. Chief Guest Vijayendra Kumar, presided over the function.

CS G.P.Madaan covered with power point presentation the overview of the Modern Company Law, Independent Directors and Corporate Social Responsibility. CS Hitender Mehta covered with Power Point presentation on New Concepts under the Act. CS Saurav Kalia took the members through various technicalities of Class Action Suits, NCLT special courts and empowered SFIO under New Companies Act, 2013. The queries raised by the members were replied by the speakers of the seminar.

CS Vishwajeet Gupta, Chapter Secretary coordinated the seminar.

GHAZIABAD CHAPTER

Session on The Companies Act, 2013

On 11.10.2013 the Ghaziabad Chapter of NIRC of the ICSI in association with Ghaziabad Management Association (GMA) and Industrial Area Manufacturer's Associations (IMA) organized evening session on "The Companies Act 2013" at INMANTEC Institution Ghaziabad. Chief Guest and Speaker Pavan Kumar Vijay, Past President ICSI, Chairperson of Ghaziabad Chapter CS Deepa Singhal, Rakesh Charia - Vice Chairman, GMA, Arun Aggrawal – President, GMA inaugurated the session. Pavan Vijay covered the entire Companies Act, 2013 in crisp and interesting format. The concept of "one person company", mandatory transfer of 2% of average net profits of preceding three years for corporate social responsibility (CSR), concept of "independent director", "key managerial person", appointment of at least one woman director etc. were put forward by him. The meeting concluded with interactive session with the members of ICSI, GMA and IMA.

Full Day Professional Development Programme

On 29.9.2013 Ghaziabad Chapter of ICSI conducted one day Professional Development Programme at Inmantech Institution, Ghaziabad. P. K. Mittal, Council Member, ICSI was the Chief Guest and key speaker on "Directors under Companies Act 2013". He enumerated the new provisions relating to Directors and its comparisons with the provisions of old law. He gave in depth knowledge on the practical aspects relating to appearance before Company Law Board and shared his personal experience. His session was highly interactive and informative and received with applause by strength of 100 members and students.

The post lunch session was conducted by Anupama Jha, on "Understanding Capital Markets". She spoke at length on the concepts and the practical aspects to be considered in capital markets. His dynamic and in depth knowledge of Capital market was highly effective and received well by the audience. The seminar concluded with Valedictory Session and distribution of certificates by Chairperson Deepa Singhal and Treasurer Ankit Poddar.

GURGAON CHAPTER

Class Room Series Companies Act, 2013

Considering the importance of New Companies Act, 2013 and its awareness among Members, Gurgaon Chapter started its second class room series. In this series the second class was addressed by CS Saurabh Kalia on 23.8.2013. CS Saurabh discussed in detail the prevention of oppression and mismanagement, Class Action suits and special courts, empowered SFIO, Minority rights, Mediation and conciliation, compounding of offences and role of professionals. The third class was addressed by CS Sumit Pahwa and CS Sanjiv Dagar on 30.8.2013. They both discussed relevant changes in various compliance under new Act. The topic of discussion was governance, compliance and risk. Mr Dagar explained about key managerial personal and importance of CS. He explained resignation of directors and composition of board committees. E-governance and CSR activities were also discussed. The last and final class in the series was held on 6.9.2013 which was addressed by CS Atul Mittal, Central Council Member, ICSI. CS Mittal discussed about Structure, Restructuring & Revival and Merger & Amalgamation under The Companies Act, 2013. The class room was attended by members in large numbers. CS Parvesh Kheterpal thanked all speakers and members for making the class room series extremely successful.

13th MSOP

On 9.9.2013 the Gurgaon Chapter organized inaugural session of 13h MSOP CS Ravi Batra, CFO & CS SRL Ltd. was Chief Guest on this occasion. CS Parvesh K Kheterpal, Chapter Chairman congratulated participants and welcomed them. CS K K Singh Chairman MSOP Committee Gurgaon Chapter requested all participants to attend MSOP with sincerity. CS Deepak Kukreja, Member NIRC advised them to develop soft skills.

On 21.9.2013 at the valedictory session Certificates to all the participants were distributed. The award for the best project report was given for Time & Stress Management to group consisting of Gayatri, Sushma ,Paurvi and Sunil. Best presenter group award given for E-Commerce to Sudipta, Swati, Uma & Amit. Sagar adjudged as best male presenter and Urmil as best female presenter. The award for the best participant (male) was presented to Don Bathla and best participant (female) to Ankita Bhatnagar.

14th MSOP Inaugural Session

On 9.10.2013 the Gurgaon Chapter organized inaugural session of 14th MSOP. CS Deepak Kukreja, Chairman NIRC was Chief Guest on this occasion. CS Parvesh K Kheterpal, Chairman Gurgaon Chapter congratulated participants and welcomed them. CS K K Singh Chairman MSOP Committee Gurgaon Chapter requested all participants to attend MSOP with sincerity. CS Dhanajay Shukla NIRC Member advised them to develop soft skills. CS Hitender Mehta, Past Chairman NIRC blessed the participants with good luck for their professional career.

Full Day Seminar on The Companies Act, 2013

On 21.9.2013 the Gurgaon Chapter in association with Coca Cola India & Southwest Asia organized full day seminar. CS Devdas Baliga, VP (Legal), Coca Cola was Chief Guest on this occasion. He thanked Gurgaon Chapter for organizing this seminar for increasing awareness among members for the new Companies Act and expressed pleasure for the new Act. CS Parvesh Kheterpal, Chapter Chairman while introducing the theme of the programme emphasized on the requirement for knowledge optimization of members by conducting programme on professionally relevant topic. He informed members that a successful class room series on Companies Act,

2013 had already been conducted and thanked Members for making it a huge success by participating in large numbers.

First technical session was addressed by CS Ilam Kamboj- AVP & CS Hero Moto Corp on the topic Independent directors, Disclosure in Director Reports & Annual Report. SMS Devadoss, Associate Director PWC, deliberated on notified definitions and their implications under new Act.

Second Technical session was addressed by Yogesh Singh, Partner Trilegal on the topic Corporate Restructuring, Compromise, Arrangement, M&A and Cross Border Merger. Nilesh Sharma, Partner, Dhir and Dhir Associates deliberated in detail about Revival & Rehabilitation of Sick Companies.

In the third technical session CS Sandeep Khaitan, Partner KPMG discussed in detailed Accounting, Auditing and Governance provisions in Companies Act, 2013 and corresponding changes. Pankaj Tewari deliberated on related party transactions. He talked about loans and advances, business transactions and holding as office as place of profit.

The last and fourth technical session was addressed by CS Vineet Chaudhary, Member NIRC, CS NPS Chawla, Secretary, NIRC and CS Saurabh Kalia. CS Saurabh talked about Inspection, Investigation & Heavy Penalty under the Act.

A question answer session took place at the end of the session.

Career Fair

On 18 & 19.10.2013 the Gurgaon Chapter participated in career fair at Blue Bells Public School at Gurgaon. Information was provided to students about CS as a career option after class 12. Geeta from Chapter participated in the career fair. Information brochures containing all information were distributed to the students.

MODINAGAR CHAPTER

Consolidation of Corporate Jurisdiction – NCLT

On 8.9.2013 the Modinagar Chapter of NIRC of the ICSI organised seminar on "Consolidation of Corporate Jurisdiction – NCLT" at Multanimal Modi Degree College, Modinagar which was attended by a large number of company secretaries and students.

CS Vineet Chaudhary, Regional Council member in his address informed that the establishment of NCLT/NCLAT shall offer various opportunities to practicing company secretaries as they have been authorized to appear before the Tribunal / Appellate Tribunal which were hitherto dealt by the High Court viz. Mergers, amalgamations and winding up proceedings under the Companies Act, 1956.

CS Saurabh Kalla briefed that with the establishment of NCLT, a whole new area of practice will open up for company secretaries in practice with respect to advising and assisting Corporate Sector on Merger, Amalgamation, Demerger, reverse merger, compromise and other arrangements right from the conceptual to implementation level.

CS M.K. Singhal, Chapter Chairman briefed that in view of vast opportunities emerging with the establishment of National Company Law Tribunal, the Practising Company Secretaries should standardize their competencies with the global benchmarks to provide value added services in assisting the Tribunal in dispensation of justice and speedier disposal of matters like merger amalgamation, restructuring revival and rehabilitation of sick companies and winding up of companies.

Career Awareness Programmes

On 8.9.2013 the Chapter organised a Career Awareness Programme at Multanimal Degree (PG) College, Modinagar. Again on 26.8.2013 the career awareness programme was held at Rukmanai Modi Mahila Inter College, Modinagar.

NOIDA CHAPTER

15th MSOP

From 4.9.2013 to 20.9.2013 the 15th MSOP was conducted by the Chapter and was attended by 41 participants.

Study Circle Meeting on Companies Bill – Classroom Series

The NOIDA Chapter of NIRC of the ICSI organised Study Circle Meeting on Companies Bill - Class Room Series I - VIII at Jaipuria Institute of Management, Noida on the following dates: On 17.8.2013 the programme was well attended by 60 participants from Noida and Delhi as well. CS Sanjay Grover, Central Council Member was the Chief Guest and speaker of the study circle.

On 24.8.2013 the programme was attended by 69 participants from Noida and Delhi as well. CS Atul Mittal, Central Council Member was the Chief Guest and speaker of the study circle.

On 31.8.2013 the programme was attended by 66 participants from Noida and Delhi as well. CS N K Jain – Immediate Past Secretary & CEO, ICSI was the Chief Guest and speaker on the study circle meeting.

On 7.9.2013 the programme was well attended by 55 participants from Noida and Delhi as well. CS Lalit Jain, Senior Vice President, Jubiliant Life Sciences Limited was the Chief Guest and speaker of the study circle.

On 14.9.2013 the programme was well attended by 46 participants from Noida and Delhi as well. CS Nesar Ahmad – Immediate Pate President, ICSI was Chief Guest and speaker of the study circle.

On 21.9.2013 the programme was well attended by 34 participants from Noida and Delhi as well. CS H S Grover, was the Chief Guest and speaker of the study circle.

On 28.9.2013 the programme was well attended by 23 participants from Noida and Delhi as well. CS Sanjay Aneja, was the Chief Guest and speaker of the study circle.

On 5.10.2013 the programme was well attended by 32 participants from Noida and Delhi as well. CS P K Mittal, was Chief Guest and speaker of the study circle.

Southern India Regional Council

Inauguration of 17th MSOP

On 11.9.2013 the 17th batch of MSOP was inaugurated by E Selvaraj, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai. Earlier Sarah Arokiaswamy, Joint Director, ICSI, SIRO welcomed the dignitaries and participants. She explained the guidelines about the programmes to the participants.

CS Dr. B Ravi, Member, ICSI – SIRC in his special address, emphasized that more opportunities are available in the Companies Act, 2013 for the CS and it is up to the young professionals to utilize it. Ravi advised the participants to be more interactive so that they will get their results clarified and their communication skills will also improve. Ravi also urged the participants to form a network among them and share the knowledge.

In his inaugural address, Selvaraj advised the participants to be updated with the provisions of the new Companies Act, 2013. He urged the participants not to succumb to the pressure of management and advise them appropriately. As 'Key Managerial Personnel', the CS should contribute more for the corporates, he added. Selvaraj also advised the participants to go beyond the regular works of CS and be an expert in any specific areas and also to go always by law and follow good ethics.

In his address, CS Ramasubramaniam C, Treasurer, ICSI – SIRC advised the participants to make best use of the programme in updating their knowledge and interact with the faculties.

Valedictory Session of 16th MSOP

On 27.9.2013 CS P T Rangamani, Past President, The ICSI delivered the valedictory address and distributed the certificates to the participants. In his address, Rangamani gave an overview of the new avenues available to the CS in the Companies Act, 2013. As a custodian of good governance in the corporates, the CS should be updated with latest laws and follow good ethics, Rangamani observed. He suggested the participants to always be attached with the Institute by contributing articles to the Chartered Secretary and other magazines or volunteer to become faculties for the training programmes and oral coaching programmes of the Institute or conducting career awareness programmes in the colleges and schools known to them. He concluded by requesting the participants to become the member of CSBF.

Study Circle Meeting on Provisions relating to incorporation of Companies under the Companies Act 2013

On 13.9.2013 A Mohan Kumar, Assistant General Manager, Legal & Company Secretary, Allsec Technologies Limited, Chennai spoke on the provisions relating to incorporation of companies under the Companies Act 2013. Mohan Kumar commenced his address with a brief outline on the Companies Act, 2013. The speaker elaborately spoke on the rules pertaining to the One Person Company, Signing of MOA and AOA, Name Clause, Objects Clause, Liability Clause, Incorporation of Companies under Section 7, essential documents for incorporation, punishment for false information, Certificate of commencement of business, alteration of memorandum and articles and rectification of name. Mohan Kumar elaborated on the various forms pertaining to the incorporation of companies. The members actively interacted with the speaker.

Study Circle Meeting on CSR under the Companies Act 2013 and the Rules

On 20.9.2013 P Sriram, Company Secretary in Practice, Chennai was the speaker at the Study Circle Meeting on CSR under the Companies Act 2013. CS Sriram explained that The Companies Act, 2013 has introduced for the first time a provision requiring corporates to spend on a prescribed percentage of their profits on certain specified areas for economic upliftment called the "Corporate Social Responsibility" and there is no definition in the new Act for the term Corporate Social Responsibility though the areas in which the money spent have been specified. The speaker also threw light on Section 135 of the Companies Act, 2013 and Section 134 (3) (o) & (q), where in the CSR are dealt with.

One Day Seminar on The Companies Act 2013

On 28.9.2013 the ICSI – SIRC organized a full day seminar on the Companies Act 2013 at Chennai. The first session was handled by CS Dr. K R Chandratre, Company Secretary in Practice, Pune on 'Appointment and Remuneration of Managerial Personnel'. In his address Chandratre explained that a company cannot have Managing Director and Manager simultaneously under section 196 of the new Companies Act 2013. Chandratre explained that a company can pay its managerial persons remuneration without the Government's approval up to 5% of net profit for one and 10% for more than one managerial person. He also explained about the Executive Director's remuneration, when net profit is inadequate or absent. The speaker threw light on the Key Managerial Personnel and the Secretarial Audit.

Gopal Krishna Raju, Chartered Accountant, Chennai spoke on the 'Provisions relating to accounts and audit' of the Companies Act 2013 in the second session. Raju commenced his speech with the brief explanation on the definitions of the terms 'financial year', 'books of accounts' and 'financial statements' under the new Act. He further explained that Accounting Standards prescribed under Companies Act, 1956 will be applicable until Accounting Standards are notified by Central Government. While speaking about the National Financial Reporting Authority [NFRA], Raju informed that it is yet to be constituted by notification. However, he explained the role and powers of NFRA. The speaker also spoke on the appointment of statutory auditor, internal audit, CSR, books of

accounts and financial statements.

The speaker for the third session was Dr. S D Israni, Advocate, Mumbai on the topic, 'Profession and the new Company Law'. In his address Israni focused on the concepts of Key Managerial Personnel and the Secretarial Audit. He explained that under section 203, every company belonging to such class or classes of companies as may be prescribed shall have the following whole-time key managerial personnel, managing director, or Chief Executive Officer or manager and in their absence, a whole-time director, Company Secretary and Chief Financial Officer. He further added that under section 92, the particulars of key managerial personnel should be provided in the annual return. Israni made an elaborate presentation on the concept and scope of the Secretarial Audit.

P H Arvindh Pandian, Senior Advocate and Additional Advocate General of Tamilnadu, spoke on the 'Special Courts, NCLT, Class Action Suits and Restructuring of Companies' in the fourth and final session. Arvindh Pandian mentioned that Clauses 230 to 240 of the Companies Act 2013 provides for the provisions in respect of compromise, arrangements and amalgamations. He added that an application regarding the above can be made by the company or any of its creditors or members of the company or in case a company being wound up, by the liquidator. Pandian explained that the class action suits can provide a solution to the economic obstacle by gathering many individual claims together into a single law suit that can support the cost of litigation and explained the concept in depth. While talking about the oppression and mismanagement, he informed that Sections 397, 398, 402, 403 and 404 of the old Act have been replaced by Sections 241 to 244 of the Companies Act, 2013. Pandian also threw light on the special courts. CS Dwarakanath C, Chairman, ICSI SIRC summed up the proceedings of the day.

8th Southern India Regional Conference of Practicing Company Secretaries on Company Secretary - A Multifaceted Personality

On 6 and 7.9.2013 the 8th Southern India Regional Conference of Practising Company Secretaries of the Institute of Company Secretaries of India on Company Secretary – A Multifaceted Personality was organized at Yercaud. This conference was organized jointly by the Southern India Regional Council and the Salem Chapter of the ICSI. Around 200 delegates participated in the Conference. The Conference was inaugurated by V Krishnaswamy, President and Chief Operating Officer, Karur Vysya Bank Ltd., Karur. S Devarajan, Chairman and Managing Director, Sambandam Spinning Mills Ltd., Salem delivered the Key–Note address.

CS C Dwarakanath, Chairman, SIRC of the ICSI in his welcome address said that Yercaud is otherwise called the Shevroys Hills having lush-green belt with a good ambience and it is very apt for having chosen the venue. He also said that such a calm and serene atmosphere would provide the delegates with an ambience to deliberate calm and come out with valuable suggestions for the benefit of the profession.

CS Gopalakrishna Hegde, Central Council Member, The ICSI, introduced the theme of the Seminar. He said that the Company Secretary's role has been enhanced and this Conference would highlight the various roles to be played by the Company to become the multifaceted personality. He also discussed the five topics on which the theme would be discussed and deliberated in the conference. CS Sudhir Babu, Central Council Member, in his address recalled the efforts put in by the Institute and the Council Members in addressing the issues concerning the profession in the new Companies Act.

S Devarajan, Chairman and Managing Director, Sambandam Spinning Mills Ltd., Salem in his key-note address welcomed the new Companies Act as it provides corporate freedom and self-governance. He told that the Company Secretary plays an important role in Board administration and guidance and assists the management on various aspects concerning the corporate through their professional skill and experience. He hoped that the new Companies Act elevates the position of the Company Secretary by including him as one of the Key Managerial Personnel and his roles are well defined in the Act. He advised the delegates to deliberate on the various aspects of the new Act and to come up with valuable suggestions for the benefit of the profession.

V Krishnaswamy, President and Chief Operating Officer, Karur Vysya Bank Limited, Karur, in his Inaugural and presidential address stressed the importance of the profession in the corporate management and recalled their role in day to day administration of the management. The Company Secretary has the requisite professional skills and capability to enhance the transparency and governance levels in the corporate through their appropriate and timely advice to the Board and the Management. The new Act provides them ample opportunity to consolidate their position to upgrade themselves and to upgrade the Board level deliberations to a greater heights. He stressed the need for the delegates to concentrate on the important provisions of the Act and to come out with their expertise for the benefit of the corporate.

Technical Session I: Overview on Companies Act, 2013: CS Dr. B Ravi, Practising Company Secretary, Chennai and the past Chairman of SIRC of the ICSI, narrated the salient features of the new Companies Act 2013. He highlighted the One Person Company, the Corporate Social Responsibility, Key Managerial Personnel, Role of Company Secretary in Annual Return of the Company, the corporate freedom to decide by the shareholders in their meeting without seeking Government approvals etc. He welcomed that the Related Party transactions can be carried out without the approval of CG and it is a welcome provision for the corporate. The scope for the Company Secretary profession is very wide and self-governing. Non-governance would attract heavy penalty.

CS Raju, Practising Company Secretary from Bangalore, summarized the proceedings.

Technical Session II - Role and Responsibilities of Company Secretaries under the Companies Bill, 2012: CS Gopalakrishna

Hegde, in his presentation said that there is a major shift in the definition of Company Secretary from the previous Act. The new Act defines a Company Secretary on line with the definition stated in the Company Secretaries Act, 1980. It recognizes for the first time the Company Secretary as an expert. It elevates the position of Company Secretary to the level of a Key Managerial Personnel which includes the CEO, the Managing Director, the Whole Time Director, CFO or any other director authorized by the Board. In respect of qualifications for CEO or CFO or any other officer, there is no specific educational qualification. CS has a professional qualification. The Company Secretaries functions are defined in Section 205 of the Act. Apart from reporting to the Board and compliance with the provisions of Company Law, the Company Secretary is also responsible for compliance with other laws applicable to the corporate. This may include central, state, provincial, municipal and panchayat legislations and the Company Secretary is expected to be thorough with these legislations also.
The Company secretary's role is going to be increased with the discharge of such other duties as may be prescribed. This would include disclosure in respect of KMP having more than 2% shareholding in other corporate. The provisions relating to erstwhile 383A is replaced by the new Section 203 of the Act.

Technical Session III : NCLT and Class Action Suits: CS Sridharan A M welcomed the introduction of the National Company Law Tribunal in the New Companies Act and deliberated at great length about the consequences of Class Action Suits based on his experience in Corporate Law Service as Official Liquidator. He drew reference to the CLB while discussing NCLT and said that even the civil courts are barred from dealing with company cases once NCLT is notified. He discussed the provisions relating to appeals before the civil courts and stated that NCLT is fully empowered to decide on cases referred to it. Upon notification of NCLT, all the pending cases with the CLB, all appeals etc. will get transferred to the NCLT except those cases pertaining to BIFR and AAIFR which get abated (redundant). He cited various case laws to substantiate his views. As regards class action suits, he said that this is not new since such provision existed in the previous law itself. The class action suit provisions are similar to those prevalent in the USA and US courts dealt with a number of cases like iGate and Infosys. Under the provisions of class action suit, the class action suit can be preferred by any employee, creditor, and shareholder against the Company to seek remedial measures for the damages suffered. Any misstatement in the prospectus like inducement by directors to subscribe to the Company would fall under this provision. This is a collective appeal by concerned so that this would reduce the time of the legal forums like the High Courts and would ensure speedy disposal of cases apart from saving cost. He stressed the need for the Company Secretary to be updated with such provisions to take care of their position since negligence on their part would invite such provisions. For any direct action, directors would be responsible and for any indirect action where there is a failure by persons other than directors, the affected party would seek remedy before the forum. CS Ullas Kumar from Mangalore Chapter summarized the proceedings.

Technical Session IV: Secretarial Audit, Pre-Certification / Annual Return: CS S Dhanapal, Practising Company Secretary discussed the role and responsibility of the Company Secretary in Secretarial Audit, Pre-Certification Processes and in filing Annual Return of the Company. He drew reference to the provisions relating to audit and the auditing standards. He cautioned that the Company Secretary in Practice has to be careful in examining the audited accounts submitted by the statutory auditors as the Act requires the CSP to append their Secretarial Audit Report to the Board Report. The CSP has to exercise utmost caution in preparing and submitting returns with the ROC else has to face with heavy penalty running to lakhs of rupees which was not there in the old Act.
Technical Session V : Personality Development: Srisha conducted a lively interactive session about Personality Development. Personality Development means positive attitude. Each individual has a lot of potential and everyone has to make use of this. Second quality is self-appreciation. Self-analysis. Weakness. Self-respect. Loving ourselves. When we have respect for ourselves it is self-appreciation. Respect others. Accepting others. Listening others. Course correction. Prioritising. Contributing. We are in our control. World is not in our control. Nobody can stop us being successful.
Srisha discussed what is meant by personality and the personality development. As Company Secretaries who are well experienced they need to improve upon their personality so that they could become successful in their profession. She said the first quality of personality development is the positive attitude. Everyone should possess a positive attitude towards achieving his goal. Self-analysis, self-respect, loving oneself, respect for others, listening to others, prioritizing the work schedule – these are some of the qualities by which the personality could be developed. To make them understand the concepts, she employed some physical exercises and drew small stories. The entire session was interactive and educative. All the delegates appreciated the faculty which provided them some relief from the previous sessions.
Valedictory Session: CS V Sreeraman, Chartered Accountant and Corporate Trainer, spoke about the ethical values in profession. He drew reference from Upanishads. There is an order in which God, Father, Mother and Teacher is placed in one's life. First comes mother, then comes father, then comes teacher and then comes a stranger (athithi). There is always an order in which everything has to be carried out. The word 'profession' is defined which includes vocation. One has to be true to the profession and create wealth for the country and one has to tell the truth and this will bring in peace and happiness around you. The Session ended with the rendition of National Anthem.

BANGALORE CHAPTER

14th Management Skills Orientation Programme

On 3.9.2013 the Chapter organised the inaugural function of the 14th Management Skills Orientation Programme (MSOP). CS C. Dwarakanath, Chairman, SIRC of the ICSI & Ex-officio, Bangalore

Chapter of the ICSI was the Chief Guest who highlighted some of the important aspects of the New Companies Act 2013. Giving an insight on emerging employment prospects for CS he emphasized on the new duties and responsibilities as per sections 205 and 208 of New Companies Act. He advised the participants to grab every opportunity and hone their skills through constant learning and up gradation with abreast happenings.

On 20.9.2013 at the valedictory session CS Gopalakrishna Hegde, Central Council Member, The ICSI & Ex-officio, Bangalore Chapter of the ICSI was the Chief Guest. Gopalakrishna Hegde advised to always keep smiling and always to be the reason for many more to smile. He stated that Smile, value, respect, loyalty and learning are some of the professional traits to be inculcated by the budding professionals for a successful career. He also stated that above all this was the need to enjoy one's work, maintain high levels of integrity and honesty and to develop the right attitude. He stated that Money or wealth should not be the objective, doing the right work is what to be prioritised. The Chief Guest then distributed the Best Participant award to Chaithanya and the prizes for the Best Project to the team consisting of Amrutha Ramaswamy Iyengar; Nagaraja V and Deepa G Shenoy for the Project on "Insider Trading". Deepa G Shenoy and Gunashekar Mprala, Participants, shared their feedback about the MSOP Programme.

Joint One Day Seminar on Companies Act, 2013

On 14.9.2013 The Bangalore Chapter of the ICSI jointly with BCIC organised a One Day Seminar on "Companies Act, 2013" at Bangalore.

H V Harish President, BCIC, delivered the welcome address and introductory remarks. The Chief Guest M Joseph, Additional Secretary, Ministry of Corporate Affairs and S. Mahalingam, Former CFO and Executive Director, Tata Consultancy Services addressed the gathering. The Seminar focused on key technical aspects which have seen major changes. The sessions were grouped under four broad themes to enable better appreciation of the legislative intent and changes. Practical issues from industry stand point as well as an objective assessment from a practitioners' perspective led to an enriched deliberations. While the focus was on awareness building on the new Act, the forum was used to generate issues for representation and channelling to seek appropriate remedies from the Government on the below mentioned themes.

Capital raising/Investors' protection/ Regulatory oversight; Reporting disclosures/ Audit & auditors' responsibilities; Company Management/ Corporate Governance/ CSR; Business re-organisation/ M&A/ Combinations.

The Seminar was addressed by eminent speakers from Government, Industry and Professional bodies who shared the thoughts behind the various provisions. Kalpesh Maroo, Partner, BMR & Associates LLP; Prem H D'Cunha, Vice President, ICICI Securities Limited; C Dwarakanath, Chairman, SIRC of the ICSI; P R Ramesh, Chairman, Deloitte Haskins & Sells; S Subramaniam, Chief Financial Officer, Titan Company Limited; Aasheesh Arjun Singh, Partner, Assurance Walker, Chandiok & Co.;Prof. Padmini Srinivasan, Faculty – Finance and Control Area, IIM, Bangalore; Sivaram Nair, Sr. VP - Company Secretary, General Counsel and Ethics Officer, Mphasis; Arjun Lall, Partner, Amarchand & Mangaldas & Suresh A Shroff & Co. Murali Ananthasivan, Partner, J. Sagar & Associates, Ramachandran Venkatesan, Company Secretary, Wipro Limited; Chengappa Ponnappa, Executive Director, PricewaterhouseCoopers. The Seminar was very well attended by 286 Members and delegates from Corporates.

K. Viswanath, Co-Chairman Finance & Corporate Affairs Expert Committee-BCIC did the summing up.

Study Circle Meetings and a Half day Seminar to collate the comments/ suggestions on Draft Rules of the Companies Act, 2013

On 16,17 and 21.9.2013 the Chapter organised three consecutive study Circle Meetings and a Half Day Seminar on "Draft Rules on Companies Act 2013".

The discussion was moderated by Gopalakrishna Hegde, Central Council Member, the ICSI and Ex- Officio Bangalore Chapter of the ICSI. The discussion was held in detail on all the Chapters of the Draft Rules of the Companies Act, 2013 so far released by MCA, in phase I & phase II. The suggestions/comments so collated were submitted to SIRC of the ICSI, to formulate its suggestions and forward the same to The Secretariat at Headquarters for further compilation of all the comments /suggestions and place the same before the Corporate Laws Committee of the Council which shall finalize the suggestions of the ICSI on the rules to be forwarded to MCA. There was a lively discussion and interaction by the participants and the forum was fully used to discuss and generate issues on draft rules for representation to MCA and also to seek appropriate remedies from the Government.

COIMBATORE CHAPTER

Career Awareness Programmes

The Chapter as part of its Career Awareness drive aimed educating the student community on the benefits of Corporate Secretaries course organized a series of Career Awareness Programmes and the same are as under: On 1.8.2013 the Career Awareness Programmes were held at SBOA School and at PSGR Krishnammal College for Women, Coimbatore. CS C.Thirumurthy, Practicing Company Secretary, Shyama Vijayaraghavan, AEO, Coimbatore Chapter were the speakers. On 6.8.2013 the Career Awareness Programme was held at Bishop Ambross College; on 7.8.2013 the Career Awareness Programme was held at Isha Home School, Velliangiri Foothills and on 19.8.2013 the Career Awareness Programme was held at Kikani Hr. Sec. School, Coimbatore. Total Attendees of all the programmes were 520. Shyamal Vijayaraghavan, AEO of the Chapter was the speaker of all the above programmes.

Programme on Creating & Managing Corporate Wealth

On 2.8.2013 the Chapter organised a seminar on the topic Creating & Managing Corporate Wealth as the Company Secretary has multiple role to play in channelizing the Corporate and advising the management in enhancing the wealth through identification and also managing corporate wealth. This is more so important with growing opportunities in Risk Management role of a Company Secretary. V. Girish, President, IIFL Wealth Management addressed more than 44 members and 43 students.

Programme on How to set up practice in Service Tax & Issues in Service Tax

On 10.8.2013 the Chapter organised a programme on "How to set up practice in Service Tax & Issues in Service Tax" . Service tax is a growing area for Company Secretaries to practice and with more regulations and amendments it has become critical for Corporates to seek advices from the Company Secretaries on a day to day basis and expertise on the subject is required. To highlight the fact and opportunity available for Company Secretaries in the field of Service tax, CS Vikas Y. Khare, Central Council Member, ICSI addressed the criticalities pertaining to practice in the field on service tax to more than 35 members and 32 students.

Independence Day Celebrations

On 15.8.2013 the Chapter celebrated the Independence day along with 18 members and students.

Programme on The Companies Bill 2012

On 30.8.2013 the Coimbatore Chapter of SIRC of the ICSI organized a programme on the Companies Bill, 2012 to deliberate on the new Bill and its implications on corporate and professionals. Inaugural Session: The programme was inaugurated by the dignitaries present. Dr M Manuneethi Cholan, Registrar of Companies, Tamilnadu, Coimbatore, CS C.Dwarakanath, Chairman, SIRC of ICSI and B. Soundararajan, Chairman- Suguna Group of Companies, Coimbatore. gave the inaugural address and highlighted the effect for corporates on the new Bill.

First Technical Session: CS. M. R. Thiagarajan, Practicing Company Secretary addressed the members and students on features in New Company Law, Secretarial Audit & Annual Return/ Pre-certification and clarified on lacunas on the New Bill.

Second Technical Session: CA Ramesh Natarajan, Chartered Accountant deliberated on provisions pertaining to Accounts & Audit and the changes from the existing act and aspects to be considered and its effect on corporates and professionals.

Third Technical Session: A. M. Sridharan, Practicing Company Secretary, Chennai deliberated on provisions pertaining to Offences & Compounding of offences under the Companies Bill.

Fourth Technical Session: S. R. Rajagopal, Advocate, Chennai deliberated on provisions pertaining to NCLT, Restructuring & Insolvency under the new Bill.

More than 138 members and 78 students benefited from the whole day programme. There were also credit hours given for the programme.

Class room session on Companies Act, 2013

On 20.9.2013 Class room session on Companies Act, 2013 was held. The Chapter realized the importance of new Companies Act, 2013 which has replaced more than half a century old law. The Act is a reform oriented, governance focused and forward looking legislation. It confers greater say in governance to the directors and it places greater demand on them – in terms of involvement, commitment levels and technical and industry knowledge. The Ministry of Corporate Affairs notified 98 Sections of the Companies Act, 2013 on 12th September. The Chapter for having more deliberation and deeper understanding of each provision of the Act conducted the programme. CS P. Eswaramoorthy, Chapter Chairman, Coimbatore Chapter & CS G.Vasudevan, Practicing Company Secretary, Coimbatore spoke on "Incorporation of Company and Matters Incidental Thereto, & Rules, Prospectus and Allotment of Securities, Share Capital and Debentures, Acceptance of Deposits by Companies, Registration of Charges". More than 70 members and students participated and benefited from the programme. The session carried one members credit hour and two professional development programme hour for students.

Class room session on Companies Act, 2013

On 27.9.2013 the Second Session of Companies Act, 2013 was organised by the Chapter. CS M. R. Thiagarajan, Practising Company Secretary, Coimbatore deliberated with more than 20 Members and 59 students on Meeting of Board and Its Powers, General Meetings, Appointment and Qualifications of Directors, Appointment and Remuneration of Managerial Personnel. The programme carried one Members credit hour and two professional development programme hour for students.

HYDERABAD CHAPTER

Sports Activities for Members and Students

On 4.8.2013 the Chapter organised Sports Activities for members and Students at Indoor Auditorium, Osmania University. CS R. Ramakrishna Gupta, Chairman of the Chapter welcomed the gathering and informed that the Chapter is celebrating 39th Foundation Day on 10.10.2013 and on that eve Chapter is going to organise weeklong programmes for students and members. He requested the members and students to attend all the programmes and make them a grand success. CS P. Chiranjeevulu, Former Chapter Chairman inaugurated the sports activities and addressed the members and students.

Study Circle Meeting on Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 - Analysis of Provisions & Compliance

On 5.8.2013 the Chapter organised a Study circle meeting on the above topic. CS M Vaidyanathan, Company Secretary & Compliance Officer, VST Industries Limited was the Speaker. CS Ramakrishna Gupta, Chapter Chairman presided over the session and spoke on the importance of analysis of information technology and requested the speaker to take the session. Vaidhyanathan spoke on the Information Technology Rules 2011 and its importance, security to the personal data and how data is divulged before 2008 and how it is amended to protect the users of the internet and also spoke on how data can be secured from the hackers, security policies and implementation of standards. He also spoke on ethics and hacking, internal checking to keep the data safer, scope of company secretary in MCA and Cyber laws and civil suits related to the Information Technology.

Conference on 21st Century – A New Paradigm for Career Women

On 7.8.2013 the Chapter organised the conference with Confederation of Indian Industry (CII) on 21st Century – A New Paradigm for Career Women at Hyderabad, with a Galaxy of speakers. Vanitha Datla, Chairperson, Indian Women Network - AP Chapter & Executive Director, ELICO Ltd, addressed the gathering and welcomed the dignitaries and participants and spoke about the Indian Women Network, how it came into existence with the framed organisations and told that IWN's encroachment in the society. Vanitha Datla also spoke on role of steering committee members and key inputs for the organisation existence and survey's conducted in different areas, its stake holders and objectives and impacts of the IWN, Vanitha explained about Network and Share of the IWN in the different regions and IWN deliverables, Its Policy and services to the members and for the common women and invited the members to join IWN.

CS R Ramakrishna Gupta, Chapter Chairman addressed and welcome the gathering and spoke on the role of women in pre and post-independence and how the women are leading in different sectors of business and holding key positions in the organisations. He congratulated all members and thanked the IWN and confederation of Indian industry to giving a hand in conducting the conference.

Vijaya Sampath, Senior Partner, Lakshmi Kumaran & Sridharan addressed the gathering and explained how people can achieve their dreams and how challenges can be converted into opportunity, how to overcome challenges, importance of thinking speed for the competitive business in the corporate world.

Rama Bijapurkar, Author & Marketing Strategist addressed the gathering and spoke on women career and the women importance in the society. How women can lead and become strong to accept the challenges.

Vanitha Datla concluded the remarks of the forenoon session and explained about the panel discussion on Developing women leaders and a focus on Entrepreneurial and intrapreneurial skills.

Tanuja Abburi, Senior Director – HR, NTT Data, was a moderator for the Panel discussion. She invited the panellists, Santa John, Managing Director, JWT-Hyderabad, Dr Kiranmai Pendyala Director AMD [EMEA/India HR], Rashida Adenwala, Partner, R & A Associates. Discussion went on Developing women leaders and a focus on Entrepreneurial and intrepreneurial skills. Panelists discussed about the problems and factors which are criticizing the women in their regular activities and how to overcome them. Panellists shared their personal experiences in their life and how they gave solutions to the same. Participants clarified their doubts for which panellists suggested effective solutions and suggested to be bold and strong and to seek help of the others, if possible, but don't lose their confidence and spirit.

Dr. Shanta Sinha, Chairperson, National Commission for Protection of Child Rights addressed the gathering and spoke on woman and legal rights & how women suffering from different problems posed by the society. Dr. Shanta Sinha also spoke on child marriages and children protection, the legislations drafted for the women and child protection in India and women responsibilities in various sectors.

A panel discussion on becoming future ready and a focus on capacity building, wellness of mind & body, Work life balance and financial Management was organised. Dr. Savita Date Menon, Head R & D, Clinical Psychologist & wellness Specialist, Apollo Life, was the moderator for the Panel discussion. She invited the panellists, C Parthasarathy, CMD, Karvy Consultants Ltd. Uma Balakrishnan, CEO, Axcend Automation & Software Solutions Pvt. Ltd. and Dr. Laxmi Lingam, Deputy Director, TISS, Hyderabad. Panellist suggested the members to be careful in the career and other requisite Situations and to be a position to control and balance the factors relating to the career and situation. Many participants resolved their doubts with the panellists.

Uma Devagupapu, Director-HR, Asia-Pacific Industrial Packaging Group, ITW India limited concluded the conference.

Interactive Meeting on Global Trademark Registration: Madrid Protocol

On 8.8.2013 the Chapter organised the interactive meeting on Global Trademark Registration: Madrid Protocol, Ashok Ram Kumar, Advocate, High Court of Andhra Pradesh was the speaker of the session. CS Ramakrishna Gupta, Chapter Chairman invited the speaker and spoke on the Companies Bill 2012, which was passed in Rajya Sabha on that day. Chapter Chairman invited participants to celebrate the occasion by cake cutting in the Chapter. Ashok Ram Kumar took the technical session and explained the various Acts relating to the Trademark and Madrid Protocol, types of Madrid Protocol and presided to co speaker Vijaykumar.

Vijaykumar explained the advantages and disadvantages of Madrid protocol, foreign consultation regarding the Madrid system and Procedure to applying the Trademark. Trademark registration its validity period and renewal process and fees payable for registration and renewal, supplementary fee for registration, approval of the application, time period for issuance of the trademark and jurisdiction of suing.

Half Day Seminar on SEBI 25 Years and Beyond

On 10.8.2013 the Chapter organised a Half Day Seminar on SEBI 25 Years & Beyond at Hyderabad. Suresh Menon, Regional Manager, SEBI graced the programme as the Chief Guest. CS. A.V. Rao, Member, SIRC addressed the gathering and spoke on SEBI activities, its functions and Achievements. He also spoke on how SEBI is protecting the investors, its queries resolving mechanism, Capital Markets and Domestic investments. CS SS Marthi, past Chairman, SIRC addressed the gathering and spoke on Companies Bill, SEBI Guidelines, Policies and Compliance of the provisions of the SEBI.

Suresh Menon addressed on SEBI regulatory system and Policymaking system prior to SEBI. How Trading Mechanism held and how SEBI is functioning now. He also spoke on forthcoming facilities provided by the SEBI, like e-voting and imparting the awareness to the investors.

L.V.V Iyer, Corporate Advocate addressed and spoke on SEBI from an Era of Closed Shop to Open Governance and spoke on the need to change certain provisions and clauses in the SEBI to encourage the Investors and to provide protection.

CS S Chidambaram, Company Secretary in Practice addressed the gallery and spoke on the latest Updates Drafted by the SEBI for various proceedings for the listed and non- listed companies and financial institutions.

39th Foundation day Celebrations

On 10.8.2013 the Hyderabad Chapter of SIRC of the ICSI celebrated its 39th Foundation Day at Hyderabad. Justice C. Challa Kodandaram, High Court was the Chief Guest and C.V Ramulu, Former Judge High Court was the Guest of Honor who inaugurated the celebration.

CS R. Ramakrishna Gupta, Chapter Chairman addressed the gathering and explained 39 years journey of the Chapter, its achievements and various awards won by the Chapter.

Guest of Honour C. V. Ramulu, Former Judge High Court, addressed the members and spoke on professional Excellency, self-actualisation. He also explained the importance of legal and ethical principles in life, being a human kind and as a professional in the society. In his address, he insisted to everyone that, one should follow the legal standards and ethics in the career and for all instances. He shared his experience in his career and shared the stories of Swami Vivekananda and importance of meditation in the life. C. V. Ramulu also spoke that Swami Vivekananda's call to the Nation and his mystical objects and powers and how the journey went by Swami Vivekananda to the Chicago and throughout his life and ethical principles followed by him.

Chief Guest justice Challa Kodandaram, Hon'ble Judge, High Court of Andhra Pradesh addressed the gathering, wished the Hyderabad Chapter of Company Secretaries, members and students attending the celebration. In his address he spoke on Human Character, its Importance and said that everyone should have good character and helping nature and spoke on the role of a company secretary in a company and that the company secretary shall be a visionary, guide and key managerial person and that the Ethics should be followed and the importance of ethics. He further spoke on his journey in life and shared experiences he had and called upon the members to be continuous in the Job and Profession.

KOCHI CHAPTER

Round Table Analysis and Discussion on the Phase I draft Rules under the Companies Act, 2013

On 20.9.2013 the Kochi Chapter of SIRC of the ICSI organized a Professional Development Programme in the mode of Round Table Analysis and Discussion on the Phase I Draft Rules under the Companies Act, 2013, published by the Ministry of Corporate Affairs. It was attended by senior professionals and other members of the Institute. The draft Rules were published on 09th September, 2013 and the Programme was organized with a view to analyze the provisions of the draft Rules in detail and to raise suggestions for changes/modifications required on the same.

The members took active participation in the programme and critically examined the draft Rules, discussed its implications and made suggestions on modifications required in certain areas which, in their opinion, are necessary to maintain the spirit of the new Legislation. CS Balasubramanian N. led the discussions. All the suggestions raised in the meeting were compiled and sent to the SIRC on 24th September, 2013.

The Companies Act, 2013 – Towards a New Era

On 28.9.2013 the Kochi Chapter of ICSI together with The Cochin Chapter of the Institute of Cost Accountants of India conducted a joint seminar on the new Companies Act. The main intention of the programme was to provide an overall significance of the Companies Act, 2013 to the corporate professionals and to give emphasis on the scope of Company Secretaries and Cost Accountants.

The speaker for the seminar was CS Bilu Balakrishnan, Company Secretary, Thiruvananthapuram. He enunciated on Small Company, One Person Company, Class Action Suits, Independent Directors, Resident Directors, Key Managerial Personnel, Duties of Company Secretary and Directors, Foreign Company, Appointment and Rotation of Auditors, Women Directors, the salient provisions relating to matters where Tribunal /Court has role either by way of

direction or by adjudication. He gave a gist on Corporate Social Responsibility and SFIO. This was followed by an interactive session between the speaker, the members and student community.
After the Inaugural ceremony CS V Sreedharan started the first session on the topic Companies Act, 2013 – Key issues. He enunciated the key issues of the Act and also discussed the provisions of Annual General Meeting, Board Meeting, Vacation of Office of Directors, Loan to Directors etc. His session concluded with an open house, wherein the delegates very actively participated in discussions.
The second session was led by CS.Dwarakanath C. He spoke on the Board of Directors and its powers. He touched upon all relevant provisions of Board Meeting, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee etc.
The third session was resumed after the lunch break, which was handled by Adv. Anil D Nair, Kochi. He spoke on the various aspects of Rectification, Oppression & Mismanagement and Amalgamation under the new regime. He elucidated the emerging scope of company secretaries in the areas of Mergers and Amalgamations.
The fourth and final session was about the key aspects of General Meetings. The subject was managed by CS. Dwarakanath C. This was followed by an interactive session between speaker, members and students.

MADURAI CHAPTER

Career Awareness Programmes

On 03.08.2013 the Madurai chapter organized a Career Awareness Programme at Vellammal Engineering College, Veerapanchan, Madurai. S.Kumararajan, Chapter Chairman explained about the CS course, structure, fees, and employment opportunities, avenues in practice for the students. Around 100 First year & Second year M.B.A students participated. Prof. S.Selvaraj, Head of the Department of M.B.A and lecturers also participated.
On 14.08.2013 the Madurai Chapter organized the Career awareness programme at Tuticorin VOC College. S.Kumararajan, Chapter Chairman, explained about the CS course, structure, fees, and employment opportunities avenues in practice for the students. T.Raja, Chapter office in charge distributed the course brochures to the participants and clarified the student queries.

Independence Day Celebrations

On 15.08.2013 Madurai Chapter celebrated Independence Day at Chapter premises, which was attended by the students and members besides the faculty of Chapter. S.Kumararajan, Chapter Chairman, hoisted the National Flag.

Interaction meet – President ICSI

On 27.8.2013 the ICSI President S.N.Anathasubramanian participated in an interaction meeting which was well attended by the Members of the profession, Industry heads apart from Chairman and Secretary of the Chapter. S.N.Anathasubramanian elaborated the opportunities available to the members of the profession after passing, in the newly created post qualification courses in banking, Insurance and Capital market areas. He also strongly emphasized about good demand for persons with such specialized qualifications in the industry.

One day seminar on New Companies Bill, 2012

On 28.8.2013 the ICSI President S.N.Anathasubramanian inaugurated the one day seminar on Companies Bill 2012. He also stated that the New Act has thrown open new opportunities to the Practicing members as well as to the Members in service.

The 1st Technical session on M & A, besides NCLT- special court was taken by CS.Rajiv Choubey, Company Secretary, Sterlite Industries Ltd,Tuticorin.
The 2nd Technical session on Auditors, Accounting, Accounting standard and CSR was taken in a nutshell by CA S.Srikanth from Chennai.
The 3rd and final Technical session was taken by the Central Council Member-ICSI CS R.Sridharan (Chennai) on Meeting of shareholders, Directors, Powers, appointment and remuneration of managerial personnel, dividend and Secretarial audit.
The detailed coverage of CS R.Sridharan in the provisions of Act in the above amended areas was very useful for the Participants which included members, persons from industry besides students.

MANGALORE CHAPTER

Two Days Programme

On 30 & 31.8.2013 the Mangalore Chapter of SIRC of the ICSI in association with Alva's College, Moodabidri conducted a two days programme at Alva's Institute of Engineering and Technology Moodabidri. The Chief Guest Dr.M.Mohan Alva addressed the audience followed by Guest of Honour Prof.Kurian.
In the first technical session CS Ullas Kumar Melinamogaru, Practising Company Secretary of Mangalore, spoke on An Analysis of Cost Records and Cost Audit in the Present scenario. He started his presentation by explaining the Meaning and need for maintaining Cost Records. He explained about GACAP and 14 CAS issued by the Institute of Cost Accountants of India. He further explained the system of Maintaining Cost Books. He also explained the reasons for difference in Cost and Financial Accounts and the way of reconciling it. He also explained various illustrative Cost Records that are maintained by an organization. He stated the Companies in which Mandatory Cost Audit applies and the procedure for Cost Audit. He also explained the Form of Cost Audit Report and filing of Cost Audit in XBRL Format. He later explained the new definitions pertaining to Cost Accountants in the Companies Act, 2013 and also the inclusion of a Cost Accountant as an expert in the new Act. He concluded his presentation by explaining the various avenues

available to Cost Accountants in NCLT and NCLAT as per the new Companies Act. The queries raised by the participants were replied satisfactorily by the resource person after his presentation.

Thereafter Prof.T.Krishna Murthy, Professor and Head of the Department of Economics, Sri Dharmasthala Manjunatheshwara College, began the Second Technical Session on the topic Life Skills. He started his presentation by stating the meaning and need for Life Skills. He explained Life Skills is needed for every individual and most importantly for Professionals like Company Secretaries. Further he outlined the importance of appreciating the success of others. He further explained the importance of Team Work in an organisation. He concluded the presentation, by stating that it is necessary for a person to shed his ego and acknowledge his mistakes in order to have better interpersonal skills with others. The participants raised many queries which were replied by the resource person.

The third and the final technical session of the first day was addressed by CA Vandana R Kini, on Tax Audit and Tax Planning. She started her presentation by explaining the meaning of Tax Planning. She also stated the difference between tax planning, tax avoidance and tax evasion. She also stated about the ways of Tax planning under different Heads of Income. She also stated about the various deductions available under Chapter VIA. She explained the meaning of Tax Audit and the Applicability of Tax Audit. She further explained sections 44AD, 44AE, 44 B, 44BBB. She also explained the due dates and penalties under Tax Audit. She concluded the presentation by explaining Tax on Gifts.

The Fourth Technical Session on the Second day was addressed by Prof. Uday Shetty K, Assistant Professor & HOD Commerce, Government First Grade College, Udupi. He spoke on Recent Trends in Indian Banking. He started the presentation by highlighting the difference between the old banking system and new banking system. He explained the recent advent of Cash Deposit ATM's mobile banking and internet banking. He explained the Bank Rates and Cash Reserve Ratios and Statutory Liquidity Ratios of Banks. He also explained the effect of changes of International Banking on the Indian Banking System. He further stated that as the transaction cost involved in ATM's and Mobile Banking is less, more and more banks prefer setting up of ATM's in Remote Areas rather than Setting up of more and more branches. He concluded his presentation by explaining that Banks have diversified themselves into larger avenues such as in Securities market, Gold Funds, Mutual Funds in addition to their traditional functions such as lending bank borrowing of funds. The queries raised by the participants were replied satisfactorily by the resource person after his presentation.

The fifth technical session was addressed by Nayak K, Practising Company Secretary, Mangalore on Compliance under Companies Bill, 2012 He started his presentation by stating the need for the New Companies Act, 2013. He explained the various additions and deletions in the New Act, the new concepts introduced in the Act such as One Person Company, Small Company, Key Managerial Personnel, Women Director in the Board, contribution of Companies towards Corporate Social Responsibility, NCLT, and NCLAT. He further explained that the provisions of the New Act would be incorporated in a phased manner. He further explained about the number of members in private company which has been increased to 200 from 50 uniform financial years ending on March 31, independent directors, Resident Directors, Associate Company and various penalty provisions. He concluded the presentation by stating that the New Companies Act has opened new avenues for Company Secretaries to progress. The queries raised by the participants were replied satisfactorily by the resource person after his presentation.

The sixth technical session was addressed by Adv. Udaya Prakash Muliya, Advocate Mangalore on the topic Advocacy Skills for Company Secretaries He started his presentation by stating the difference between an Advocate and a Lawyer. He further explained the reason why advocacy skills are important for professionals like Company Secretaries. He also stressed the importance of taking down notes when meeting clients. He further explained that doing homework on the nature of clients business is very important when representing such clients. He concluded his presentation by stating that listening skills is also important for a Company Secretary to understand the client's requirement. The participants raised many queries and all the queries were replied by the resource person.

The seventh and the final technical session was addressed by Bharath Bhushari Swasthi Sri Battaraka Charukirthi Pandithacharyavarya Mahaswamiji, Head of the Math, Sri Digambara Jain Math, Moodabidri on Stress Management. He started his presentation by explaining how stress arises. He further explained that irregular lifestyle of people was the main cause of Stress. He explained physical and mental health was very important to lead a stress free life. He concluded his presentation by explaining the various ways of managing stress.

SALEM CHAPTER

Joint Seminar on the Companies Act, 2013

On 5.10.2013 a joint seminar was conducted by the Salem Chapter of the ICSI with Salem Branch of SIRC of the ICAI on the Companies Act, 2013. Presenting a paper on Significant changes in the Companies Act, 2013 Chapter Chairman S. Solaiyappan said that the companies are permitted to conduct AGM on Sundays and the new concept of appointment of women directors, formation of single person companies and conduct of board meetings through video conferencing are a welcome step.

S. Dhanapal, Practising Company Secretary, Chennai elaborated the change that took place in the incorporation of companies, issue of shares by companies for raising capital, filing of annual returns by companies including the certification required from practicing company secretaries and the new concept of voting through electronic means.

Career Awareness Week

From 19.8.2013 to 24.8.2013, the career awareness programmes were conducted by the Chapter. The details are as under: On 19.8.2013, the Chapter conducted a seminar on career awareness for the students of Master of Business Administration in Gnanamani Institute of Management Studies, Namakkal. CS Santhanam N, Secretary, Salem Chapter of the ICSI addressed the gathering on the role of Company Secretaries in the present Corporate Sectors. Details regarding the qualification, duration and structure of the Company Secretaryship course were also shared with the students. The Seminar was attended by more than 100 students.

Eighth Southern India Regional Conference of Practising Company Secretaries

On 6 and 7.9.2013 the Salem Chapter organised Eighth Southern India Regional Conference of Practising Company Secretaries at Yercaud. The topics discussed at the conference were - Overview on Companies Bill, 2012, Role and Responsibilities of Company Secretaries under the Companies Bill 2012, NCLT and Class Action Suits, Secretarial Audit, Pre Certification/Annual Return, Personality Development and Spirituality.

THRISSUR CHAPTER

President's interaction with Members and Students

CS Ananthasubramanian, President, The ICSI visited the Chapter and had interactive session with Members and Students. In his interaction he explained the role of company secretaries for better corporate governance.

Half day Seminar on Governance and Unlimited Avenues

Thrissur Chapter jointly with Palakkad and Cochin Chapter conducted a full day seminar on Governance and Unlimited Avenues at Palakkad.

Full-day seminar on the Companies Act, 2013 - Opportunities & Compliances

On 2.10.2013 the Chapter conducted a full day seminar. CS Dwarkanath C, Chairman SIRC and A.Mohan Kumar, AGM Legal & Company Secretary, Allsec Technologies Limited Chennai were the Faculties.

Interactive Session with Deputy Registrar of Companies, Kerala

On 2.10.2013 the Members and Students had an open interactive session with V. E. josekutty, Deputy Registrar of Companies, Kerala and Lakshadweep on the Companies Act, 2013.

UGC Sponsored Two day National Seminar

On 10 and 11.10.2013 the Thrissur Chapter jointly with UGC and Sri Vyasa NSS College Vadakkanchery conducted a two day national seminar on Financial Literacy Towards Financial Inclusion.

Western India Regional Council

Awareness Programme on Companies Act, 2013

On 28.9.2013 ICSI-WIRC organised an awareness programme on the Companies Act, 2013 at its premises. The programme predominantly covered the significant changes in the new Act and its expected impact on profession and professionals.

CS Atul Mehta, Central Council Member and CS Prakash K. Pandya, Regional Council Member and Chairman of the Professional Development Committee, during their collective presentation gave an overview of the Companies Act, 2013. During their lucid presentation they made a snapshot comparison on the new Act with the previous Act. CS Pandya opined that the previous Act should not be un-learned instantaneously as the new Act can be understood in depth only when one is equally familiar with the old Act. He also covered different classes of companies, prosecution mechanism under new law including provisions relating to Serious Frauds Investigation Office, Special Court and Adjudication of offences. CS Mehta covered few important definitions under the new law.

CS A Sekar, Senior Practising Company Secretary made a presentation on provisions relating to Accounts, Financial Statements and Audit under the Companies Act, 2013. CS Kalidas Ramaswami, Company Secretary, Reliance Power Ltd., spoke on Functioning of the Board and Role of Directors under the new law.

The sessions were extremely interactive and was followed by Q&A sessions, where the speakers responded to all the queries raised by the participants in a satisfactory manner.

Programme on the Companies Act, 2013

On 11.10.2013 the ICSI-WIRC organised a mega programme on the Companies Act, 2013 at BSE International Convention Hall. It being 42nd Foundation Day of ICSI-WIRC, felicitation of S. N. Ananthasubramanian, President of ICSI and cake cutting ceremony was organised. A large number of participants comprising ICSI members, both in practice and employment; Chartered Accountants, Cost Accountants, Bankers, lawyers, and other professionals attended the programme.

CS S N Ananthasubramanian, President of ICSI was the Chief Guest. During the inaugural address he spoke on the new Companies Act and the scope for members as per the new Act. He said that the members should devote a good amount of time to get accustomed to the new Act and importance of self-regulation.

The speakers for the programme were CS Narayan Shankar, Sr. Vice President & Company Secretary, Mahindra and Mahindra Ltd, CS Yogesh Chande, Advocate, CS Keyoor Bakshi, Past President, The ICSI and Practising Company Secretary and CS Savithri Parekh, Chief-Legal and Secretarial, Pidilite Industries Ltd.

CS Narayan Shankar spoke on various aspects of the Act including declaration and payment of dividend, IEPF, appointment and qualification of Directors, meetings of the Board and its powers, appointment and remuneration of managerial personnel.

CS Yogesh Chande gave an overview on impact of the Companies Act, 2013 on listed companies.

CS Keyoor Bakshi in his usual and spectacular style interacted with the participants and covered various aspects of the Act including compromise, Arrangement and amalgamation, prevention and oppression and mismanagement, class action suits, revival and rehabilitation of companies, registered valuers, adjudication of penalties, special courts, dormant company, removal of names of the Companies, etc.

CS Savithri Parekh covered various aspects like CSR, Listing Agreement, & SEBI Regulation citing various examples.

Other eminent members who shared their thoughts during the programme included:

CS Hitesh D Buch, Chairman, ICSI-WIRC, CS Ramachandran, Past President, The ICSI, CS P Vaidhyanathan and CS N L Bhatia, Former Chairmen, ICSI-WIRC.

Programme on Companies Act, 2013 and Cultural evening

On 19.10.2013 witnessed the magnificent conclusion of 5 day long 42nd Foundation Day Celebrations. It was a proper blend of professional development as well as sheer enjoyment. The day started with a programme on the Companies Act, 2013 and the speakers were CS Savithri Parekh and CS A Sekar who covered various aspects of the new Act including CSR, Listing Agreement & SEBI Regulation and Accounts, Financial Statements and Audit Provision.

This was followed by Cultural evening which was kick started by CS Hitesh D Buch, Chairman, ICSI-WIRC. During his introductory remarks he welcomed all the participants and profusely thanked all his fellow council members and artists for their contributions.

The cultural evening was the outcome of a month long tiring efforts of CS Ajay Kumar and CS Karande, Practising Company Secretaries and their team which was enriching, entertaining and enjoying moments for the members. During the cultural evening other members and students also voluntarily took part in various activities including a play, singing and fashion show.

AHMEDABAD CHAPTER

Investor Awareness Programme – October 2013

Investor Awareness Programme was organized on 13.10.2013 at Manipur Greens, Bopal Sanand Road, Manipur, Tal: Sanand. The speaker of the programme was Yamal Vyas (CA, CS) and Naveen Mandovara (CS & CA) – Treasurer Ahmedabad Chapter of WIRC of ICSI. The Investor Awareness Programme was attended by 106 participants. The investors were given knowledge about how to invest the fund and were briefed about the different savings and schemes beneficial for the investors.

Full Day Seminar on Companies Act, 2013 - A way Forward

On 10.10.2013 the Ahmedabad Chapter of WIRC of ICSI organized a full day seminar on Companies Act 2013 – The way forward at GCCI, Ahsram Road, Ahmedabad. It got overwhelming response by active participation of 225 CS members. The inaugural session of the Seminar was addressed by Shankarbhai R Patel - President of Gujarat Chamber of Commerce and Industry (GCCI) and by Chetan B Patel - Chairman Ahmedabad Chapter of WIRC of ICSI.

The entire day was a delight for the audience as they heard some prominent industry officials and professionals like Cyril Shroff, Managing Partner, Amarchand Mangaldas (AMSS), Yash Ashar, Partner, AMSS, Vandanad Sekhri, Partner (AMSS), Dr. K R Chandratre, Practicing Company Secretary and Saurabh Soparker, Senior Advocate, Gujarat High Court. The speakers covered various aspects of the topic like Overview of Key Changes, Deal Dynamic – Impact on corporate transactions, financing, capital raising and CSR, Appointment of Directors: Appointment of remuneration of Managerial personnel and Board Meetings, M&A,NCLT/SFIO, Audit & Auditors and Accounts of Companies.

The session concluded with an Open House Discussion, panellists were CS Ashish Doshi, Member – WIRC of ICSI, CS M C Gupta, Practicing Company Secretary, CS Jatin Jalundhwala, Chief Legal Officer, Adani Group, CS Manoj Hurkat, Practicing Company Secretary, CA Mukesh M Shah, Practicing Chartered Accountant and Chairman of GCCI Finance Banking Committee and was moderated by Cyril Shroff, Managing Partner, AMSS. The session exclusively gave the audience an opportunity to seek clarification and gain better understanding on the topic.

Half Day Seminar on promotion of Limited Liability Partnership (LLP)

On 31.8.2013 the Ahmedabad Chapter of WIRC of ICSI organized a Half Day Seminar at its premises at Ahmedabad for the promotion of Limited Liability Partnership (LLP) on the request of Registrar of Companies (ROC) / Regional Director (RD) of Gujarat Region which got overwhelming response by active participation of 99 CS members, both in practice as well as employment. K. L. Kamboj, RD – North Western Region and S.N.Misra, ROC – Gujarat were kind

enough to attend the above said Seminar and addressed participants via discussion on Companies Act, 2013 as per MCA perspective.
The Seminar contained various important procedural, practical and structuring aspects pertaining to LLP which were of immense benefit to the participants. There was in-depth discussion and analysis on the fundamentals of the LLP along with the practical aspects. The session was made interesting by active participation of the members. The Seminar was a great success.

Half Day Seminar on Companies Bill, 2012

On 24.8.2013 the Ahmedabad Chapter of WIRC of ICSI organized a half day seminar on Companies Bill 2012 at Ahmedabad Chapter premises. It got over whelming response by active participation of 130 CS members. The opening session of the Seminar was addressed by CS Rutul J. Shukla, Chairman PDC Committee, Ahmedabad Chapter who highlighted the importance of the subject and welcomed the speaker – C Gupta, a Practicing Company Secretary. The speaker deliberated and discussed latest important provisions of the Companies Bill, 2012 from Company Secretary's perspective. The participants were also given backgrounder on "Companies Bill" issued by the ICSI.

Flag Hoisting Ceremony on the Occasion of Independence Day

On 15.8.2013 the Indian Flag was unfurled by Chapter Chairman - CS Chetan Patel and ICSI Flag was unfurled by the Chapter Secretary - CS Rajesh Tarpara. The National Anthem was sung during the flag hoisting ceremony. Those present included past Chairmen, Managing Committee Members, Members and Staff of Ahmedabad Chapter of WIRC of ICSI.

Series of Study Circle Meetings under PCS Induction Programme (PIP)

The Ahmedabad Chapter decided to hold series of eight study circle meetings at Ahmedabad under the PCS Induction Programmes (PIP). under the effective guidance of CS Umesh Ved – Council Member, the ICSI and Corporate Laws Committee Member, appointed as the Programme Director to co-ordinate the series of study circle based on Open House Discussion on Companies Act 2013 – Draft Rules & Regulations.

Study Circle Meetings

On 25.9.2013, 28.9.2013 and on 5.10.2013 in continuation to the holding of series of study circle meeting under the PCS Induction Programme, the Ahmedabad Chapter organized three such study circle meetings at ATMA (Ahmedabad Textile Mills' Association) Hall. A total of 174 members and 9 students attended. The meeting was attended by Chapter Chairman, Secretary ,Treasurer, WIRC Chairman, WIRC Member, Council Member & Corporate Laws Committee Member, Senior Members and Past Chairmen who also contributed their comments on the draft rules & regulations.

9th Management Skills Orientation Programme

From 12.9.2013 to 27.9.2013 the Ahmedabad Chapter of WIRC of ICSI organized 9th Management Skills Orientation Programme at its premises. ACS Vatan Rao was appointed as Co-ordinator for the 9th MSOP Batch. The total strength of 9th MSOP participants were 50 numbers who came from the state of Gujarat and Ahmedabad and other parts of India. During the MSOP, a galaxy of faculties including senior Company Secretaries like CS Umesh Ved, CS Hitesh Buch, CS Rajesh Tarpara, CS Ashish Doshi, CS Deepak Pandya, CS Chirag Shah, CS Tejas Shukla, CS SK Shah, CS Manoj Hurkat, CS Urmil Ved, CS Prakash Udeshi, HC Shah, CS MC Gupta, Uday Dholakia, CS Arvind Gaudana, CS Anjali Bothra, Gaurav Vatsa, Advocate Navin Pahwa, Advocate Utkarsh Jani, CS Vishal Langalia, CS Jaladhi Shukla, CS Jayesh Vithlani, Mihir Joshi, CS Ravi Kapoor, Rakesh Patel, Saurin Shah, CS Manan Bhavsar, Nilesh Suchak, Abida Durrani, Pabitra Ranjan, CS Jayesh Vithlani, Deepak Makhwana, Siddharth Bhandari, Snehal Desai, Dr. Hiten Parikh, Sanjay Majmudar, Nilesh Bhimani & Bimal Bhatt, Monish Bhalla , Advocate Udayn Vyas, addressed on various topics as per training guidelines of the ICSI. The Participants cherished and benefited with the knowledge of practical experiences of the seniors.
On 25.9.2013 the visit to Annual General Meeting of The Grand Bhagwati (TGB) was arranged for all participants and mock Board Meetings were held on 26.9.2013 in the Board Room of the Companies like Dishman Pharmaceuticals Ltd. Adani Group of Companies and Gujarat Ambuja Exports Ltd., Ahmedabad. The participants were also given project presentation on various topics which enabled them to come out with their own ideas, views, presentation skills and knowledge.
At the Valedictory Session mementoes were presented to the "Best MSOP Batch Participant Akshit Nandkishore Soni, "Best Project Presentation Group Number 06 on Topic "FEMA" (Parizad Khokhri, Biraj Pancholi, Dipesh Panchal, Viyatee Patel, Monika Sankhla, Dipak Golanniya and Fakhruddin Jadaliwala) and for best project presenter – Parizad Khokhri, at MSOP 9th Batch. The certificates were distributed to all MSOP 9th participants during the Valedictory session. The fifteen days training was successful with great learning and fun.

Study Circle Meet at Gandhinagar

On 7.9.2013 the Ahmedabad Chapter organized Study Circle Meeting on the topic "Highlights of Companies Act 2013", for the Company Secretary Members at Gandhinagar. The session in the meeting was taken by CS Urmil Ved, a Practicing Company Secretary from Gandhinagar, with an experience of about 28 years in Corporate Sector and for last two decades he is practicing as Company Secretary. His prime expertise area is stamp laws. The Meeting was very informative and appreciated by the gathering at large. The total number of 30 members and 13 students attended the meeting with applicability of PCH =01 and PCP = 02 hours.

Study Circle Meeting on Analysis of Companies Act, 2013 vis-a-vis Companies Act, 1956

On 11.10.2013 the Ahmedabad Chapter of WIRC of ICSI organized Study Circle Meeting on Analysis of Companies Act, 2013 vis-a-vis Companies Act, 1956 at Udhyog Bhavan, Gandhinagar.

CS Nilesh Patel, Manager (S&L), GSPL was the faculty of the meeting. The presentation on the chapters related to Directors & their remuneration, Board meetings, Deposits & Charges was given by the speaker CS Nilesh Patel. At the end of the meeting the members also discussed the posers prepared by the speaker. The meeting was appreciated by all and a gathering of 18 members and 5 students attended the meeting.

Series of Study Circle Meetings under PCS Induction Programme (PIP)

In continuation to the holding of series of programme under the PCS Induction Programme, the Ahmedabad Chapter on 12.10.2013 organized half day workshop as the fourth programme as a part of Companies Act 2013 series, "to deliberate on sections and draft rules of the Companies Act 2013", at ATMA with attendance of 48 members and 04 students. The workshop was conducted by the Speaker and the Managing Committee Member – CS Jaladhi Shukla and Past Chairman – CS Arvind Gaudana. The first session of the half day workshop was taken by CS Jaladhi Shukla on the topic "Implications of Chapter III, IV and VII of the Companies Act, 2013 and the draft rules". The speaker made detailed presentation and deliberated on various relevant provisions with regard to Prospectus and Allotment of Securities (Chapter III), Share Capital and Debentures (Chapter IV) and Management and Administration (Chapter VII) of the Companies Act, 2013 along with draft rules on the same. The members present discussed at length the implications of the said chapters and provided suggestions for improvement of draft rules.

The second session of the workshop was taken by CS Arvind Gaudana on the topic "NCLT". The speaker explained important aspects of the topic with emphasis on practical perspective and opportunities.

PUNE CHAPTER

Half Day Seminar on all About Private Ltd Companies- Part I

On 7.9.2013 the Pune Chapter of ICSI organized a half day programme on All About Private Ltd Companies at MCCIA, Pune. Dr K R Chandratre, Past President, the ICSI was the eminent faculty for the seminar. In total 96 delegates attended the programme. The technical session was very informative & appreciated by the gathering at large. Two (2) PCH was allotted to members who attended this programme & students were allotted four (4) PDP for this programme.

Study Circle Meeting on Drafting of Shareholders' Agreement

On 7.9.2013 the Pune chapter of WIRC of the ICSI organized a Study Circle Meeting on Drafting of Shareholders' Agreement at Dnyanganga College of Education, Pune. CS Kiran Chitale -Legal Head, Barclays Technology Pvt Ltd. was the eminent faculty for this meeting. In total 45 members attended the programme. The technical session was very informative & appreciated by the gathering at large. One (1) PCH was allotted to members who attended this programme & students were allotted two (2) PDP for this programme.

Half Day Seminar on All about Private Ltd Companies- Part II

On 14.9.2013 the Chapter organized a half day programme on All About Private Ltd Companies - Part II at Pune. Dr K R Chandratre, Past President, the ICSI was the eminent faculty for the seminar. In total 86 delegates attended the programme. The technical session was very informative & appreciated by the gathering at large. Two (2) PCH was allotted to members who attended the programme & students were allotted four (4) PDP for the programme.

Joint Seminar on Limited Liability Partnership- Formation & Tax Benefits

On 14.9.2013 a Joint Programme was organized by Ministry of Corporate Affairs in Association with Pune chapter of WIRC of ICSI, Pune Branch of ICAI & Pune Chapter of Cost Accountants of India on "Limited Liability Partnership- Formation & Tax Benefits" at ICAI Bhavan, Pune. The technical session received a good response & was a grand success. The programme was attended by members & students of all 3 professional Institutes in large numbers.

Study Circle Meeting on Practical Aspects - Inspection & Investigation under Companies Act 2013

On 21.9.2013 the Pune Chapter of ICSI organized a Study Circle Meeting on Practical Aspects - Inspection & Investigation under Companies Act 2013 at Pune. CS Prajot Tungare was the eminent faculty for the meeting. In total 36 members attended the programme. The technical session was very informative & appreciated by the gathering at large. One (1) PCH was allotted to members who attended the programme & students were allotted two (2) PDP for the programme.

Study Circle Meeting on Compounding of Offences under Foreign Exchange Management Act, 1999

On 28.9.2013 the Chapter organized a Study Circle Meeting on Compounding of Offences under Foreign Exchange Management Act, 1999 at its premises. CS Devesh Tudekar was the eminent faculty for the meeting. In total 53 members attended the programme. The technical session was very informative & appreciated by the gathering at large. One (1) PCH was allotted to members who attended the programme & students were allotted two (2) PDP for the programme.

13th Management Skills Orientation

Programme

From 5.9.2013 to 24.9.2013 the Pune Chapter organized its 13th MSOP batch at Cummins Hall, Pune Chapter, Pune. 51 participants attended this MSOP batch. Monali Sharma was adjudged as Best Participant while Team A led by Neetu Parwani was declared as Best Group. Completion certificates were given to participants on last day of the programme.

Career Awareness Programme

The Chapter organised Career Awareness programme at S. P College, Pune to apprise the students about CS course. CS Manoj Soni, Practising Company Secretary was the faculty for the session. Brochures explaining the CS course were distributed to all the students present.

THANE CHAPTER

Gruhapravesh Pooja at New premises

On 13.10.2013 on the auspicious day of Vijayadashami the Chapter conducted Gruhapravesh Pooja and Ganesh Poojan at the premises procured for its new office located at 201/202, 2nd Floor, Sai Plaza, Opp. Cine Wondermall, Ghodbunder Road, Thane West, Maharashtra. S N Ananthasubramanian, President, the ICSI performed the pooja. The Pooja was attended by around 35 members including Atul Mehta, Member Central Council, the ICSI, Gopal Chalam, Dean, ICSI - CCGRT, Ashish Bhat, Prakash Pandya, Mahavir Lunawat, Members WIRC, Management Committee Members of the Thane Chapter.

VADODARA CHAPTER

Full Day Seminars on the Companies Act, 2013

On 6.10.2013 Vadodara Chapter of WIRC of the ICSI organised a Full Day Seminar on the various provisions of The Companies Act, 2013 at Vadodara. During the Inaugural session of the Seminar S N Misra, Registrar of Companies, Gujarat and Dadra-Nagar Haveli; CS M C Gupta, Practicing Company Secretary, Ahmedabad; CS A C Shah, Chairman; CS Swati Bhatt, Vice-Chairperson and CS Nishant Javlekar, Secretary of ICSI – Vadodara Chapter marked their presence on the dais.

S N Misra addressed the participants as Chief Guest. Ninety four (94) CS members, students and corporate delegates attended the Seminar and participated actively.

First Technical Session: The speaker was CS M C Gupta; Practicing Company Secretary, Ahmedabad. He took the session on the general provisions of "Incorporation, Share Capital, Management and Administration" with Related draft Rules and Forms (Chapter II, III, IV, VII & VIII).

Second Technical Session: The speaker was U K Chaudhary, Sr. Advocate, Supreme Court of India, Former President - ICSI, New Delhi. He discussed the provisions relating to "National Company Law Tribunal" with related draft Rules and Forms (Chapter XXVII & XXVIII).

Again On 20.10.2013 the Chapter organised a Full Day Seminar on "The Companies Act, 2013". Dr. K R Chandratre, Speaker of the morning Session; CS Hitesh Buch, Chairman, WIRC; CS Atul Mehta, Central Council Member; CS Ashwin C Shah, Chapter Chairman; CS Nishant Javlekar, Secretary and CS Vishvesh V Vachhrajani, Former Chairman, WIRC, shared the Dias during Inaugural Session. CS Hitesh Buch and CS Atul Mehta briefed the delegates about the activities of Institute.

In the morning Session, Dr. K R Chandratre, former President of the ICSI and renowned author of numerous Books and Articles on the Company Law addressed the delegates on the provisions relating to Appointment and Qualifications of Directors, Meetings of Board and its Powers and Appointment and Remuneration of Managerial Personnel. He appealed the professionals to gear themselves up to make pace with new stringent provisions/ requirement under the new Companies Act.

In the afternoon Session CA Milin Mehta and CA Vishal Doshi, Partners of K. C. Mehta & Co., Vadodara, addressed the delegates on the provisions relating to Accounts, Audit and Auditors including the role of NFRA. They emphasized on the higher responsibilities assumed by professionals under the provisions of the new Companies Act.

Both the Sessions were quite interactive and knowledge imparting with numerous queries raised by many delegates for clarifying their doubts about various newly enacted provisions and also with exchange of views on such provisions.

In all ninety five (95) delegates attended the Seminar and made it a grand success.

Study Circle Meetings

On 11.9.2013 the Vadodara Chapter of WIRC of ICSI organized a Study Circle Meeting at its premises. CS Devesh A Pathak, Practicing Company Secretary, Vadodara apprised the Members and Students on an "Overview of provisions relating to appointment of and remuneration payable to Key Managerial Personnel including Company Secretary under the Companies Act, 2013. One hundred and five CS Members and Students attended the Meeting. Many of the Members and Students actively participated in the discussions and exchanged views and queries and answers. The Meeting was quite knowledge enrichment of the participants on the subject.

Again on 20.9.2013 the Chapter organized a "Lecture Meeting" at its premises. The Baroda Chapter of ICWAI also actively participated in the Meeting. Dr P V S Jagan Mohan Rao, Former President, the ICSI, apprised the Participants on the theme ``The Companies Act, 2013 and Draft Rules". He also took a session on a very interesting topic "Company Secretary – Corporate Governance and Bhagwat Gita". Ninety-six CS Members, Students and CWA Members attended the Meeting. Many of the Members and Students actively participated in the discussions and exchanged views. The Meeting was quite knowledge enrichment of the participants on the subject.

Yet again on 21.9.2013 the Chapter organized a "Study Circle Meeting" at its premises. CS J J Gandhi, Practicing Company Secretary, Vadodara apprised the participants on the theme of "Meetings of Board of Directors" (Chapters XI and XII) and relevant draft Rules. Seventy-two CS Members and Students attended the Meeting. Many of the Members and Students actively participated in the discussions and exchanged views, questions and answers. The meeting was quite knowledge enrichment of the participants on the subject.

ICSI - CCGRT

Programme on Risk Management

On 27.9.2013 ICSI-CCGRT conducted a full day programme on 'Risk Management' at its premises in Navi Mumbai. The speaker for the programme was Ramesh Laxman, Chartered Accountants, Ramesh Lakshman & Co., Mumbai.

During the course of the programme Laxman gave an overview of Risk Management including Forex Risk Management & threw light on the Regulatory Framework of Risk Management. Besides, he also covered in depth various aspects of Risk Management in a Corporate Environment and Banks & Financial Institutions with practical examples and case laws. The programme was well received.

Programme on Companies Act, 2013

On 12.9.2013 following the enactment of the Companies Act, 2013 and notification of 98 sections therein ICSI-CCGRT conducted a programme on 'Companies Act, 2013' at its premises in Navi Mumbai. The speakers for the programme included N L Bhatia, Practising Company Secretary, Mumbai, K Sethuraman, Group Company Secretary & Chief Compliance Officer, Reliance Industries Limited, Shashikala Rao, Practising Company Secretary & Former Vice President, Corporate Secretarial, Reliance Industries Limited, Kaushik Mukherjee, Company Secretary, Phillips Carbon Black Limited, Kolkata and Shailesh H Rajadhyaksha, Consultant, Tata Capital Financial Services Limited.

N L Bhatia initiated the discussion with the introduction of new Companies Act. K Sethuraman threw light on the New Concepts in the Companies Act, 2013 including one person companies and the enhanced disclosures under the Act. Shashikala Rao elaborated on the provisions w.r.t. Prospectus & Allotment of Securities, Share Capital & Debentures, Acceptances of Deposits by Companies and Registration of Charges. Kaushik Mukherjee covered the provisions on Appointment and Qualifications of Directors, Managerial Remuneration and Powers of Independent Directors. Towards the end, S H Rajadhyaksha discussed the provisions relating to Board and General Meetings & Secretarial Standards on the same as well as Incorporate Loans and Investments. The programme received an overwhelming response and was very well received by the participants.

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

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TO AVOID LAST MINUTE RUSH AND SYSTEM CONGESTION IN MCA21 TOWARDS END OF OCTOBER AND NOVEMBER 2013, EXPEDITE FILING OF BALANCE SHEET AND ANNUAL RETURN WITHOUT WAITING FOR THE LAST DAYS OF THE MONTHS.

DURING OCTOBER AND NOVEMBER 2013 CORPORATE SEVA KENDRA / HELP DESKS (Ph. No. 0124-4832500) WOULD GIVE PRIORITY IN EFILING/ ANSWERING QUERIES OF COMPANIES FOR FILING BALANCE SHEET AND ANNUAL RETURN.

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MCA: Corporate Growth with Enlightened Regulation

Signing of MOU between the Insurance Institute of India (III) inter-alia to launch a Certificate Course in 'Compliance, Governance & Risk Management in Insurance'

On 26.9.2013, ICSI signed a MOU with the Insurance Institute of India (III) for jointly offering a certification course in 'Compliance, Governance & Risk Management in Insurance', inter-alia, for the members of ICSI. This was signed by Gopal Chalam, Dean, CCGRT on behalf of ICSI and P K Rath, Director (Academics), III in the presence of R K Nair, Member, IRDA, S N Ananthasubramanian, President, ICSI and Sharad Srivastava, Secretary-General, III amongst other dignitaries. The signing ceremony was held at the premises of III in Mumbai.

The Certificate Course, which is expected to be launched in early 2014, would be offered as a joint certificate by ICSI and III to ICSI's members as well as III's members with a view to create cadre of compliance professionals in insurance.

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

CENTRE FOR CORPORATE GOVERNANCE, RESEARCH & TRAINING (CCGRT)

PCH- 4

Announces

PDP- 8

Program on

COMPANIES ACT, 2013

(As assented by the President of India)
And the Draft Rules thereunder

Background	The Companies Bill 2013, passed by the Rajya Sabha on August 08, 2013, has now received assent from the President, Pranab Mukherjee on August 29, 2013. The Companies Act 2013 is set to replace the nearly six-decade old regulations that govern corporates in the country. The MCA has also notified draft rules under some of the sections. The Companies Act 2013 will add significance to the manifold role of Company Secretaries. In view of the above, ICSI-CCGRT is organising a program on **"Companies Act, 2013"**
Day, Date & Time	Friday, November 22, 2013 09.30 a.m. to 05.30 p.m. followed by lunch
Venue	ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614
Proposed Coverage	Overview of **'Companies Act, 2013'** covering incorporation, meetings, company administration, managerial remuneration and corporate actions.
Speakers include	Eminent speakers with practical exposure to the subject will address the participants.
Participant Mix	Company Secretaries, Cost Accountants, Chartered Accountants and other Corporate Professionals from different Industries.
Fees (Inclusive of Service Tax@12.36%)	Members of ICSI, ICAI & ICAI-CMA ₹ 1,200/- per participant Students ₹ 1,000/- per participant Non – Members ₹ 1,800/- per participant (to cover the cost of background material, program kit, lunch and other organisational expenses.)

For Registration

Fees may be paid through local / Par cheque payable at Mumbai in favour of **"ICSI-CCGRT A/c"** and sent to: Gopal Chalam, Dean, ICSI-Centre for Corporate Governance, Research & Training (ICSI-CCGRT), Plot No. 101, Sector-15, Institutional Area, CBD Belapur, Navi Mumbai- 400 614

☎ 022- 4102 1501/1515, 27577814, Fax: 022- 27574384; email: ccgrt@icsi.edu

LIMITED SEATS AND HENCE PRIOR REGISTRATION IS DESIRABLE

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

CENTRE FOR CORPORATE GOVERNANCE, RESEARCH & TRAINING (CCGRT)

PDP-16

Announces

PCH - 8

Two Days Program on

CORPORATE RESTRUCTURING THROUGH MERGERS AND TAKEOVERS

Introduction	Corporate restructuring implies reorganising company's business or system, total makeover of business structure and financial restructuring. Restructuring may be by Compromise, Arrangement (merger/ amalgamation/ demerger/ takeovers / buyback), Reconstruction and Reorganisation. Corporate restructuring has enabled many organizations around the world to respond more quickly and effectively to new opportunities and unexpected pressures, thereby re-establishing their competitive advantage.
Objective	The program is designed to help company secretaries, other professionals, managers and students to learn to identify and respond to potential restructuring opportunities through mergers, amalgamations and takeovers. The participants should obtain an understanding of the methods for creating value through restructuring.
Days, Dates & Timings	Saturday, November 23 & Sunday, November 24, 2013 09.30 a. m.-05.30 p. m. (with lunch and background material)
Venue	ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614
Focus of Coverage includes	• Modes of Restructuring • Legal and Regulatory aspects of Mergers and Amalgamations • Legal and Regulatory aspects of Takeovers • Due Diligence in Mergers and Takeovers
Speakers	Eminent speakers with practical exposure to the subject will address the participants.
Participant Mix	Company Secretaries, Chartered Accountants, Cost Accountants, Other Professionals, Consultants and students of various professional courses
Fees (Inclusive of Service Tax@12.36%)	₹ 2,500/- for Members of ICSI ₹ 2,000 /- for Students ₹ 3,600/- for Others to cover the cost of program kit, background material, lunch and other organizational expenses
Discount	Early bird discount of ₹ 200/- per participant for registration with payment upto November 15, 2013.

Registration : The Fees maybe drawn by way of D.D / local cheque payable at Mumbai in favour of **"ICSI-CCGRT A/c"** and sent to **Shri Gopal Chalam**, Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614

☎ 022-27577814, 4102 1515 / 01, **email**:ccgrt@icsi.edu

** Prior registration is desirable*

THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE

CENTRE FOR CORPORATE GOVERNANCE, RESEARCH & TRAINING (CCGRT)

PCH -8

Announces

Two Days Program

PRACTISING COMPANY SECRETARIES INDUCTION PROGRAM (PIP)

Introduction	As the profession of Company Secretaries is growing in leaps and bounds, the scope for Company Secretaries in practice is seeing a paradigm shift in the way services were delivered by professionals. Many-a-times some young professionals are lured into practice for the sake of independence and the lucrative remuneration it offers. With the view to guide such members of the Institute intending to take up practice and to prevent them from stepping into the quagmire of unintended non-compliance with the provisions of CS Act, 1980, CS Regulations, Code of Conduct for Company Secretaries and various other Regulatory Prescriptions, ICSI-CCGRT has decided to hold an induction program for the Company Secretaries intending to take up practice throughout the country.
Days, Dates & Timings	Saturday, December 07 & Sunday, December 08, 2013 09.30 a. m.-05.30 p. m.
Venue	ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614
Focus of Coverage includes	• Provisions of CS Act, 1980 • Provisions of CS Regulations • Code of Conduct for Company Secretaries • Various other Regulatory Prescriptions • Infrastructure Requirements to setup office • Soft Skills • Networking Skills
Speakers	Eminent speakers with practical exposure to the subject will address the participants.
Participant Mix	Primarily for Company Secretaries intending to take up practice and newly joined Company Secretaries
Fees (Inclusive of Service Tax@12.36%)	₹ 1,100 /- on Non-Residential basis to cover the cost of program kit, background material, breakfast, tea/coffee, lunch and other organizational expenses

Limited accommodation will be available on additional payment subject to availability.

Registration : The Fees maybe drawn by way of D.D / local cheque payable at Mumbai in favour of "**ICSI-CCGRT A/c**" and sent to **Shri Gopal Chalam**, Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614

☎ 022-27577814, 4102 1515 / 01, **email**:ccgrt@icsi.edu

**** LIMITED SEATS AND HENCE PRIOR REGISTRATION IS DESIRABLE***

THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE

&

PCH - 4

NiSM NATIONAL INSTITUTE OF SECURITIES MARKETS
An Educational Initiative by SEBI

Announces

Conference on

Ethics and Governance

Background	Corporate Governance assumes much significance in today's corporate world as we see collapse of institutions, systems and procedures due to poor governance. Voluminous work has been done in the area of corporate governance through studies, debates and conferences. The need for such exercises is felt more in the modern world. Corporate governance and ethical practices play a dominant role in a company's overall growth and success. A well governed company has strong, transparent policies in both areas – accountability and rigorous Board oversight – and operates in the best interest of its Shareholders, Employees, Customers, Community and Environment.
Day, Date & Time	Wednesday, December 11, 2013 from 09.30 a.m. to 05.30 p.m.
Venue	THE PARK, 17, PARK STREET, KOLKATA - 700 016
Proposes Coverage	Technical sessions with different themes to cover, interalia Regulatory Perspectives of Corporate Governance - Existing regulatory requirements and compliance by institutions, International practices in the regulatory environment, issues and challenges of New Financial Code, Offsite and onsite inspection procedure etc. In each technical session, it is proposed to have a key note speaker and a Panel Discussion. The members of the Panel Discussion can be thought of
Speakers include	Eminent persons related to the particular theme Practitioners' Perspective, Academicians' Perspective & Regulatory Perspective would be called for delivering the key note address. The panel members would be persons of repute and well versed with the topic
Participation Mix	Directors of Corporates, Banks, Mutual Funds, Governance Professionals-Company Secretaries and Other Professionals including Academicians
Fees (Inclusive of Service Tax@12.36%)	**₹ 3,000/- per participant** (to cover the cost of program kit, background material, lunch and other organizational expenses)

For Registration : The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of **"ICSI-CCGRT A/c"** and sent to The Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614 or deposited into ICSI Bank of CCGRT through NEFT.

Further details will be available in due course on our website www.icsi.edu/ccgrt

022-41021533/01/15,022-27577814; 022- 27574384 : ccgrt@icsi.edu

Limited participation and hence prior registration is desirable

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

CORPORATE COMPLIANCE EXECUTIVE CERTIFICATE

The Institute of Company Secretaries of India launches the Corporate Compliance Executive Certificate in terms of Chapter IVA of the Company Secretaries Regulations, 1982.

OBJECTIVE

To create a cadre of skills oriented compliance professionals to provide support services in the secretarial departments of companies.

ELIGIBILITY

A person who –

is currently registered as a student of the Company Secretaryship course of the Institute;

a) has completed at least one group of the Intermediate/Executive examination of the Company Secretaryship course and

b) has completed a training of 6 months under Regulation 28A of the Company Secretaries Regulations, 1982, which may include skill oriented practical / class room training for two weeks.

PROCEDURE

An eligible person may seek registration by submitting an application after making payment of a fee of Rs. 2,000.

VALIDITY OF CERTIFICATE

The Corporate Compliance Executive Certificate is valid for a period of three years.

CONTINUING EDUCATION

A person having Corporate Compliance Executive Certificate is required to undertake continuing professional education, as may be prescribed, to keep the certificate valid after the expiry of its validity.

For details please write to

Directorate of Membership, Training & Placement
ICSI House, 22 Institutional Area, Lodi Road, New Delhi 110 003
Phones : (O) 011-45341096/ 45341081; *Fax* : 011-24636467; *E-mail* : ccec@icsi.edu
Website : www.icsi.edu

Salient Features of

THE NEW INDIA ASSURANCE CO. LTD.

Offering Specialised Insurance Scheme for ICSI Members/ Students and Employees

Full details available on the website
http://icsi.newindia.co.in

Professional indemnity policy

Practicing individual CS can avail the benefits of-

- Premium at a very reasonable rates
- Policy covers all sums which the insured professional becomes legally liable to pay as damages to third party in respect of any error and/ or omission on his or her part committed whilst rendering professional service.
- Legal costs and expenses incurred in defense of the case are also payable subject to the overall limit of indemnity selected.
- Only civil liability claims are covered. Any liability arising out of any criminal act or act committed in violation of any law or ordinance is not covered.

Eligibility:

The member at the time of happening of any event resulting into such liability must hold valid Certificate of the practice (COP) issued by the Institute. The applicants should not have been subjected to disciplinary action by the Institute.
For very attractive premium rates please use premium calculator given on the website
Extensions covers of IPR, Employee Dishonesty, libel slander are available to AOY more than 25 lakhs and IPR, Employee Dishonesty, libel slander and Breach of confidence are available to the AOY more than 50 lakhs on payment of additional premium amount.

Excess : Applicable

HEALTH INSURANCE SCHEME

Policy can be taken by any member of ICSI on individual family floater basis with specialized benefits like:

- No entry age barrier.
- Dependent parents can be covered upto sum insured of Rs 10 lakhs without health checkup.
- Floater Sum Insured available for member and family i.e; self, spouse and dependent children in the slabs of Rs.5 lakh, 7 lakh , 10 lakh , 15 lakh and 20 lakh.
- Highly competitive premium rates.
- For members/ students with existing Mediclaim Insurance and cumulative Bonus, a discount in the lieu of CB will be allowed. See FAQ No.17 on the website.
- Under normal Mediclaim policy, pre-existing disease is covered only after four years whereas under this Scheme, coverage for pre-existing disease commences from the first year itself subject to limits, as per FAQ No 4.
- Students can take cover for self for Sum Insured of 1 lac or 2 lac.
- Employees of ICSI can take cover for family and dependent parents for Sum Insured of 3 lac and 5 lac.
- Continuity Benefits: available for existing mediclaim policy of non - life insurance company provided the policy is shifted to this scheme. For details refer to FAQ No 15.

Motor Insurance:

This insurance is available to Members, Employees and students of Institute of Company Secretaries of India, not below the age of 18 years, who is a registered owner of Private car or Motor cycle.
Cover available under this policy-

- **Package policy:** This cover loss or damage to the vehicle insured in addition to third party liability for bodily injury liability and / or death and property damage. Personal Accident cover for Owner-driver is also included.
- **Enhancement Cover for Zero Depreciation is also available.**

One can take this policy at the time of purchase / buying new vehicle (before taking the delivery of vehicle).One can renew his/ her expiring policy, provided there is no break in the insurance.

-Premium rates are highly competitive.

Office protection Shield:

Coverage available for ICSI Members:

- Building , contents, tenants liability,
- Money insurance,
- Fixed Glass & Sanitary Fittings,
- Fidelity Guarantee,
- Damage to Electronic Equipment,
- Portable Computers,
- Additional Expenses of Rent for Alternative Accommodation,
- Breakdown of Office Appliances, equipments and machinery,
- Baggage,
- Public Liability,
- Workmen's Compensation
- Highly competitive premium rates offered

Personal Accident policy :

Policy can be taken by Members/ Employees and Students of ICSI.

This policy offers compensation in case of death or bodily injury to the insured person, directly and solely as a result of an accident, by external, visible and violent means.

- 24 hours worldwide cover

Covers Offered:

- Death cover wherein 100% of the capital sum insured (CSI) is payable.
- Loss of two limbs / both eyes / one limb and one eye wherein 100% of the capital sum insured is payable.
- Loss of one limb or one eye wherein 50% of the capital sum insured is payable.
- Permanent Total Disablement –payable upto 100% of CSI
- Permanent Partial Disablement – payable upto percentage of the CSI as specified in the policy.
- Temporary Total Disablement - a weekly payment of 1% of CSI payable upto maximum 100 weeks subject to limit of CSI.

Above coverages are offered under a Personal Accident policy depending upon the Tables opted. For detailed information please see website.

UNIQUE SERVICE AVAILABLE TO CS IN THIS PORTAL:

- Dedicated phone line 022-24620311 being managed by an experienced officer having specialized domain knowledge.
- Dedicated email address only for customers of ICSI – niacs.113000@newindia.co.in
- Claims being actively monitored by this office through specialized officer and Divisional in charge.

For escalation of any issue related to this policy please write to satyanarayan.mohapatra@newindia.co.in; or call on 022-24620363.

FORM - BB

APPLICATION FOR RESTORATION OF MEMBERSHIP

To,
The Secretary to the Council of
The Institute of Company Secretaries of India
'ICSI' House, 22,Institutional Area
Lodi Road, New Delhi-110003

Sir,

I hereby apply for restoration of my name in the Register as an Associate/Fellow Member of the Institute of Company Secretaries of India in accordance with the provisions contained in the Company Secretaries Act, 1980 and Regulations made thereunder and declare that I am eligible for the membership of the Institute and am not subject to any disabilities stated in the act or the Regulations of the Institute. The required particulars are furnished below:

1. Name in full : .....
   (In Block Letters) Surname M. Name F. Name

2. Address

(i) Professional

Designation .....
Name of Company .....
Address .....
.....
.....
Pin Code: .....
Telephone No. ..... Fax .....
E -mail .....

(ii) Residential .....
.....
.....
Pin Code: .....
Contd.
Telephone No. ..... Fax .....

3. Date of admission as Associate / : .....
   Fellow Member of the Institute

4. Membership Number .....

5. I hereby undertake that if re-admitted as an Associate/Fellow Member of the Institute, I will be bounded by the Company Secretaries Act, 1980 and the Regulations made thereunder, asamended from time to time

6. I also undertake that such instances will not recur and I will make the payment of annual fee in future within the stipulated time (i.e. on or before 30th June of each year)

7. I send herewith a sum of Rs..... being the arrears of Annual Membership fee of Rs. ..... for the years ..... to ..... and restoration fee of Rs.250/- alongwith entrance fee (Rs. 1500/- for Associates & Rs. 1000/- for fellows)

8. I solemnly declare that what I have stated above is true and correct.

Place: Yours faithfully

Date: Signature

FORM - D

APPLICATION FOR THE ISSUE/RENEWAL/RESTORATION* OF CERTIFICATE OF PRACTICE

See Reg. 10, 13 & 14

To
The Secretary to the Council of
The Institute of Company Secretaries of India
'ICSI HOUSE', 22, Institutional Area,
Lodi Road, New Delhi - 110 003

Sir,

I furnish below my particulars .....

(i) Membership Number FCS/ACS: .....

(ii) Name in full: .....
(in block letters) .....Surname ..... Name .....

(iii) Date of Birth: .....

(iv) Professional Address: .....
.....

(v) Phone Nos. (Resi.) ..... (Off.) .....

(vi) Mobile No ..... Email id .....

(vii Additions to or change in qualifications, if any: .....

1.Submitted for (tick whichever is applicable):
(a) Issue ..... (b) Renewal ..... (c) Restoration .....

2. (a)Particulars of Certificate of Practice issued / surrendered/Cancelled earlier

Sl. No	Certificate of Practice No.	Date of issue of CP	Date of surrender / Cancellation of CP

3. i. I state that I am/shall be engaged in the profession of Company Secretary only on whole-time basis and not in any other profession, business, occupation or employment. I am not enrolled as an Advocate on the rolls of any Bar Council and do not hold certificate of practice from any professional body including ICAI and the ICWAI.

ii. I state that as and when I cease to be in practice, I shall duly inform the Council and shall surrender forthwith the certificate of practice as required by the Company Secretaries Act, 1980, and the regulations made thereunder, as amended from time to time.

iii. I hereby undertake that, I shall adhere to the mandatory ceiling of not more than eighty companies in aggregate in a calendar year in terms of the ***Guidelines for Issuing Compliance Certificate and Signing of Annual Return*** issued by the Institute on 27th November, 2007.

iv. I state that I have issued / did not issue ..... advertisements during the year 20 ..... -..... in accordance with the ***Guidelines for Advertisement by Company Secretary in Practice*** issued by the Institute*.

v. I state that I issued .... Corporate Governance compliance certificates under Clause 49 of the listing agreement during the year 20 ..... -.....*

vi. I state that I have / have not undertaken .... Audits under Section 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 during the year 20 - *

vii. I state that I have / have not maintained a register of attestation/certification services rendered by me/my firm in accordance with the ***Guidelines for Requirement of Maintenance of a Register of Attestation/Certification Services Rendered by Practising Company Secretary/Firm of Practising Company Secretaries*** issued by the Institute. *

4. I send herewith Bank draft drawn on ... ... Bank ... ... Branch bearing No ... ... for Rs ... ... towards annual certificate of practice fee for the year ending 31st March ... ...

5. I further declare that the particulars furnished above are true and correct.

Yours faithfully,

(Signature) Place:

Encl. Date:

* Applicable in case of renewal or restoration of Certificate of Practice

ATTENTION MEMBERS

CHANGE OF ADDRESS

Member's attention is drawn to Regulation 3 of the Company Secretaries Regulations, 1982 according to which every member of the Institute is required to communicate to the Institute any change of Professional address within one month of such change. The contravention of the same amounts to professional misconduct under clause (1) of part II of the Second Schedule to the Company Secretaries Act, 1980.

Members are, therefore, requested to intimate the change in their professional address within the specified period.

A The members may change their professional and residential address and other details online through Institute's portal www.icsi.edu by following the steps given below:-

1. Login to portal www.icsi.edu.
2. Click online services on the right top corner and then click 'Login' on page.
3. Fill the User name: Enter your membership number (like A1234) as per the sample given on the page.
4. Password. Fill the password. In case you do not have a password. You may retrieve your password in case your email is correctly registered in the Institute. Alternatively you may send an email request for password with your ACS / FCS membership number to dd.garg@icsi.edu
5. After login, go to 'Members Option' (from top menu)then click on "My Account "
6. Click on Manage Account
7. Click on Change of Address
8. A window will be displayed with the option "Professional'" or " Residential" then change the details and click on "go" button
9. A screen will be displayed with the options "Existing details as per records" and "Enter change Details"
10. Change the details as required and press on "Submit" button.

B Members may also send their request for change of address to the Institute's email IDs at ***member@icsi.edu*** & ***ashish.tiwari@icsi.edu*** from their e-mail ID as recorded with the Institute.

C Members may send the request through electronic mode as described under A, B & C above. Otherwise, members may also send their request through post to the Membership Section of the Institute at ICSI House, 22 Institutional Area, Lodi Road, New Delhi – 110003.

For Clarifications if any, members may contact **Mr. Ashish Kumar Tiwari,** Jr. Assistant at telephone no. 011 45341063 or **Mr. D D Garg,** Administrative Officer at Telephone No. 011 45341062 or write at e-mail ids ***ashish.tiwari@icsi.edu*** or ***dd.garg@icsi.edu***

ATTENTION MEMBERS

UPLOADING OF SCANNED IMAGES OF PHOTOGRAPHS & SIGNATURES ON INSTITUTE'S WEBSITE

The Institute has reoriented its online services to capture the information pertaining to photographs and signatures of members. The members may upload the scanned image of their photograph and signature on the website of the Institute by following the steps given below:

1. Login to portal www.icsi.edu.
2. Click online services on the right top corner and then click 'Login' on page.
3. Fill the User name : Enter your membership number (like A1234) as per the sample given on the page.
4. Password. Fill the password. In case you do not have a password, you may retrieve your password provided your email is correctly registered in the Institute. Alternatively you may send an email request for password with your ACS / FCS membership number to <dd.garg@icsi.edu>.
5. After login, go to 'Members Option' (from top menu) then click on "My Account".
6. Click on Manage Image.
7. Then upload your Photo (passport size) and Signature and click on Upload button.

(The format of the file containing the photograph and signature should be in .jpeg format and the size of the file containing the photograph and signature should be maximum of 150kb each).

In case the members are facing any problem in doing the same, the members are requested to send their images of photograph and signature from their email id registered with the Institute at email IDs at ***ashish.tiwari@icsi.edu.*** For clarifications if any, members may contact ***Mr. J. S. N. Murthy,*** Administrative Officer at ***jsn.murthy@icsi.edu,*** phone 011 45341049

COMPANY SECRETARIES

EXAMINATIONS - DECEMBER, 2013

TIME-TABLE & PROGRAMME (EXAMINATION TIMING : 2.00 P.M. TO 5.00 P.M.)

Date and Day	Professional Programme	Executive Programme (New Syllabus)	Executive Programme (Old Syllabus)
20.12.2013 Friday	Company Secretarial Practice (MODULE-I)	Company Law (MODULE-I)	General and Commercial Laws (MODULE-I)
21.12.2013 Saturday	Drafting, Appearances and Pleadings (MODULE-I)	Cost and Management Accounting (MODULE-I)	Company Accounts, Cost and Management Accounting (MODULE-I)
22.12.2013 Sunday	**OMR BASED FOUNDATION PROGRAMME EXAMINATION** [Paper – 1 & 2 from 10.00 A.M. to 11.30 A.M.] and [Paper 3 & 4 from 1.30 P.M. to 3.00 P.M. – Details separately given at the bottom.		
23.12.2013 Monday	Financial, Treasury and Forex Management (MODULE-II)	Economic and Commercial Laws (MODULE-I)	Tax Laws (MODULE-I)
24.12.2013 Tuesday	Corporate Restructuring and Insolvency (MODULE-II)	Tax Laws and Practice (MODULE-I)	Company Law (MODULE-II)
25.12.2013 Wednesday	**HOLIDAY — CHRISTMAS DAY**		
26.12.2013 Thursday	Strategic Management, Alliances and International Trade (MODULE-III)	Company Accounts and Auditing Practices (MODULE-II)	Economic and Labour Laws (MODULE-II)
27.12.2013 Friday	Advanced Tax Laws and Practice (MODULE-III)	Capital Markets and Securities Laws (MODULE-II)	Securities Laws and Compliances (MODULE-II)
28.12.2013 Saturday	Due Diligence and Corporate Compliance (MODULE-IV)	Industrial, Labour and General Laws (MODULE-II)	No Examination
29.12.2013 Sunday	Governance, Business Ethics and Sustainability (MODULE-IV)	No Examination	

TIME-TABLE AND PROGRAMME FOR OMR BASED

FOUNDATION PROGRAMME EXAMINATION

Day & Date of Examination : Sunday, the 22nd December, 2013

Morning Session **Examination Timing: From 10.00AM —To 11.30 AM**	
PAPER	**SUBJECT**
1	Business Environment and Entrepreneurship
2	Business Management, Ethics and Communication
After-Noon Session **Examination Timing: From 1.30 PM —To 3.00 PM**	
PAPER	**SUBJECT**
3	Business Economics
4	Fundamentals of Accounting and Auditing

Our Members

ON THE MOVE

Shri A V Venkatakrishnan, ACS, Director (Finance) In Engineering Projects (India) Limited. Earlier he was working as GGM (Finance) in Telecommunication Consultants (India)Limited.

Shri Pradeep Kumar Jain, FCS, Finance Expert – Private Partnership (PPP), Planning Department, Government of Rajasthan. Earlier he was working as D.G.M. & Company Secretary in Rajasthan State Mines & Minerals Limited.

Shri Mahesh Kumar Mittal, FCS, Director (Finance) of Dedicated Freight Corridor Corporation of India Limited (A Govt. of India Entreprise-Ministry of Railways). Earlier he was working as GM (Finance) in Rural Electrification Corporation Limited.

Announcement

The Council of the Institute has approved the following decisions pertaining to training of the students of the Company Secretaryship Course.:

A) 15 months training with Law Firms, Consultancy Firms, Financial Institutions

The Council of the Institute has allowed imparting 15 months training by Law Firms, Consultancy Firms and Financial Institutions. Earlier they were allowed to impart training for 6 months only. Further the Council has removed the criteria of standing, minimum number of partners and fixed assets for registration of Law Firms and Consultancy Firms and approved the revised guidelines for registration of Law Firms, Consultancy Firms, Financial Institutions for imparting 15 months training which is available at training link on the website of the Institute www.icsi.edu.

B) Removal of requirement of remitting fee of ₹ 50/-with Apprenticeship Agreement by the Practising Company Secretaries

The Council has removed the requirement of remitting a fee of ₹ 50/- by the PCS towards registration of apprenticeship training of the students.

C) 15 days with any one specialised agency:

The Council has also allowed undergoing training of 15 days with any one specialised agency as prescribed under Regulation 50 (b) of the Company Secretaries Regulations, 1982, with the broking firms/ companies, Law firms, Universities (recognized by UGC), Merchant Bankers, Mutual Funds, Insurance Companies, SMEs, Industry Associations/ Chambers of Commerce, all Ministries, SEBI, IRDA, TRAI, CCI, Courts, Tribunals and other quasi-judicial bodies.

C S QUIZ

Can a Registrar of companies strike off the name of a private Limited company from the Register of Companies maintained by him on the claim of certain shareholders and directors of it that its paid up share capital is less than Rs.1 lakh without issuing notice to the company concerned under section 560 of the Companies Act, 1956?

Conditions

1] Answers should not exceed one typed page in double space.

2] Last date for receipt of answer is 8th December, 2013.

3] Two best answers will be awarded Rs. 1000 each in cash and the names of the contributors and their replies will be published in the journal.

4] The envelope should be superscribed **'Prize Query November, 2013 Issue'** and addressed to :

Deputy Director (Publications)
The Institute of Company Secretaries of India, 'ICSI House', 22, Institutional Area, Lodi Road, New Delhi-110003.

KIND ATTENTION MEMBERS

The Guidelines for approval of concern/firm name of Company Secretaries in Practice laid down by the Council of the Institute under Regulation 169 of the Company Secretaries Regulations, 1982 are under review by the Institute. The guidelines are available on the website of the Institute at link *http://www.icsi.edu/CSPractice/FirmnamesGuidelines.*

Members are requested to send their valuable inputs/suggestions for revision in the guidelines to the Membership Section of the Institute at email id *chandraprakash@icsi.edu.*

OBITUARY

"Chartered Secretary" deeply regrets to record the sad demise of **Shri Tehmtan Manchersha Elavia**, FCS (11.11.1939–18.08.2013)a Fellow Member of the Institute from Mumbai.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the Departed Soul rest in peace.