

IPS NIRC-ICSI *Insight*

NEWSLETTER

"CSR & Recent
Notified Provisions"
Issue

Theme of NIRC-2014: Change, Emerge & Lead

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

Seminar on Company Secretary as Compliance Professional- Risk & Rewards (29.3.2014): Inaugural Session - L to R CS Rajiv Bajaj, CS NPS Chawla, Mr. Deepak Wadhawan (Director, All India Heart Foundation & Ex-Senior Advisor, Risk Advisory Practice, KPMG), CS Shyam Agrawal, Mr. Manoj K Arora (Additional Director General of Export Promotion, Department of Revenue, Ministry of Finance) & CS Manish Gupta. ★



President Meetings with Chairman of NIRC & its Chapters/Press Conference (22.3.2014): L to R CS K.V. Singhal, CS M.S. Sahoo, CS R Sridharan (President-ICSI), CS Vikas Khare (Vice-President, ICSI), CS Shyam Agrawal & CS Sutanu Sinha. ★



Faridabad Chapter - Felicitation Ceremony to Honour Brilliant Students (30.3.2014): CS Shyam Agrawal, CS N.K. Goel & other Managing Committee Members of Chapter seen. ★



One Day Workshop on the Companies Act, 2013 (15.3.2014): CS Rajiv Bajaj, CS Atul Mittal, CS (Dr.) S Chandrasekaran, CS Shyam Agrawal, CS Ranjeet Pandey & CS Pankaj Jain. ★



Study Circle Meeting on Financial Transactions in the New Companies Act, 2013 (21.3.2014): L to R CS Vineet K Chaudhary, CS Manish Gupta, CS Rajeev Goel, CS Shyam Agrawal, CS Ranjeet Pandey and CS Deepak Kukreja. ★



The Regional Council

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Change is the law of life. And those who look only to the past or present are certain to miss the future.

- John F. Kennedy

Dear Professional Colleagues,

Change is inevitable. But it is always an arduous task to witness change as it happens and some ideological and operational conflict is bound to happen with the old ways of thinking and approach. New order always unsettles the thought process and brings people out of their comfort. But if it throws challenges, simultaneously it also dawns a new era for innovation, development and future growth.

In the present age, what we are witnessing a change everywhere and in every aspect of life, be it personal or professional. The values imbibed in that moment of change is constant throughout the span of life. These values originate from the character of a person. And the collective character of the people determines the present and future course of action and the ensuing change.

As you all are aware that recently the Ministry of Corporate Affairs has notified 282 sections of the Companies Act, 2013 and has notified few Rules and is in the process of notifying some more. Though the Companies Act, 2013 has paved new avenues and opens new doors for further growth and development of our profession but simultaneously the New Rules, on the one hand, have unexpectedly given a strong blow to our profession and on the other hand, have diluted the mantra of corporate governance and compliance in corporates. The New Rules are definitely not meeting the expectations of our members and students and must be reviewed.

A number of representations have been made by the Institute to the Ministry, primarily seeking review of the New Rules on the aspects which are affecting our profession. Thereafter, the President of the Institute, few Central Council Members, Secretary of the Institute along with the undersigned (in the capacity of Chairman, NIRC) and few representatives of members met Mr. Sachin Pilot, the Hon'ble Minister of Corporate Affairs (Independent Charge). Mr. Pilot apprised us that the representations sent by the Institute are under examination and assured that the examination of these representations would be completed by the Government in consultation with the Law Ministry and a decision on them would be taken expeditiously. Friends, we are there with you all and willing to take all possible steps to put across our point of view to the concerned authorities. We are in continuous dialogue with the Central Council of the Institute for the matters concerning the profession and have assured to provide our seamless support and cooperation to the Central Council in all the matters concerning our profession.



The business environment globally is becoming more and more competitive. With the global competition around, we have to rise above our limitations and prepare ourselves for bigger challenges. The importance of Compliance has gone manifolds in the Corporate Sector. There is increased awareness on the Compliance and stringent provisions of the Companies Act encourage them to be more serious on this issue. This will surely mean increased opportunity for our members. The proposed Direct Tax Code 2013 also allows Tax Audit not only by Chartered Accountants but also by Company Secretaries and Cost Accountants. Professionals can deliver best to their clients or industry by keeping constant pace with the fast changing Corporate World and keep on updating themselves regularly.

As you may know, the prime role and responsibility of NIRC, as bestowed under the Institute regulations, is to take initiatives and conduct programs for capacity building of members and students and also to advise the Central Council of the Institute on all the matters referred to NIRC by the Central Council. NIRC is focused in its approach and is regularly organising various quality Professional Development Programs and training programs for members and students respectively and forward suggestions to central council as and when desired. After passage of Companies Act 2013, NIRC has regularly organised a series of Seminars, Study Circle & Study Groups Meetings, Workshops, Practising Company Secretaries Meetings etc. in an endeavor to cover all the chapters of the Companies Act, 2013 and to have quality discussions, amongst members and students, on the provisions of the Companies Act, 2013.

In the same direction NIRC is organizing one day seminar on the topic "Companies Act, 2013 -Recent Notified Sections & Rules" on 29th April, 2014 at Hotel EROS, New Delhi. In addition to monthly seminars, workshops and meetings, in order to provide the members an opportunity to have detailed deliberations and understanding of the various provisions of the Companies Act, 2013 and also the Notified Rules, NIRC is also planning to organize 15 days Classroom Training on Companies Act, 2013 and regular Workshops on recently notified Forms & Rules under Companies Act, 2013. The details of all these programs will be published in due course in the Newsletter for your reference and will also be posted on the NIRC portal on ICSI website. I request all of you to kindly give your suggestions on the specific theme & structure of the forthcoming programs organized by NIRC-ICSI. In addition thereto, members who are interested in taking sessions on the provisions of the New Act and Rules in the programs to be organized

by NIRC, may kindly provide their details with the topic/theme, to NIRO at niro@icsi.edu. Further, we also request all the members to write articles on various provisions of the New Act and the Rules, which we shall, after screening, get published in our Newsletters.

A good infrastructure and basic amenities are the prime requirements to serve the members/students and other stakeholders of the Institute. The Institute has reconstituted the Infrastructure committees at various chapters viz. Bhilwara, Jodhpur, Udaipur, Faridabad and in various other chapters they are in the process of constitution of such committee. We at NIRC are committed to provide all possible support needed by the chapters in providing best of the services to various stakeholders.

Further, membership of Company Secretaries Benevolent Fund is a noble cause. It is a corpus from which Institute provides immediate financial assistance to those who are in dire need of the same. The bigger the corpus would be, bigger will be amount of financial assistance provided by the Institute. I humbly request to those members who have not yet taken the membership of Company Secretaries Benevolent Fund, to kindly pay a sum of Rs. 7,500/- only as life membership fee and become the proud member of Company Secretaries Benevolent Fund.

Friends, it's time to consolidate our position; we have to remain positive even in this environment and build our capacity for the future. We should not be complacent in our preparation on the execution of the Companies Act, 2013 as we are the most apt one to emerge as a Leader of the New Company Law. There was not opportune context in which the theme of NIRC is truly needed i.e. "Change, Emerge & Lead". I expect all of us to be winners and stand upto the expectations of our stakeholders and Corporate World and help them to be compliant to the laws of the country.

We must stay united and give strength to our President and Central Council, to lead our profession in the right direction and get our members, the respect and recognition which we truly deserve.

Regards,

Yours sincerely,

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IN THE COMPANY OF COMPANIES ACT, 2013*

– LALIT KUMAR – lalit@jsalaw.com



Inevitably, with the major portion (60%) of the new Companies Act, 2013 ("New Act") and the final Rules being in force one has no option but to be in the company of this new legislation. This column discusses certain important provisions of the New Act.

CSR - Finally a reality!

Finally, after much debate and deliberations on the pros and cons of CSR provisions, they are now a reality effective April 1, 2014.

By notifying Section 135 of the New Act, Schedule VII of the New Act and the Companies (Corporate Social Responsibility) Rules, 2014 ("CSR Rules"), India Inc. has now got provisions which will ensure that businesses engage themselves directly in making contribution for social good thereby inculcating the philosophy of "investing" instead of just "spending". The jury is still out on whether or not such statutorily mandated CSR provisions are good or bad for India, Inc. but for now the corporate houses will need to adhere to these norms.

All kinds of companies - be it private companies, public companies (both listed and unlisted), foreign companies having branches or project offices in India which meet any one of the three criteria prescribed in section 135 of the New Act will require to follow the CSR provisions.

The three criteria are 'turnover' of Rs. 1000 crore or more or 'net worth' of Rs. 500 crore or more or net profit of Rs. 5 crore or more. A question arises on which date these criteria have to be tested. Whether these have to be tested as of April 1, 2014 or even for period prior to April 1, 2014? The language of Section 135 is interesting and relevant in this regard. It says that every company having net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall constitute a CSR Committee of the board of directors consisting of 3 or more directors, out of which at least one director shall be an independent director. The use of the expression *during any financial year* means the financial years which will fall after April 1, 2014 (i.e. the date from which Section 135 and the CSR Rules have become effective) will have to be seen to determine whether any of the three criteria is met or not. Therefore, clearly on the first day of April, 2014, it does not appear that companies will fulfil the criteria of turnover or profit as the financial year will just start on April, possibly they could achieve the turnover or net profit exceeding the criteria during the financial year after April

1, 2014, which is when Section 135 will apply. However, as far as the test of 'net worth' is concerned, the same could be applied as of April 1, 2014 and if as of that date, the company's net worth is Rs. 500 crore or more, Section 135 will become applicable.

Contrary to some belief, section 135 does not only require making of the CSR contribution of at least 2% of the average net profits made during the three immediately preceding financial years but there are other requirements to be complied with, for instance, constituting of the CSR Committee. Therefore, a company will still need to constitute a CSR committee (if it fulfils any one criteria of Section 135) even if it does not have any profits in the three immediately preceding financial years.

Companies which fulfil any one of the three criteria will need to constitute a CSR committee. CSR committee will have at least three directors. As a private limited company is required to have a minimum of only two directors (and not three as in the case of a public company), a private company can have only two directors on the CSR committee. One director out of the three directors has to be an 'independent director'. However, companies which are not required to have independent directors as per Section 149 read with Companies (Appointment and Qualification) Rules, 2014 are exempted from having an independent director on the CSR committee. Therefore, a private limited company which is not required to have an independent director as per Section 149 read with Companies (Appointment and Qualification) Rules, 2014 is exempted to have an independent director on the CSR committee. It is worth noting that section 149(5) of the New Act gives a period of one year from April 1, 2014 to comply with the requirement of Section 149 to appoint independent directors on the board. Interestingly, Section 135 does not have any such transition period to have an independent director on the CSR committee. Therefore, a question arises that will a company which does not have independent directors on its board on April 1, 2014 and uses the period of transition provided under Section 149(5) to appoint an independent director is also exempted to have an independent director on its CSR committee until it appoints an independent director. By harmoniously reading Sections 149, 135, Companies (Appointment and Qualification) Rules, 2014 and the CSR Rules, a view can be taken that until the company appoints an independent director on its board, it is also exempted to have independent director on the CSR committee. The composition of the CSR committee has to be disclosed in the board of directors' report.

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

One of the mandates to the CSR committee is to frame a CSR policy recommending to the board of directors the amount to be incurred on CSR activities. As CSR committee will only make recommendations to the board of directors, such recommendations are not binding on the board. Thereafter, the board will consider and approve the CSR policy, the contents of which will have to be disclosed in the board of directors' report in the format provided in the CSR Rules and also on the company's website, if any.

The amount to be spent on the CSR activities is at least 2% of the average net profits made during the three immediately preceding financial years. Consequently, if a company has not earned any profits in the three immediately preceding financial years, it will not be required to make any contribution towards CSR activities. A question arises that if a company has profits in some years out of the three years and losses in some of them, then will only figures of profits be considered or the figure arrived at after deducting losses from profits will have to be considered. Since the expression used is "net profit", it should mean the figure of profit arrived at after deducting the losses.

Another interesting question arises that if a company has been incorporated for a period of less than 3 years but fulfils one of the three criteria, then is it exempted from making the contribution just because of the reason that it does not have an existence of 3 years. It does not appear from the language of Section 135 read with the CSR Rules that a company which has an existence of less than 3 years is exempted from the requirement of CSR provisions. Therefore, if a company which is in existence for less than 3 years and fulfils any one criterion of section 135, it will have to make a contribution of 2% of the average net profits of those many years for which it was in existence. Yet another question arises that since the language used is at least 2%, so is it compulsory for the company to either make a contribution of at least 2% or no contribution (i.e. is the provision to make either full or nil contribution?) such that the company is not permitted to contribute anything if it wants to contribute less than 2% (for instance 1.5%). Although the language of Section 135 requires at least a contribution of 2%, and the consequence of failure to make that contribution of 2% is a disclosure in the board of directors' report, therefore, it appears that even if a company makes a contribution of less than 2%, the only consequence should be disclosure in the directors' report of that amount which is short of 2%. The simple logic being, if the failure to contribute the full amount of 2% attracts a disclosure in the board's report then why should a failure to contribute amount shorter than 2% attract any other penalty.

While making the contribution, the preference has to be given to the local areas of operations. It is only a preference and it does not mean that the amount has to be spent only in the local areas of operations.

While calculating the profit, the profits earned from overseas branch of an Indian company and the dividend received from other Indian companies has to be excluded provided

those Indian companies which pay the dividend are covered under and comply with Section 135. This will avoid the duplication of contribution on the same amount of profits earned by two companies.

The expenditure which is incurred in India will only qualify for CSR contribution. Further, expenditure incurred exclusively for the benefit of employees of the company and their families has to be excluded.

The CSR activities have to be within the activities permitted in Schedule VII. Therefore, any expenditure on activities not permitted in Schedule VII will not qualify as CSR expenditure. So the board of directors of a company does not have any discretion to decide the CSR activities which are outside Schedule VII. Although the list of activities in Schedule VII is quite long but it will still restrict the social activities which a company can do, for example, 'social business projects' is deleted from the list of permitted activities in the final CSR Rules. Consequently, companies having existing CSR programs and activities will need to align their activities as permitted under Schedule VII. Further, activities undertaken in pursuance of company's normal course of business are excluded.

CSR activities may be undertaken through a registered trust or a registered society or a non-profit company established by the company or its holding or subsidiary or associate company. However, trust, society or company not established by the company or its holding or subsidiary or associate company should have a minimum track record of 3 years in undertaking CSR programs. Collaboration on CSR activities with other companies is permitted provided the CSR committees of respective companies separately report their CSR projects or programs.

It is specifically provided that political contribution shall not be considered as CSR activity, as section 182 of the New Act specifically covers this. Companies can build CSR capacities of their own personnel provided the expenditure shall not exceed 5% of the total CSR expenditure of the company in a financial year. The demand of the corporates to allow the time-value of the contribution of personnel towards CSR has been rejected as there is no mention of such a provision in the CSR Rules. Therefore, only the actual CSR spending will count towards CSR and not the money value of service contributed by the personnel of the company.

There is no clarity on the tax treatment i.e. whether or not the CSR contribution will be deducted as business expenditure. Further, there are ambiguities regarding the CSR provisions under the New Act and the FCRA Act which needs some more clarity.

Important definitions

Certain important definitions which were not notified in the first phase of notification of sections announced on September 12, 2013 are with respect to financial year (which provides that the financial year of a company will compulsorily have to be from April 1 to March 31), independent directors, one

person company (OPC), Serious Fraud Investigation Office (SFIO), small company.

Certain important sections notified

Amongst the sections that have been notified in the second phase effective from April 1, 2014, the important ones are provided hereunder.

- (i) The provisions relating to articles of association have been notified. These include the entrenchment provisions which provides that articles may contain provision for entrenchment such that certain specified provisions of the articles of association can only be altered if conditions or procedures as that are more restrictive than those applicable in the case of a special resolution are met or complied with.
- (ii) Non-profit companies which are now commonly called as Section 8 companies have been notified; an OPC cannot be set up as a Section 8 company.
- (iii) Concept of offer for sale by members of the company. This is not a new concept but is specifically provided for the first time in company law and will provide for the exit of certain shareholders from the company through the offer for sale.
- (iv) Issue of GDR by passing a special resolution. Again, this is not a new concept and was already governed by the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993. The issue of GDRs will be as per Companies (Issue of Global Depository Receipts) Rules, 2014. Rule 8 of the said Rules provides that a company which has issued depository receipts prior to the commencement of these Rules shall comply with the requirements under this Rule within 6 months of such commencement. It is not very clear from the Rules that how will a company which has already issued GDRs will comply with these Rules. For instance, how will Rule 7 which stipulates that the proceeds of issue of depository receipt shall be remitted to a bank account in India be compiled now if the company had already received and used the amount out of an earlier issue of GDRs issued prior to April 1, 2014.
- (v) Clear concept of private placement of shares has been provided (which would mean shares offered to persons not exceeding 200 in each financial year excluding the issue of shares to the QIBs and ESOPs to employees of the company). In this regard it is not clear on the reading of Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 which states that the preferential issue under Section 62 has to comply with the conditions of private placement under Section 42. This is not clear as the New Act makes a clear distinction between a private placement under Section 42 and preferential issue under Section 62(1)(c).
- (vi) As in the case of Section 86 of the Companies Act, 1956, two kinds of share capital have been provided - equity shares and preference share. Equity share capital is

further subdivided into with voting rights and with differential rights as to dividend, voting or otherwise i.e. the differential rights shares. The corresponding rule relating to the differential rights shares is Rule 4 of the Companies (Share Capital and Debentures) Rules, 2014. It would have better if Explanation to Rule 4 of the said Rules had provided that convertible securities (for example, compulsorily convertible debentures) issued prior to April 1, 2014, for which the differential rights shares will be issued after such commencement will be permitted.

Further, redeemable preference shares can exceed 20 years and upto 30 years for specified infrastructure projects (refer to Schedule VI), subject to the redemption of a minimum 10% of such preference shares per year from the 21st year onwards or earlier, on a proportionate basis, at the option of the preference shareholders.

- (vii) Voting rights on shares. As far as voting rights are concerned, there is no distinction now between a cumulative and non-cumulative preference shares and any preference shareholder (irrespective whether holding a cumulative or a non-cumulative preference share) whose dividend is unpaid for 2 years or more will get voting rights on all matters on which equity shareholders can vote. The Companies Act, 1956 made a distinction between such classes of preference shares with respect to voting rights on such shares.
- (viii) Issue of shares at a discount is now prohibited. However, sweat equity shares are permitted. The Companies Act, 1956 did permit in Section 79 issue of shares at a discount.
- (ix) Further issue of share capital - this is where the preferential issues of shares by the company will be covered.
- (x) Issue of bonus shares. There are certain conditions, for instance, these shares cannot be issued from revaluation reserve and in lieu of dividend and the company which has once announced the decision of its board of directors recommending a bonus issue, shall not subsequently withdraw the same.
- (xi) Restriction on purchase by company or giving of loans by it for purchase of its shares. Private companies are exempted from this requirement.
- (xii) Buy back of shares.
- (xiii) Issue of debentures convertible into shares, either wholly or partly at the time of redemption is now specifically provided in Section 71 and a special resolution will be required to issue such debentures.
- (xiv) Acceptance of Deposit. One of the important sections notified is with respect to acceptance of deposits and more particularly Section 74(1) which requires that any deposit accepted by a company before April 1, 2014, and remaining unpaid on such commencement will have to be repaid. The provisions allow acceptance of deposits from members and public. It may be noted that like in the case of Companies Act, 1956, private

companies can accept only from members, Now a resolution of shareholders is required and a circular has to be issued to members with statement of financial position, credit rating obtained, outstanding amount of previous deposits. A Deposit Repayment Reserve Account has to be opened in a separate bank account wherein 15% of the amount of deposits maturing during a financial year and financial year next following has to be kept. The Deposit Repayment Reserve Account shall be used only for repayment of deposit and for no other purposes. As far as public companies are concerned, unlike the case under the Companies Act, 1956, now only a public company having a net worth of not less than Rs. 100 crore or a turnover of not less than Rs. 500 crore and which has obtained the prior consent of shareholders by a special resolution and also filed the said resolution with the Registrar of Companies before making any invitation to the public for the deposits can accept deposits from the public. However, the banking company and NBFCs are exempted. Stringent penalties have been provided including unlimited liability of officers responsible of accepting deposit with intent to defraud.

- (xv) Annual return and the extract of annual return which will now be annexed to the board of directors' report. The particulars have to be as they stood on the close of the financial year. CS Certificate required for listed company or a company having paid-up capital of Rs. 10 crores or more or turnover of Rs. 50 crores or more.
- (xvi) AGM will now have to be held during business hours 9 am to 6 pm on any day other than a national holiday declared by the Central Government. A report on AGM by listed companies to be filed with the ROC within 30 days of the meeting.
- (xvii) Notice of general meeting can now be send by electronic mode. Not less than clear 21 days notice to be given. The company may give notice through electronic mode / e-mail (Refer Rule 18 of Companies (Management and Administration Rules, 2014). Shorter notice possible only after consent of 95% of the members entitled to vote - on this aspect, now no distinction is made with respect to AGM and EGM as in the case of Companies Act, 1956. Consent for shorter notice to be given in writing or by "electronic mode". Now the notice has to be given to every director of the company.

In the explanatory statement to the notice of the general meeting the nature of concern or interest, financial or otherwise, of director, manager, KMP and relatives of directors, manager and KMP and any other information and facts that may enable members to understand the meaning, scope and implications of the items of business. The failure to make such disclosure will make the promoter, director, manager or other KMP liable to compensate the company to the extent of the benefits derived by them. The concept of "Special Business" is

same as under the Companies Act, 1956, however, if any item of "special business" relates to or affects any other company, the extent of shareholding (2% or more) of promoter, director, manager, KMP to be mentioned in the explanatory statement.

- (xviii) Voting through electronic means. Listed company or company having not less than 1000 shareholders have to provide facility of voting by electronic means. A member may or may not exercise the right to vote by electronic means. Newspaper advertisement at least 5 days before the general meeting. E-voting to remain open for not less than 1 day and not more than 3 days. Votes once cast cannot be changed. Please refer to Rule 20 of the Companies (Management and Administration) Rules, 2014.
- (xix) Postal ballot. This will apply to companies having more than 200 members and the following businesses will have to be through postal ballot.
 1. alteration of the objects clause of the memorandum and in the case of the company in existence immediately before the commencement of the New Act, alteration of the main objects of the memorandum;
 2. alteration of articles of association in relation to insertion or removal of provisions which are required to be included in the articles of a company in order to constitute it a private company;
 3. change in place of registered office outside the local limits of any city, town or village;
 4. change in objects for which a company has raised money from public through prospectus and still has any unutilized amount out of the money so raised;
 5. issue of shares with differential rights as to voting or dividend, variation in the rights attached to a class of shares or debentures or other securities;
 6. buy-back of shares;
 7. election of small shareholders' director;
 8. sale of the whole or substantially the whole of an undertaking of a company;
 9. giving loans or extending guarantee or providing security in excess of the limit specified under section 186;
 10. any other business other than ordinary business and any business in respect of which director or auditor have a right to be heard at any meeting;
- (xx) Declaration of dividend.
- (xxi) Preparation of financial statements and the board of directors' report.
- (xxii) Concept of internal audit in certain classes of companies.
- (xxiii) Appointment of auditors and other provisions related thereto, for instance, prohibition of rendering non-audit services.

(xxiv) Appointment and qualifications of directors - this includes independent directors and woman directors, one director to be resident in India for 182 days; duties of directors; resignation of directors; meetings of the board of directors. The maximum number of directors has been increased to 15 from 12. This can be further increased with special resolution of shareholders. The number of directorships per director increased to 20 (but not more than 10 in a public company). The concept of additional director, alternate director and casual vacancy has not changed except that now an additional director not confirmed at the AGM cannot be appointed again by the board of directors and regarding the alternate director, he / she can be appointed if the original director is outside India (and not the state where the board meetings are ordinarily held as provided in the Companies Act, 1956) for a period of not less than 3 months. The participation in the board meeting through prescribed video conferencing or other audio visual is permitted. The gap between two board meetings cannot exceed 120 days. The minimum notice period of 7 days for board meeting - shorter notice possible if at least 1 independent director, if any, present at the meeting. An interesting question arises whether a shorter notice of board meeting be circulated if consented by all the directors of a company. Section 173 (3), inter alia, provides that a meeting of the board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company. It also provides that a meeting of the board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting, however, provided further that in case of absence of independent directors from such a meeting of the board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

In view of the above, in case of "urgent business" a shorter meeting can be called irrespective whether or not all the directors have consented, however, what is critical is that at such a shorter notice meeting one independent director, if a company has one, will have to be present at the meeting or if not present, then the decision taken at such a meeting shall have to be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if there is one. Therefore, a shorter notice meeting is possible provided the above provisions are followed.

Regarding circular resolution - 1/3rd of directors may require a board meeting instead of a circular resolution.

Director may resign from office by giving notice in writing. The board of directors to intimate RoC and place the resignation before next general meeting. A

new concept of the director providing reason for resignation to RoC has been introduced. The date of resignation is effective from date specified or date letter is received, whichever is later.

There are restrictions on non-cash transactions involving directors and such transactions can only be done with an approval of shareholders by special resolution with valuation done by a registered valuer.

(xxv) Audit committee.

(xxvi) Nomination and remuneration committee and stakeholders relationship committee.

(xxvii) Powers of board of directors. Additional matters (i.e. in addition of what were provided in Section 292 of the Companies Act, 1956) are as under which can only be approved at a meeting of the board of directors and not by circulation:

- to issue securities, including debentures, whether in or outside India
- to give guarantee or provide security in respect of loans
- to approve financial statement and the Board's report
- to diversify the business of the company
- to approve amalgamation, merger or reconstruction
- to take over a company or acquire a controlling or substantial stake in another company

(xxviii) Vigil Mechanism.

(xxix) Disclosure of interest by directors.

(xxx) Section 186 - one of the most important provisions regarding loan and investment by companies. Private companies also covered now. This is applicable to lending, giving of guarantee and providing security to any "person" and not only "body corporate". The approval in board meeting with the consent of all directors present and with prior approval of public financial institution is required. The special resolution of shareholders is required if the limits prescribed in Section 186 for lending, guarantee, security and investment are exceeded - resolution should specify the total amount upto which the board is authorised to give such loan or guarantee or provide such security or make such acquisition. Disclosure in the financial statement of full particulars of loans given, investment made or guarantee or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the borrower.

The rate of interest on a loan cannot be lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan. The investment company can only be upto two layers, however, there are two exceptions provided for it in Section 186.

Section 186 is not applicable in the following cases:

- Loans, guarantees given, security provided by banking company or insurance company or housing finance company or company providing infrastructure facilities
- NBFC whose principal business is acquisition of securities
- Rights issue of shares
- Loan, guarantee, security provided by holding company to wholly owned subsidiary or a joint venture company or acquisition of shares of wholly owned subsidiary - from seeking shareholders approval - provided details disclosed in financial statement (Rule 11 of Companies (Meeting of Board and its Power) Rules, 2014)

A register is required to be maintained.

(xxxi) Section 188 - Related party transactions. A clear definition of "related party" has been provided with reference to a company to mean:

- (i) a director or his relative;
- (ii) a KMP or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager is a member director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act;
- (viii) any company which is a holding, subsidiary or an associate company; a subsidiary of a holding company to which it is also a subsidiary;
- (ix) director or KMP of the holding company or his relative.

Further, a clear list of related party transactions has been provided in Section 188 as under:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind; (unlike under the Companies Act, 1956 the transactions of immovable properties are included within the concept of related party transaction)

- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, service or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
- (g) underwriting the subscription of any securities or derivatives thereof, of the company.

The agenda of the board meeting should disclose matters prescribed under Rule 15 (1) of Companies (Meeting of Board and its Power) Rules, 2014. The interested director to absent from meeting. Now the Central Government approval is not required, only special resolution of shareholders required that too only in the following cases (if the transaction is not at arm's length basis in the ordinary course of business):

- (a) Company having a paid-up share capital of Rs. 10 crores or more; or
- (b) Contracts or arrangements exceeding certain value:
 - i. sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding 25% of the annual turnover as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
 - ii. selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents exceeding 10% of net worth as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
 - iii. leasing of property of any kind exceeding 10% of the net worth or exceeding 10% of turnover as mentioned in clause (c) of sub-section (1) of section 188;
 - iv. availing or rendering of any services directly or through appointment of agents exceeding 10% of the net worth as mentioned in clause (d) and clause (e) of sub-section (1) of section 188;
 - v. appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding Rs. 2,50,000 as mentioned in clause (f) of sub-section (1) of section 188; or
 - vi. remuneration for underwriting the subscription of any securities or derivatives thereof of the company exceeding 1% of the net worth as mentioned in clause (g) of sub-section (1) of section 188

"Turnover" or "Net Worth" shall be on the basis of the audited financial statement of the preceding financial year.

The explanatory statement of the shareholders meeting should disclose matters prescribed under Rule 15 (3) of Companies (Meeting of Board and its Power) Rules, 2014, further, the interested members not allowed to vote. The details of related party transactions including certain arm's length transactions and justification for entering the transactions to be provided in Board's report.

The particulars of contracts or arrangement with related party to be entered in the Register of contracts or arrangement in which directors are interested. If a contract or arrangement is not ratified within 3 months, such contract voidable at the option of the board; the director concerned will be liable to indemnify. The violation of related party transactions is a ground for disqualification of a director.

A question arises what will happen to the existing contracts as of April 1, 2014. The existing contracts should not be affected unless their terms and conditions are modified.

(xxxii) Appointment and remuneration of managerial personnel.

(xxxiii) Appointment of KMP. KMP means a CEO or Managing Director or Manager or Whole-time Director and a CFO and a Company Secretary to be appointed in listed companies and public companies having a paid-up share capital of Rs. 10 crore or more. The appointment of KMP has to be by the board of directors. A whole-time KMP cannot hold office in more than one company except the subsidiary, separation of office of chairman and managing director or CEO is provided. The casual vacancy in the office of KMP has to be filled in 6 months. It is very important to note that a KMP is within the list of an "officer in default" as defined under the New Act and is also in the list of "related party". A KMP will have a right to be heard (but not vote) in audit committee meeting when auditor's report is considered. A KMP will be prohibited from forward dealing in securities and insider trading of securities.

(xxxiv) Secretarial audit for certain classes of companies. Applicable to listed companies and public company having a paid-up share capital of Rs. 50 crore or more or having a turnover of Rs. 250 crore or more.

(xxxv) Mediation and Conciliation Panel.

(xxxvi) Dormant companies. A new concept has been introduced in Section 455 for companies which are

formed for future project or to hold an asset or intellectual property and have no "significant accounting transaction" or are "inactive companies" for last 2 financial years. In such cases, the Registrar of Companies on application will allow status of dormant company and issue a certificate in this regard. There will be a risk of name being removed if status of dormant company is not given. Dormant company will be required to maintain minimum director, file documents and pay annual fee to retain the dormant status may become an active company on an application made.

(xxxvii) Prohibition of association of person or partnership or persons exceeding 50, however, an association of person if formed by professionals who are governed by special Acts is exempted from this restriction.

Private companies subject to greater regulations

Unlike in the case of the Companies Act, 1956, private companies will be subject to greater compliance and regulations. The relief and privileges that are provided to private companies under the New Act are as under:

- a) Restriction on transferability of shares
- b) Two members to form quorum of shareholders' meeting
- c) Two directors are required (as against 3 in case of a public company)
- d) May provide additional grounds of disqualifications for directors in its articles of association
- e) Additional grounds for vacation of directors in its articles of association
- f) No requirement to keep the contract of employment with MD and WTD at its registered office
- g) Can provide financial assistance to persons for the purchase of its own shares by giving loans for such purchases
- h) No retirement of directors by rotation
- i) No restriction on the limits of managerial remuneration
- j) Exemption regarding disclosure in board of directors' report of formal annual evaluation of board's own performance and that of its committee and individual directors
- k) Appointment of Woman Director and Independent Directors
- l) Appointment of Audit committee and Nomination and Remuneration Committee
- m) Only two directors on the CSR Committee with no requirement to have an independent director.

However, please keep a watch on the notifications issued by the Central Government, if any, under Section 462 of the New Act for further exemptions to private companies.



COMPLIANCE CHECKLIST FROM 1ST APRIL TO 10TH MAY, 2014

Central Excise Related Compliance						
S. No.	Activities	Sections/Rules/Clauses, etc.	Acts/Regulations etc.	Compliance Date	Due	To whom to be submitted
1.	Monthly Return of information relating to Principal Inputs (March, 2014) (Form No. ER-6)	Rule 9A	CENVAT Credit Rules, 2004	10 th April		Central Excise Authorities
2.	Filing of Return of Central Excise and Cenvat Credit for the month of March, 2014 (Form No. ER-1) (Non SSI Units)	Rule 12 / Rule 9(7)	Central Excise Rules, 2002/ CENVAT Credit Rules, 2004	10 th April		Central Excise Authorities
3.	Monthly Excise return by EOU for the month of March, 2014 (Form No. ER-2)	Rule 17(3)	Central Excise Rules, 2002	10 th April		Central Excise Authorities
4.	Filing of Return of Central Excise and Cenvat Credit for the Quarter ended 31 st March, 2014 (Form No. ER-3) (SSI Units)	Rule 12(1) Second Proviso	Central Excise Rules, 2002	10 th April		Central Excise Authorities
5.	Yearly Declaration of Principal Inputs under central excise to be filed by a unit paying total duty (Cenvat Credit + Cash) of more than 1 crore (Form No. ER-5)	Rule 9A(1)	Central Excise Rules, 2002	30 th April		Central Excise Authorities
6.	Declarations for Yearly Annual Installed Capacity Statement under central excise to be filed by a unit paying total duty (Cenvat Credit + Cash) of more than 1 crore (Form No. ER-7)	Rule 12(2A)	Central Excise Rules, 2002	30 th April		Central Excise Authorities
7.	Last Date for payment of Excise Duty Non SSI units (April) *(in case of Payment through Internet banking)	Rule 8	Central Excise Rules, 2002	05 th May *06 th May		Central Excise Authorities
8.	Monthly Return of information relating to Principal Inputs (April, 2014) (Form No. ER-6)	Rule 9A	CENVAT Credit Rules, 2004	10 th May		Central Excise Authorities
9.	Filing of Return of Central Excise and Cenvat Credit for the month of April, 2014 (Form No. ER-1) (Non SSI Units)	Rule 12 / Rule 9(7)	Central Excise Rules, 2002/ CENVAT Credit Rules, 2004	10 th May		Central Excise Authorities
10.	Monthly Excise return by EOU for the month of April, 2014 (Form No. ER-2)	Rule 17(3)	Central Excise Rules, 2002	10 th May		Central Excise Authorities
Service Tax Related Compliances						
11.	File Service Tax Return in Form "ST-3" for the half year period covering between October, 2013 to March, 2014.	Return under section 70 of the Finance Act, 1994 & Rule 7 of Service Tax Rules	Finance Act, 1994 Service Tax Rules, 1994	25 th April		Service Tax Authorities
12.	Pay Service Tax in Challan GAR - 7, collected for the month of April 2014 by persons other than individuals proprietors and partnership firms. *(in case of Payment through Internet banking)	Section 68 Read with Rule 6	Finance Act, 1994 Service Tax Rules, 1994	05 th May *06 th May		Service Tax Authorities
Income-tax Related Compliances						
13.	Contractor's Bill / Advertising / Professional service Bill - TDS collected for the previous month Section 194J (March, 2014)	Section 194C Section 194J	Income-tax Act, 1961	07 th April		Income Tax Authorities
14.	Monthly payment of TCS (March, 2014)	Section 206	Income-tax Act, 1961	07 th April		Income Tax Authorities
15.	TDS from Salaries for the previous month (March 2014)	Section 192	Income-tax Act, 1961	07 th April		Income Tax Authorities
16.	Deposit TDS from salaries for the previous month in Challan No.281 (March)	Section 192	Income-tax Act, 1961	07 th April		Income Tax Authorities
17.	Monthly payment of TDS for the Month of March on all types of payments	Section 200	Income-tax Act, 1961	30 th April		Income Tax Authorities
18.	Quarterly payment of TDS for payments with the prior approval of the Joint Commissioner for the Quarter ending March 31.	Section 192, 194A, 194D or 194H	Income-tax Act, 1961	30 th April		Income Tax Authorities
19.	Contractor's Bill / Advertising / Professional service Bill - TDS collected for the previous month Section 194J (April, 2014)	Section 194C Section 194J	Income-tax Act, 1961	07 th May		Income Tax Authorities
20.	Monthly payment of TCS (April, 2014)	Section 206	Income-tax Act, 1961	07 th May		Income Tax Authorities



S. No.	Activities	Sections/Rules/Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
21.	TDS from Salaries for the previous month (April 2014)	Section 192	Income-tax Act, 1961	07 th May	Income Tax Authorities
22.	Deposit TDS from salaries for the previous month in Challan No.281 (April)	Section 192	Income-tax Act, 1961	07 th May	Income Tax Authorities
RBI Related Compliances					
23.	Monthly return (NBS-6) on exposure to capital market	Para 13B	NBFC Prudential Norms (Reserve Bank) Directions, 1998	07 th April	RBI
24.	Monthly Return on Important Financial Parameters	DNBS (RID) C.C. No.57/02.05.15/2005-06 dated Sep 6, 2005	Circular	07 th April	RBI
25.	Reporting of actual transactions of ECB in form ECB-2 within 7 working days (March)	ECB Rules	FEMA, 1999	08 th April	RBI through Authorized Dealer
26.	Monthly statement of short term dynamic liquidity in Form ALM-I	DNBS (PD).CC.No.15 /02.01/2000-2001 dated June 27, 2001	Circular	10 th April	RBI
27.	Quarterly submission of Monetary and Supervisory Return (Form NBS- 5)	DNBS.PD.CC.No. 227/03.10.042/ 2011-12 dated July 01, 2011	Master Circular	10 th April	RBI
28.	Quarterly return on Details of Assets and Liabilities in Form NBS-1	Master Circular	DNBS.PD.CC.No.282/ 03.10.042/2012-13 dated July 02, 2012	15 th April	RBI
29.	Quarterly return on Capital Funds, Risk Assets, Asset Classification in Form NBS-2	Master Circular	DNBS.PD.CC.No.282/ 03.10.042/2012-13 dated July 02, 2012	15 th April	RBI
30.	Quarterly return on Statutory Liquid Assets in Form NBS-3	Master Circular	DNBS.PD.CC.No. 227/03.10.042/ 2011-12 dated July 01, 2011	15 th April	RBI
31.	File a quarterly result on frauds outstanding	Circular dated 26.10.2005	Department of Non Banking Supervision	15 th April	RBI
32.	Half yearly statement of structural liquidity in Form ALM- II	Circular	Circular No. 15 of NBFC Supervision Division	20 th April	RBI
33.	Half yearly statement of interest rate sensitivity in Form ALM- III	Circular	Circular No. 15 of NBFC Supervision Division	20 th April	RBI
34.	Half- yearly Asset- Liability Management Return (Form ALM)	DNBS.PD.CC.No. 227/03.10.042/ 2011-12 dated July 01, 2011	Master Circular	30 th April	RBI
35.	Quarterly Return by NBFC	DNBS.PD.CC.No. 227/03.10.042/ 2011-12 dated July 01, 2011	Master Circular	30 th April	RBI
36.	Quarterly Return of overseas investment	DNBS.PD.CC.No. 227/03.10.042/ 2011-12 dated July 01, 2011	Master Circular	30 th April	RBI
37.	Monthly return (NBS-6) on exposure to capital market	Para 13B	NBFC Prudential Norms (Reserve Bank) Directions, 1998	07 th May	RBI
38.	Monthly Return on Important Financial Parameters	DNBS (RID) C.C. No.57/02.05.15/2005-06 dated Sep 6, 2005	Circular	07 th May	RBI
39.	Reporting of actual transactions of ECB in form ECB-2 within 7 working days (April)	ECB Rules	FEMA, 1999	08 th May	RBI through Authorized Dealer
40.	Monthly statement of short term dynamic liquidity in Form ALM-I	DNBS (PD).CC.No.15 /02.01/2000-2001 dated June 27, 2001	Circular	10 th May	RBI



Economic, Industrial & Labour Law Related Compliances					
S. No.	Activities	Sections/Rules/Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
41.	Monthly payment of Provident Fund (PF) (Non Corporate)	(a) Paragraph 38 of Employees Provident Funds Scheme, 1952 (b) Section 418 of the Companies Act, 1956	(a) Employees' Provident Funds and Misc. Provisions Act, 1952 (b) Exempted Scheme	15 th April	Provident Fund Authorities Trustees of Provident Fund
42.	File monthly return for employees leaving / joining during the month of March (Form No.5)	Paragraph 20(2) read with Paragraph 36(1) & (2)	The Employees Pension Scheme, 1995 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)	15 th April	Provident Fund Commissioner
43.	i) File monthly Return of employees entitled for membership of Insurance Fund (Form No.2(IF)) ii) File monthly Return for members of Insurance Fund leaving service during the month of March (Form no. 3(IF)) iii) File monthly return of members joining service during the month of March (Form no.F4(PS))	Paragraph 10	The Employees Deposit Linked Insurance Scheme, 1976 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)	15 th April	Provident Fund Commissioner
44.	Payment of ESI contribution for the previous month	Regulation 31	Employees' State Insurance Act, 1948 and Employees State Insurance (Gen.) Regulations, 1950	21 st April	ESIC Authorities
45.	Monthly return of Provident Fund for the previous month (March) Provident funds	Paragraph 38 of Employees' Provident Act, 1952	Employees Provident Funds and Misc. Scheme, 1952	25 th April	Provident Fund Authorities
46.	Monthly return of Provident Fund for the previous month with respect to International Workers.	Paragraph 36	The Employees' Provident Funds Scheme, 1952	25 th April	Provident Fund Authorities
47.	EPF/ EPS - Member's annual Contribution card	Paragraph 38	The Employees' Provident Funds Scheme, 1952	30 th April	Provident Fund Authorities
48.	EPF/EPS - Consolidated annual contribution statement	Paragraph 38	The Employees' Provident Funds Scheme, 1952	30 th April	Provident Fund Authorities
49.	Exempted Establishment - EPS - Annual - Contribution card for members for the year	Paragraph 38	The Employees' Provident Funds Scheme, 1952	30 th April	Provident Fund Authorities
50.	Exempted Establishment - EPS - Annual - Consolidated annual contribution statement	Paragraph 38	The Employees' Provident Funds Scheme, 1952	30 th April	Provident Fund Authorities
51.	Exempted Establishment - EDLIS - Annual - Consolidated annual contribution statement	Paragraph 38	The Employees' Provident Funds Scheme, 1952	30 th April	Provident Fund Authorities
52.	In case of graduate, technician (vocational), send a record of work for each quarter in Form Apprenticeship 3 in Schedule III	Section 2 Rule 14(11)	Apprentices Act, 1961 and Apprenticeship Rules, 1962	30 th April	Director Regional Board of Apprenticeship Training
Stock Exchange / Listing Compliance					
53.	1. Every person, who together with persons acting in concert with him, holds shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company, shall disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company 2. The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company.	Regulation 30(1)	Securities and Exchange Board of India (Substantial Acquisition of shares and takeovers) regulations, 2011	08 th April (within seven working days from the end of each financial year)	(a) every stock exchange where the shares of the target company are listed; and (b) the target company at its registered office.



S. No.	Activities	Sections/Rules/Clauses, etc.	Acts/Regulations etc.	Compliance Due Date	To whom to be submitted
54.	Quarterly Corporate Governance Compliance Certificate/Report	Clause 49	Listing Agreement	15 th April	Securities & Exchange Board of India
55.	Submission of three copies of quarterly results signed by the Managing Director and newspaper cuttings of quarterly results.	Clause 31	Listing Agreement	Promptly on publishing quarterly results in newspapers	Securities & Exchange Board of India
56.	Issue of press release about Board Meeting to consider quarterly results.	Clause 41	Listing Agreement	Immediately on informing the Stock Exchanges	Securities & Exchange Board of India
57.	Announcement of Quarterly Results along with limited Audit Review of the same by the Auditors.	Clause 41	Listing Agreement	Within 15 minutes of closure of Board Meeting in which the results are placed	Securities & Exchange Board of India
58.	Publish Quarterly Results.	Clause 41	Listing Agreement	Within 48 hours of the conclusion of the Board Meeting	Securities & Exchange Board of India
59.	Intimation of date of Board Meeting for taking on record quarterly results advance	Clause 41	Listing Agreement	7 Days in Advance	Securities & Exchange Board of India
60.	Submission of Shareholding Pattern as at the end of the previous quarter	Clause 35	Listing Agreement	21 st April	Securities & Exchange Board of India
61.	Payment of Annual Listing Fees	Clause 38	Listing Agreement	30 th April	Securities & Exchange Board of India
62.	Reconciliation of Share Capital Audit	Regulation 55A	SEBI (Depositories and Participant) Regulation 1996	30 th April (within 30 days from the end of the Quarter)	Securities & Exchange Board of India
63.	Certificate under clause 47[C] of the Listing Agreement	Clause 47(c)	Listing Agreement	30 th April (within one month from the end of the Half Financial Year)	Securities & Exchange Board of India
Depositories					
64.	Submit monthly statement on substitution of names of depositories in the previous quarter.	Regulation 54(5)	SEBI (Depositories & Participants) Regulations, 1996	07 th April	Depositories
65.	Quarterly certificate for demat/ remat of shares done during previous quarter	Regulation 54(5) read with NSDL Circular No. NSDL/SG/015/99	SEBI (Depositories & Participants) Regulations, 1996	07 th April	Depositories
66.	Submit monthly statement on substitution of names of depositories in the previous quarter.	Regulation 54(5)	SEBI (Depositories & Participants) Regulations, 1996	07 th May	Depositories

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

CHAPTERS OF NIRC-ICSI

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LEGAL UPDATES**Aidqua Holdings (Mauritius) Inc. Appellant****Vs.****Tamil Nadu Water Investment Respondents****Dated : 31 January, 2014****Company Appeal No.7 of 2012****Crux of the Judgement**

This appeal is preferred under Section 10-F of the Companies Act, 1956 against an interim order passed by the Company Law Board on a miscellaneous application filed by the company in question, pending disposal of a main company petition under Sections 397 and 398 of the Companies Act, 1956 is under challenge in the above appeal under Section 10-F of the Act.

Brief facts about the case

The respondents in the case are shareholders as well as creditors of the company, they are respectively (i) Tamil Nadu Water Investment Company Ltd., (ii) Tirupur Infrastructure Development Company Ltd., and (iii) Infrastructure Leasing and Financial Services Ltd., they joined together and filed a petition in C.PN 18 of 2007 on the file of the Additional Principal Bench of the CLB. The petition was filed on allegations of oppression and mismanagement under Sections 397, 398, 402, 403 & 406.

During the pendency of the above main company petition, several miscellaneous applications were taken one of the miscellaneous application Comp.A.No.15 of 2011, filed by the appellant herein, was to sought an order prohibiting the company in question from considering a Corporate Debt Restructuring (CDR) Scheme, unless and until a special audit and investigation is carried out in terms of the prayer made by them in yet another miscellaneous application pending from 2010 onwards. By an order dated 21.7.2011, the Company Law Board disposed of the said application Comp.A.No.15 of 2011, directing the Board of Directors of the company, to first consider the said Scheme and to take a decision in-house and thereafter come back to the Company Law Board if there were any difficulties. It was also made clear by the Company Law Board that the final decision taken by the Board of Directors on the CDR Scheme should be placed before the Company Law Board Bench before implementation.

In accordance with the order so passed by the CLB, the CDR Scheme was fine-tuned by the Empowered Group for CDR, with the Lead institution of the Consortium viz., IDBI in a meeting held on 29.11.2011. This application was filed on 9.12.2011 by the company.

At or about the same time, the appellant also filed a fresh company petition in C.P.No.101 of 2011 under Sections 397 and 398, claiming that the CDR Scheme proposed was oppressive in nature and that it could not be implemented. Since the averments contained in this petition virtually met and countered all the averments contained the Company Law Board passed an order, disposing of the miscellaneous application, permitting the company to implement the CDR Scheme, making it clear that the implementation of the Scheme shall not affect the special rights enjoyed by the appellant under the Articles of Association of the company. The Company Law Board also made it clear that the Company shall not have the power to amend the Articles of Association, affecting the special rights of the appellant, without the permission of the Board.

Aggrieved by the above order, permitting the company to implement the CDR Scheme and contending that such implementation has the natural result of complete annihilation of their special rights, the appellant has come up with the above appeal under Section 10-F of the Companies Act, 1956.

On 12.4.2012, the above appeal appears to have come up for orders as to admission along with a miscellaneous petition for interim stay of the order of the Company Law Board. On the said date, the respondents also appeared through counsel and opposed the grant of any interim order. Therefore, this Court simply adjourned the appeal for a detailed hearing.

The order of the Company Law Board is challenged on any number of grounds as a legal brain of fertile imagination could do

The ground of attack is that the interim relief granted by the Company Law Board is beyond the scope of the main petition itself and the same has the effect of a final order. Therefore, in precise terms, the question of law that arises for consideration is as to whether the Tribunal is competent to grant an interim relief, which would have the effect of closing the rights of one of the parties once and for all.

Mr. Sudipto Sarkar, learned Senior Counsel appearing for the appellant contended that a court has no jurisdiction to grant, by way of interim relief, what could never be granted in the main suit itself. He also relied upon the decision of the Supreme Court.(Cotton Corporation of India Limited Vs. United Industrial Bank Limited & Others [1983 (4) SCC 625]) in support of his contention that an interim relief can be granted only in aid of and as ancillary to the main relief. On the fundamental proposition that a court cannot grant an interim relief beyond the scope of the final relief sought by the parties

and that the interim relief so granted could only be ancillary to or incidental to the main relief, there can be no quarrel. Therefore, the Division Bench of this Court held (i) that a court has no jurisdiction to grant, by way of interim relief, what could never be granted in the main suit itself; and (ii) that the court would not also grant an interim relief, which would lapse on the termination of the suit, but would leave the parties in the same position, in which, they were before the institution of the suit.

On facts, what had to be tested was (i) whether the interim relief granted by the Company Law Board arises out of and incidental or ancillary to the main relief sought; and (ii) whether the interim relief granted is actually the final relief or something short of the same.

If tested from the above facts, it will be clear that the interim relief sought by the company actually arose out of the main relief. It was certainly incidental and ancillary to the main relief sought. The main relief was for the cancellation of the special rights conferred upon the appellant, the exercise of which, resulted in the CDR scheme being vetoed out. Therefore, the interim relief to go ahead with the CDR scheme ignoring the special rights of the appellant, certainly arose out of the main relief. As a matter of fact, it was the appellant, which first filed a miscellaneous application in CNA 15 of 2011 for an injunction to restrain the company from considering any CDR scheme till CNA 32 of 2010 is disposed of. The said application was closed by the Company Law Board with a direction to the company to have the scheme considered by the Board of Directors. Accordingly, the Board of Directors met on 5.12.2011 and the appellant vetoed the resolution. Thereafter, the appellant themselves came up with a petition in C.P.No.101 of 2011 seeking a declaration that the CDR scheme cannot be implemented. There was no necessity for the appellant to file C.P.No.101 of 2011 in the light of the special rights conferred upon them by the Articles of Association and in the light of the recognition of the existence of such special rights by the respondents. If, despite the veto exercised by the appellant, the company had gone ahead with the CDR scheme, it would have left only the appellant to seek interim stay of implementation of the CDR scheme. Perhaps, anticipating such a scenario, the appellant filed C.P.No.101 of 2011. If the company had allowed this to happen, the appellant could have been on the other side of the table to justify the prayer for interim relief to put on hold the CDR scheme. Therefore, there is no doubt that the interim relief actually arose out of and was incidental and ancillary to the main relief.

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Statutory body under an Act of Parliament

PMQ COURSES OFFERED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

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

1. PMQ Course in Corporate Governance

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

The brochure of the course is available at:

https://www.icsi.edu/portals/0/Brochure_PMQ_CG_16042014.pdf

2. PMQ Course in Corporate Restructuring and Insolvency

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

The brochure of the course is available at:

http://www.icsi.edu/WebModules/AboutUs/Courses/PMQ_CRI.pdf

For any queries, please write to sonia.baijal@icsi.edu / nishita.singhal@icsi.edu or contact - 011-45341039.

PAYMENT OF ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2014-15

The annual membership fee and certificate of practice fee for the year 2014-15 became due for payment w.e.f 1st April, 2014. The last date for payment of fee is 30th June, 2014.

The 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/- (**) |

For queries, if any, the members may please write to Mr. Saurabh Bansal, Assistant Education Officer at email id Saurabh.bansal@icsi.edu.



NEWS FROM NIRC

NIRC organised the following programs for Members and Students

<i>Date</i>	<i>Program</i>	<i>Chief Guest/Speakers</i>	<i>Present</i>
04.3.2014 to 11.3.2014	103rd Student Induction Program (SIP)	Members of the Institute and other professionals	Students of the Institute
04.3.2014 to 11.3.2014	104th Student Induction Program (SIP)	Members of the Institute and other professionals	Students of the Institute
6.3.2014	Valedictory Session of 187th MSOP	Chief Guest: CS S K Aggrawal, Past Chairman, NIRC-ICSI	CS Manish Gupta, CS Deepak Kukreja, CS Ranjeet Pandey, Mr. S K Nagar, CS Alka Arora and participants
7.3.2014	Professional Development Program	Ms. Dipanwita, Corporate Trainer & CS Paramjeet Singh	Students of the Institute
8.3.2014	One Day Workshop on the Companies Act, 2013	CS Lalit Jain, Senior Vice President and Company Secretary of Jubilant Life sciences Limited & Mr. Ashish Makhija, AMC Law Firm	CS Manish Gupta, CS Atul Mittal, CS Deepak Kukreja, CS Rajiv Bajaj CS Vineet K Chaudhary and members
14.3.2014	South Zone Study Group Meeting on Corporate Restructuring under New Companies Act	CS Pankaj Jain	Members and students
15.3.2014	One Day Workshop on the Companies Act, 2013	Dr. S. Chandrasekaran, Senior Partner, Chandrasekaran Associates, & CS Pankaj Jain	CS Shyam Agrawal, CS Atul Mittal, CS Rajiv Bajaj, CS Ranjeet Pandey, CS Vineet K Chaudhary, Mr. S K Nagar and members
15.3.2014	West Zone Study Group Meeting on Shareholders Democracy & Class Action Suit	CS Kapil Taneja, GM - Legal & Group Company Secretary, Caparo India Operations	Members and students
15.3.2014	Valedictory Session of 188th MSOP	Chief Guest: Mr. R.C. Meena, Additional Director, Serious Fraud Investigation Office, Ministry of Corporate Affairs	CS Shyam Agrawal, CS Ranjeet Pandey, Mr. S K Nagar, CS Alka Arora and participants
18.3.2014	Professional Development Program	CS Pritika Nagi & Dr. Bhavna Barmi	Students of the Institute
19-26.3.2014	105th Student Induction Program	Members of Institute & other professionals	Students of the Institute
21.3.2014	Study Circle Meeting on Financial Transactions In The New Companies Act, 2013	CS Rajeev Goel, Advocate	CS Shyam Agrawal, CS Manish Gupta, CS Deepak Kukreja, CS Ranjeet Pandey, CS Vineet K Chaudhary, and members
22.3.2014	One Day Workshop on the Companies Act, 2013	CS S Koley, Company Secretary in Practice & CS Sharad Tyagi, Associate Partner, Seth Dua & Associates	CS Atul Mittal, CS Rajiv Bajaj, CS Ranjeet Pandey, and members
22.3.2014	President Meeting with Chairman, NIRC & its Chapters	CS R Sridharan, CS Vikas Khare, CS M.S. Sahoo & CS Sutanu Sinha	CS Shyam Agrawal, CS Manish Gupta, CS Dhananjay Shukla, CS K.V. Singhal & other Managing Committee Members of Chandigarh Chapter & others



<i>Date</i>	<i>Program</i>	<i>Chief Guest/Speakers</i>	<i>Present</i>
24.3.2014	Meeting of Company Secretaries in Practice on Opportunities for CS under the New Companies Act, 2013	CS Ranjeet Pandey, Past Chairman, NIRC-ICSI	CS Manish Gupta and members
28.3.2014	Vaishali Study Group Meeting on Companies Act 2013- CSR Provisions and Preparedness	CS K K Kohli of Jagatjit Industries	CS Shyam Agrawal, CS Ranjeet Pandey, CS Pranav Kumar & Members
29.3.2014	One Day Seminar on "Company Secretary As Compliance Professional- Risk & Rewards"	Chief Guest: Mr. Manoj K Arora (Additional Director General of Export Promotion, Department of Revenue, Ministry of Finance); Guest of Honour: Mr. Deepak Wadhawan (Director, All India Heart Foundation & Ex-Senior Advisor, Risk Advisory Practice, KPMG); Chairmen of the sessions: CS Nesar Ahmad & CS U K Chaudhary, both Past Presidents-ICSI; Guest Speakers: Shri T N Pandey (Former Chairman, CBDT & Advocate); CS Lalit Kumar (Partner, J Sagar & Associates); CS (Dr.) S D Israni (Advocate & Sr. Partner, S D Israni Law Chambers) and Mr. Jagvinder S Brar (Partner - KPMG Forensic)	CS Shyam Agrawal, CS NPS Chawla, CS Manish Gupta, CS Dhananjay Shukla, CS Rajiv Bajaj, CS Ranjeet Pandey, CS Vineet K Chaudhary, Mr. S K Nagar, CS Alka Arora and members
29.3.2014	East Zone Study Group Meeting on CS Profession in the Indian Infrastructure Sector	CS Rachna Sayal (Senior Vice President, Almondz Infrastructure Consultants (AIC))	CS Rajesh Jha, CS Prashant Balodia & members
30.3.2014	North Zone Study Group Meeting on Board Management and Shareholders Meeting	CS Satwinder Singh, Partner, Vaish Associates	CS Nitesh Sinha, CS Ishleen Kaur & members

LIGHTER SIDE OF THE PROFESSION

"Paramjeet Singh, how come you are quitting the job though you have no alternative in hand?"

"Because it is very difficult to work in such a suffocating atmosphere."

"What is so suffocating?"

"Work Hard, Work smart, Work Perfect, Work For Less & Less."

"Sir, why I am being fired?"

"I am fed up with the mistakes you make every other day."

"Sir, every human being make mistakes. Don't you ever make mistakes?"

"Yes, I agree with you...all human being make mistakes..I am just correcting one of the mistake of hiring you."

– CS PRAMJEET SINGH, pslawadvisers@yahoo.com

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



CHAPTERS ACTIVITIES			
<i>Name of Chapter</i>	<i>Date of Program/Meeting</i>	<i>Program/Meeting & topic- Chief Guest/Speaker(s) dignitaries</i>	<i>NIRC Member/Chapter Committee Member Present</i>
Amritsar	22.02.2014; 15.03.2014 and 29.03.2014	Meetings on Section 185 of Companies Act 2013; Corporate Social Responsibility and New Rules Notified under the Companies Act	CS Anil Aggarwal, CS Rakesh sood, CS Anjum Goyal, CS Sunil Mehra, CS Rishi Mittal, CS Neeraj Marwaha, CS Neeraj Sharma, and members.
Chandigarh	28.2.2014	Seminar on Challenges and Opportunities for Company Secretaries under Companies Act, 2013; Speaker: CS Satwinder Singh, Partner, Vaish Associates	Managing Committee Members and members
	10.3.2014	Seminar on Service Tax; Speaker: Shri V K Garg, IRS Ex-Joint Secretary (TRU), Central Board of Excise & Customs, Govt. of India	Managing Committee Members and members
Jodhpur	27-28.2.2014	Seminar on Capacity Building	Managing Committee Members and members
	1.3.2014	Launch of 4th Management Skills Orientation Program	Managing Committee Members and students
	2.3.2014	Seminar on Capacity Building by CS Shyam Agrawal, Chairman, NIRC	Managing Committee Members and members
	24.3.2014	18th Executive Development Program	Managing Committee Members and students
	25.03.2014	89th Student Induction Program	Managing Committee Members and students
	8-26.3.2014	Investor Awareness Programs (Six Programs)	Managing Committee Members and members
	29.3.2014	Webcast of Seminar organized by NIRC	Managing Committee Members and members
	30-31.3.2014	UGC National Seminar with J N V University	Managing Committee Members and members
Gurgaon	01.03.2014	17th MSOP Inaugural Session; Chief Guest: CS DK Sharma, Past Chairman of Gurgaon Chapter	CS Dhananjay Shukla, CS Punit Handa and Students



<i>Name of Chapter</i>	<i>Date of Program/Meeting</i>	<i>Program/Meeting & topic- Chief Guest/Speaker(s) dignitaries</i>	<i>NIRC Member/Chapter Committee Member Present</i>
Gurgaon	07.03.2014	Study Circle Meeting on Class Action Suits; Speaker: CS S. Kumar	CS KK Singh, CS Punit Handa, CS Pankaj Keshari and members
	14.03.2014	Full Day Seminar on Companies Act, 2013; Chief Guest: Mr. Praveen Kumar, IAS, Commissioner - Municipal Corporation Gurgaon, Guest of honour: Mr. Devashish Dasgupta, Director - Corporate Affairs, Yum! India Restaurants Pvt. Ltd.; Speakers: CS Satwinder Singh, CS BK Sharma, CS Sanjeev Gemawat, CS KK Singh and CS Pranav Kumar	CS Dhananjay Shukla, CS Hitender Mehta, CS Santosh Kumar Sharma, CS KK Singh, CS Pankaj Tandon and members.
	15.03.2014	Valedictory Session of 17th MSOP	CS Shyam Agrawal, CS Dhananjay Shukla, CS Santosh Sharma, CS Punit Handa and Students
	15.03.2014	Holi Milan Samaroh	CS Shyam Agrawal, CS Dhananjay Shukla, CS Santosh Sharma, CS Punit Handa, members and students
	20.03.2014	15th Professional Development Programs; Speakers: CS Ranjeet Pandey and CS Nitin Grover	Students of the Institute
	22.03.2014	Study Circle Meeting on Liability of KMP under Fraud; Speaker: CS Abhay Sharma	CS KK Singh and members
	24.03.2014	23rd SIP	Students of the Institute
	29.03.2014	16th Professional Development Programs; Speakers: CS Preetika Nagi & CS Vikram Jhavar	Students of the Institute
Udaipur	13.3.2014	Study Circle Meeting on Group Discussion over Provisions relating to CSR u/s 135 of Companies Act, 2013 and CS Rules	CS S N Maheshwari, CS Pawan Talesara, members & students
Varanasi	26.2.2014 to 4.3.2014	6th Student Induction Program	CS Sushil Kumar Kandoi, CS Nandita Gujrati and students
	15.2.2014	Career Awareness Program at Faculty of Law, Banaras Hindu University for LLB and LLM students.	CS Sushil Kumar Kandoi and students



CORPORATE MEMBERSHIP FOR PROFESSIONAL PROGRAMS

The concept of Corporate Membership for Professional Development Programs, as started by NIRC, is well appreciated and acknowledged by the members and corporates as it is convenient to make payment/take approval at onetime to attend different Professional Development Programs during the year.

The Corporate Membership scheme will continue for the financial year 2014-2015. Members are invited to opt for Corporate Membership for Professional Development Programs for the financial year 2014-2015 (April 2014 to March 2015) at the following fee structure.

Table with 4 columns: S.No., Particulars, Amount Up to 25.04.2014*, Amount After 25.04.2014*. Rows include: 1. For Members (Rs. 9,000/- to Rs. 9,500/-), 2. For PCS (Rs. 8,400/- to Rs. 8,900/-), 3. For Non-Members (Rs. 10,100/- to Rs. 10,500/-), 4. For Senior Citizens (Rs. 7,300/- to Rs. 7,800/-).

The terms & conditions/benefits of the scheme shall be as under:

- (a) To attend all the paid professional development programs (except Workshops and Residential programs) organized by NIRC free of charge throughout the year.
(b) The member may depute some other officer only from his/her organization with authorization on letter head of the company and certifying that the nominated person is from his/her organization.
(c) The individual member/PCS may depute his partner, employee or trainee authorizing in writing to attend the program.
(d) Credit hours will be given to only those members who joins the programs upto 11.00 a.m.

Your Regional Council is committed and dedicated to consistently deliver excellent services and is duty bound to regularly organise quality programs on diversified issues of professional interest.

During the year 2013-14, NIRC has successfully organised 16 high quality Professional Development Programs for the Corporate Members free of cost.

Corporate Members were invited free of cost to the Cultural Program/New Year Eve Celebrations and other social activities as organised by NIRC for members and their families during this year.

Every Corporate Members of NIRC is also given a Annual Compliance Planner-2014 of NIRC as token of appreciation for participating in the NIRC Corporate Membership Scheme.

All members of NIRC are kindly requested to obtain the Corporate membership for the year 2014-2015 and take part in all the activities of the NIRC.

*Inclusive of Service Tax (Rounded off to nearest rupee)

FORM OF CORPORATE MEMBERSHIP FOR PROFESSIONAL DEVELOPMENT PROGRAMS FOR FINANCIAL YEAR 2014-15

Form fields for: (1) Name of Nominated Person, (2) Membership No (ACS/FCS), (3) Corporate Membership No. of NIRC (For existing members only), (4) Sponsoring Organisation (Telephone, Fax, Mobile, E-mail), (5) Details of Payment of Fee (Cash/Cheque/DD No/ dated, Bank Amount).

Date :

Signature

Note : Cheque/DD to be issued in favour of "NIRC of the ICSI" and sent to Regional Director, NIRC of ICSI, 4 Prasad Nagar Institution Area, New Delhi.



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

NORTHERN
INDIA
REGIONAL
COUNCIL



ONE DAY SEMINAR

on

"COMPANIES ACT, 2013 - RECENT NOTIFIED SECTIONS & RULES"

on

Tuesday, the 29th April, 2014

(Registration starts at 9.30 AM)

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

**Fee: Rs.2250/- for members (Rs. 1125/- for students) per delegate inclusive of Service Tax ;
FREE for Corporate Members of NIRC (2014-15)**

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

(Credit Hours will be given to only those members who joins the programs upto 11.00 AM. and mark the attendance both at the beginning & conclusion of the program)

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

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

COMPANY SECRETARIES BENEVOLENT FUND

Members enrolled as Life Members of the Company Secretaries Benevolent Fund from Northern Region from 21.02.2014 to 21.03.2014

S.No.	Name	Mem. No.
1.	CS Shalu Singhal	ACS - 32682
2.	CS Dinesh Kumar	ACS - 27618
3.	CS Tribhuvan Aggarwal	ACS - 33771
4.	CS Saurabh Mago	ACS - 35196
5.	CS Raghuvansh Mani	FCS - 6211

Seminar on Company Secretary as Compliance Professional- Risk & Rewards (29.3.2014): First Technical Session - L to R CS Ranjeet Pandey, Shri T N Pandey (Former Chairman, CBDT & Advocate) CS Nesar Ahmad (Past President, ICSI), CS Lalit Kumar (Partner, J Sagar & Associates) & CS Vineet K Chaudhary. ★



Seminar on Company Secretary as Compliance Professional- Risk & Rewards (29.3.2014): Second Technical Session - L to R CS Rajiv Bajaj, Mr. Jagvinder S Brar (Partner – KPMG Forensic), CS U K Chaudhary (Senior Advocate & Past President-ICSI), CS (Dr.) S D Israni (Advocate & Sr. Partner, S D Israni Law Chambers) & CS Dhananjay Shukla. ★



Valedictory Session of 187th MSOP (6.3.2014): L to R CS Alka Arora, CS Manish Gupta, CS S.K. Aggrawal (Past Chairman, NIRC-ICSI), CS Ranjeet Pandey & CS Deepak Kukreja. Best Group/participants standing. ★

One Day Workshop on the Companies Act, 2013 (22.3.2014): CS Rajiv Bajaj, CS S Koley, CS Ranjeet Pandey, CS Sharad Tyagi and CS Atul Mittal ★

Valedictory Session of 188th MSOP (15.3.2014): L to R CS Alka Arora, CS Shyam Agrawal, Mr. R.C. Meena, (Additional Director, Serious Fraud Investigation Office), CS Ranjeet Pandey and Mr. S K Nagar. Best Group/participants standing. ★



One Day Workshop on the Companies Act, 2013 (8.3.2014): CS Lalit Jain (Senior Vice President and Company Secretary of Jubilant Life sciences Limited) addressing. Other sitting from L to R CS Rajiv Bajaj, Mr. Ashish Makhija (AMC Law Firm), CS Atul Mittal and CS Manish Gupta. ★

Gurgaon Chapter - Valedictory Session of MSOP (15.3.2014): CS Shyam Agrawal Addressing. Others L to R CS K.K. Singh, CS Santosh Sharma & CS Punit Handa ★



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COMPANY SECRETARIES BENEVOLENT FUND

Be a proud member of CSBF-Saathi Haath Badhana

Dear Professional Colleagues,

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

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

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

Following benefits are presently provided by the CSBF:

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

Upto the age of 60 years

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

Above the age of 60 years

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

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

Reimbursement of Medical Expenses

- Upto ₹ 60,000/-

Financial Assistance for Children's Education (one time)

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

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

Looking forward to receive positive response for this noble cause.

Yours sincerely,

CS SHYAM AGRAWAL

Chairman, NIRC- ICSI

Mobile : 09314923451

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

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