CORPORATE JOURNAL

"TO FACILITATE OVERALL PROFESSIONAL DEVELOPMENT WITH ENLIGHTENED INFORMATION"

"EXCELLENCE HAS ALWAYS BEEN ACHIEVED BY THOSE WHO DARED TO BELIEVE THAT SOMETHING INSIDE THEM IS SUPERIOR TO THE CIRCUMSTANCES"

⇒ INSIDE

DISCLAIMER

While all efforts have been made and care has been taken at the time of preparation and accuracy has been ensured at the time of publication of this journal, still Authors shall not be liable for any error or inaccuracy in the Articles or contents reproduced. It is suggested that the readers should cross check all the facts and the relevant law position before acting on any matter.

Articles / other materials and suggestions are invited from the Members for publication in forthcoming Issues. All articles submitted will be subjected to review and published only after accepted for publication.

Kindly send the articles and other relevant material for publication along with your photograph at ankursrivastavacs5985@gmail.com. We assure that we empower you with the knowledge you seek.

============================ **FROM THE EDITOR** ============================

CS Ankur Srivastava
Editor

Dear Professional Colleagues & Friends,

At the outset, I convey my heartfelt condolence for the people who suffered tragic loss of life and property caused by the destructive cloud burst that hit the holy state of Uttarakhand last month. May the departed souls rest in peace. May God grant enough strength to the distress families to bear and overcome this tragedy. I wish those injured for a speedy recovery and hope that the affected state will return to normalcy before long.

I urge all of you to come forward and contribute openhandedly for the relief of the victims of this devastating disaster of Uttarakhand.

July as a month has a lot of associations for all stakeholders of accountancy profession. First July is celebrated as 'CA Day' because the accountancy profession was institutionalized on 1st day of July. I would like to congratulate all the members of Institute of Chartered Accountants of India and students thereof for this special day 'CA Day, 2013'.

In the Global Corporate World there is a bundle of good opportunities but it demand up-to-date knowledge coupled with the intellect. Thus being a smart professional we not only need to keep ourself piercingly up-to-date but also regularly reorient ourselves in line with the expectations of the management or the changing corporate world so as to establish ourselves as a indispensable part of the current scenario.

All the Best and keep contributing towards the betterment of our profession.

Happy Reading.

CS Ankur Srivastava
Editor

============================== **ARTICLE** ================================

Cost Audit- 2013-14

CS Shruti Srivastava

The Cost Audit Branch of the Ministry of Corporate Affairs has specified the manner of Cost of Audit to be applicable for the financial year commencing on or after 01st January, 2013 by way of order dated 06th November, 2012.

Consequent upon notification of the Product or Activity Group classification published vide S.O. 1747(E) dated 7th August, 2012 and in supersession of the earlier Orders issued vide F.No. 52/26/CAB-2010 dated 2nd May, 2011, 3rd May, 2011, 30th June, 2011 and 24th January, 2012, the Central Government has made the following Order:

1. In exercise of the powers conferred by sub-section (1) of section 233B of the Companies Act, 1956 (1 of 1956), the Central Government being of the opinion that it is necessary to do so, hereby directs that all companies to which the following Rules apply:

   (a) Cost Accounting Records (Telecommunication Industry) Rules 2011;
   (b) Cost Accounting Records (Petroleum Industry) Rules 2011;
   (c) Cost Accounting Records (Electricity Industry) Rules; 2011;
   (d) Cost Accounting Records (Sugar Industry) Rules; 2011;
   (e) Cost Accounting Records (Fertilizer Industry) Rules 2011;
   (f) Cost Accounting Records (Pharmaceutical Industry) Rules 2011;

   and which are engaged in the production, processing, manufacturing or mining of the products/activities included in the said rules **or** covered in the product or activity groups (27 groups) specified in Table-I

   and wherein

   i. the aggregate value of the net worth of the company as on the last date of the immediately preceding financial year exceeds rupees five crores; or
   ii. the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds rupees twenty crores; or
   iii. the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India,

Cont…

shall get its cost accounting records, in respect of each of its financial year commencing on or after the 1st day of January, 2013, audited by a cost auditor who shall be, either a cost accountant or a firm of cost accountants, holding valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959.

2. All companies to which the Companies (Cost Accounting Records) Rules, 2011 apply, **and** which are engaged in the production, processing, manufacturing or mining of the products/activities specified in the product or activity groups Table-II (128 groups),

   and wherein

   i. the aggregate value of the turnover made by the company from sale or supply of all its products or activities during the immediately preceding financial year exceeds rupees hundred crores; or

   ii. the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India,

   shall get its cost accounting records, in respect of each of its financial year commencing on or after the 1st day of January, 2013, audited by a cost auditor.

3. The cost auditor specified above in para 1 and 2 may be, either a cost accountant or a firm of cost accountants, holding valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959.

4. In case of all such activities that are covered under the Cost Accounting Records Rules mentioned in para 1 above that are also covered under cost audit but for which no Product or Activity Group has been indicated in Table-I above, companies would use the appropriate Product or Activity Group code as given in the notification issued vide S.O. 1747(E) dated 7th August, 2012.

5. Any company engaged in the production, processing or manufacturing of such inorganic or organic chemicals or any other substances that are primarily meant for pharmaceutical applications/use and are covered under the Cost Accounting Records (Pharmaceutical Industry) Rules 2011 shall be subject to cost audit as per the terms mentioned in para 1 above, irrespective of whether these are covered in the Product or Activity Groups mentioned in Table-II.

6. Any company engaged in the storage, transportation or distribution of crude oil or gases or biogas or any or all types of petroleum products, and is covered by the Cost Accounting Records (Petroleum Industry) Rules, 2011 shall be subject to cost audit as per the terms mentioned in para 1 above.

Cont…

7. Product Group No. 2008 – Electrical Energy mentioned in Table-I would mean and be understood as generation of electrical energy or generation of electricity.

8. Product Group No. 1026 – Alcoholic Beverages mentioned in Table-II would mean and include all products/activities covered in the Chapter Headings 2203 to 2208 of the Customs Tariff Act, 1975 (51 of 1975), excluding products of CETA Chapter Heading 2207 to the extent these are covered in the Cost Accounting Records (Sugar Industry) Rules, 2011.

9. In case of any Product or Activity Group where multiple units of measurement are in use for the products or activities covered therein, then the relevant Product or Activity Group shall be repeated against each unit of measurement separately.

10. Wherever same CETA Chapter Headings have been shown against two or more Product or Activity Groups, the actual details shall be shown against the most appropriate Product or Activity Group.

11. Every company to which these orders apply shall get its cost accounting records audited in respect of each of its financial year commencing on or after the 1st day of January 2013, irrespective of whether the same was covered or not, either under the company specific cost audit orders issued prior to 31st March, 2011 or under the industry specific cost audit orders issued after 1st April, 2011 till date.

12. All companies that were earlier covered under industry specific orders dated 2nd May, 2011 or 30th June, 2011 or 24th January, 2012 [subject to their meeting with the qualifying criteria mentioned therein] shall continue to comply with the earlier orders upto the financial year commencing prior to the 1st day of January 2013 and in continuum, with these orders in respect of each of its financial year commencing on or after the 1st day of January, 2013.

13. Every company to which these orders apply shall follow the revised procedure for appointment of cost auditor as laid down vide Ministry of Corporate Affairs' General Circular No. 15/2011 dated 11th April 2011 [as amended vide General Circular No. 36/2012 dated 6th November 2012].

Cont…

14. The audit shall be conducted in such manner as will enable the cost auditor to prepare the report in accordance with the Companies (Cost Audit Report) Rules, 2011 read with the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011, both as amended. The report of the cost auditor shall be forwarded to the Central Government, either by himself or by the lead cost auditor, in the prescribed XBRL Format within the time stipulated under the Companies (Cost Audit Report) Rules, 2011.

15. Any specific exemption granted earlier to certain class of activities shall remain in force till further orders.

REVISED PROCEDURE FOR THE APPOINTMENT OF COST AUDITOR BY COMPANIES

In continuation of the General Circular No. 15/2011 dated 11th April 2011, Ministry of Corporate Affairs has issued a circular on 06th November, 2012 and further revised the procedure for the appointment of the Cost Auditors by the Companies as under:

(a) The company shall, within thirty days from the date of approval by MCA of the application made to the Central Government in the prescribed Form 23C seeking its prior approval for the appointment of cost auditor, issue formal letter of appointment to the cost auditor, as approved by the Board.

(b) The cost auditor shall, within thirty days of the date of formal letter of appointment issued by the company, inform the Central Government in the prescribed form 23D, along with a copy of
such appointment letter.

(c) In case of change of cost auditor caused by the death of existing cost auditor, companies are allowed to file fresh e-form 23C, without any additional fee, within 90 days of the date of death.
The additional fee payable as per the Companies (Fees on Applications) Rules, 1999 [as amended] shall become applicable after expiry of the said 90 days. Accordingly, e-forms 23C and 23D are being modified to capture such details.

Cont…

(d) In case of change of cost auditor for reasons other than death of the existing cost auditor, companies are required to file fresh e-form 23C with applicable fee & additional fee, clearly specifying the reasons of change. In case of change due to resignation of the existing cost auditor, e-form 23C should be accompanied by the resignation letter of the existing cost auditor. In case of change due to the management policy of periodical rotation, then attach a copy of the Board approved rotational policy with the e-form 23C. In any other case, the change should be duly justified and supported with the relevant documents.

(e) In order to ensure compliance of section 224(1-B) of the Companies Act 1956, required changes are being made in the MCA21 system to restrict the number of cost audit approvals to
the limits specified in section 224(1-B) through a counter on the membership number of the sole proprietor or partner of the firm.

It will be further ensured that in case of a sole proprietor, he has completed the audit and submitted the cost audit report. In case of a partnership firm, the partner so appointed or any other partner of the same firm is allowed to complete the audit & submit cost audit report subject to his total numbers not exceeding the limit specified in section 224(1-B).

Furthermore, all companies and cost auditors are hereby informed to carefully verify all particulars before uploading e-forms 23C or 23D on the MCA21 portal. In any rare case, if still any error/mistake is observed, it should be brought to the notice of MCA well before its approval enabling it to return the said e-form for re-submission after making the required corrections. Else, the companies and cost auditors shall be required to file fresh e-forms 23C & 23D containing correct particulars, along with the applicable fee and additional fee.

The modifications contained in this circular shall be effective from the financial year commencing on or after the **1st day of January, 2013.**

With Kind Regards:
CS Shruti Srivastava
Shruti Agarwal & Associates
Practicing Company Secretary
E-mail: csshrutisrivastava@gmail.com

================================ ARTICLE ===================================

COST REDUCTION ~ RECESSION'S ACCELERATION

CMA Shriram Varadan

When its recession, undoubtedly the integral option to curtail it would be **'C**ost **R**eduction**'**. Besides capital markets, the recession has a significant and adverse impact mainly in Manufacturing Sectors where they are frequently prone to bottleneck during such times. To make sure the survival of the business is unharmed and to ensure that no further erosion in existing wealth, cost reduction measures acts as a pacifier to facilitate smooth running of business operations.

But the worst form of cost reduction is the blanket % cost reduction when it is imposed throughout a company. Such circumstances arise when the organizations fall short of Budgeted Vs Actual results. The traditional cost reduction measures which are often termed as '**S**oft **E**xpenses' are Diversified work alterations, Staff reductions, and cutting key costs which can offload the inflationary effects.

The Contemporary reasons for Cost Reduction are mainly:

- Revenue Decline
- Heavy Fixed Costs
- Acquisitions
- Creeping Costs
- Complexity,

To implement an effective cost reduction methodology the following are worthwhile considerations:

1. To explore strategically important area of business operations and to ensure that its future growth is not severed when cost reduction is in force
2. To arrive a consensus whether to retain or eliminate product lines based on the sustainability & performances over a period
3. To conduct 'Throughput Analysis which enables an organization to find out the constraints [i.e. bottlenecks] and how to overcome it by focusing closely on the operations of that bottleneck.

Cont…

4. Cutting cost through 'Outsourcing' which succeeds 'Throughput'
5. Restructuring the reporting mechanism of organization financials such that the management is aware of the area where costs are being incurred and where it's losing for ensuring better transparency

COSTING TECHNIQUES TO LEVER COST REDUCTION

[ZBB] ***ZERO BASED BUDGETING*****:** ZBB is a cost reduction approach towards budget formulation. It requires that a company set up various levels of funding for different Budgeted Levels and it evaluates the budgeted levels and related expenditures for redeploying resources. A structured process of analyzing what we do and why we do so as to align the available resources with the goals.

[JIT] ***JUST IN TIME*****:** JIT is to make available the required items, at the required quality and quantity, at the precise time when they are required. It is efficient and useful when it involves too much carrying costs. The Investment in inventories gets reduced since frequent order of small quantities is made.

[TC] ***TARGET COSTING:*** It refers to the design of product, and the processes used to produce it, so that ultimately the product can be manufactured at a cost that will enable the firm to make profit when the product is sold at an estimated market-driven price. This estimated price is called 'Target Price'.

[LCC] ***LIFE CYCLE COSTING*****:** Estimates and accumulates costs over a product's entire life cycle in order to determine whether the profits earned during the manufacturing phase will cover the costs incurred during the pre-and-post manufacturing stage.

[BPR]***BUSINESS PROCESS RE-ENGINEERING*****:** A Complete Redesign of the process with an emphasis on finding creative new ways to accomplish an objective. The aim is to improve the key business process in an organization by focusing on simplification, cost reduction, improved quality and enhanced customer satisfaction.

[VC] ***VALUE CHAIN*****:** Means of achieving higher customer satisfaction and managing costs more effectively. It is linked to set of value creating activities right from basic raw materials' sources, component suppliers, to the ultimate end-use product or service delivered to the customer.

Cont…

***MANAGEMENT AUDITS*:** Also known as 'Performance Audits' can be used to facilitate cost reduction in both profit and non-profit organizations. They are intended to help management to do a better job by identifying waste and inefficiencies by recommending a corrective action.

Apart from the above, conducting following exercise would hold well in quantifying the impact of applying cost reductions. Such Self explanatory accessories to cost techniques are Benchmarking, Breakeven, Check Sheet, Employee idea, Error Quantification and Fixed Cost Analysis.

PROCESS ANALYSIS ~ A REDESIGN EXERCISE

If applying any of the above is found beyond the reach or impracticable for the organization, then the ultimate option available would be to resort towards '**P**rocess **A**nalysis'.

Generally, many processes in the organization are widespread with excessive controls, approvals, handoffs and redundant tasks that have built up gradually right from the existence. It is natural that these processes in the long run tend to become obsolete and complex. To overcome this, reviewing every process will lead to streamline the opportunities available. Such involves:

1. ***Rationalize Information Mechanism*:** If a process runs through several people, it is possible that each one in turn collects and enters some of the same information resulting in duplication. Maintaining Centralized databases such as SAP/ERP, ensures the information gets filtered and that there is restricted control over managing it and made sure it is available to all subsequent users.
2. ***Designing Value Added Steps*:** In Practice, there are really few value added steps such as reviews, control restrictions, reports, approvals, tests and inspections that have no significant improvement in the process.
3. ***Eliminate Formal Quality Review Steps*:** Any formal quality review activity is a waste of resource, as it implies sufficient level of quality has not already been built into a process, and requires extra labour to identify and fix it. Yes the solution is not simple, as it involves error proofing the entire process prior to quality review resulting in improving the process flow.
4. ***Selecting Simplest Process Path*:** If a process improvement project yields various possible alternatives for a process, it is generally best to select the simplest one, even if it is slightly more expensive than the other alternatives. The reason is that more complex solutions either require more oversight now or will in the future, as the process gradually becomes more complex.

Cont…

5. ***Identify and enhance Bottleneck flows*****:** There is a bottleneck in every process, and it is where work tends to multiply. Once identified, it is better either to alter the process or to reduce the work reaching the bottleneck or increase the capacity of the bottleneck operations.
6. ***Install a feedback loop*****:** There is every possibility that even the best designed process will generate errors, so it will be efficient to include an error reporting system in the process, along with a feedback loop so that it routes this information to the appropriate person for action.

CONCLUSION:

The importance of cost reduction in a manufacturing organisation can never be overemphasized. Predominantly there are two basic drivers behind the emergence of cost consciousness, "To Stay Profitable" as to attain the basic business objective of survival & "Offering Better Products at Cheaper Price" to guarantee market place and to comprehend survival. The traditional conventional approaches listed above are very much familiar to external world, but the non conventional approach such as *Material Costs* – Cost Reduction through E-Sourcing, thrust on value engineering *Manpower costs* – Optimum utilization & linking productivity with labour turnover, *Selling & Distribution costs and Funding Costs* are used integrally by the management towards revival. Considering company's forecasting perspective, Cost Reduction certainly a preference to steer company's Stability, Sustainability, and Growth to ensure its continuity in the long run.

Thanks and Regards:
Shriram Varadan
Cost & Management Accountant
Internal Audit@DelphiTVS
Mobile: +91-9884143135
E-mail : vs.fin@delphitvs.com

================================ ARTICLE ==================================

DETAILED ANALYSIS OF MANAGING DIRECTOR / MANAGER / WHOLE TIME DIRECTOR

Under Section 269(1) a Public Company or a Private Company which is a subsidiary of a Public Company, having a paid-up capital of ` 5.00 Crores or more shall have a managing or whole time director or manager.

CS Ankur Srivastava

MANAGING DIRECTOR

The term Managing Director is defined under Section 2(26) of the Companies Act, 1956. Accordingly, a managing director means a director who, by virtue of an agreement with the company or of a resolution passed by the company in general meeting or by its Board of directors or by virtue of its Memorandum or Articles, is entrusted with substantial powers of management which would not otherwise be exercisable by him, and includes a director occupying the position of managing director, by whatever name called.

The definition of the Managing Director may be analyzed as under:—

a) he must be a director of the company;

b) he must be entrusted with substantial powers of management, which would not otherwise be exercisable by a director;

c) the general powers to do administrative acts are not to be deemed to be the substantial powers of management;

d) the powers of management may be entrusted with the managing director by an agreement or by a resolution passed at a general meeting by the members or a Board meeting or by the Memorandum or the Articles of Association of the company;

e) the powers of management entrusted with a managing director must be exercised by him subject to the superintendence, control and directions of the Board;

f) a person who occupies the position of the managing director even without being designated as such would also be deemed to be a managing director.

Cont…

However, a person does not acquire the status of a manager or managing director only on being appointed as a director. [*Deen Deyalu, T.* v *Sri Bezwada Papi Reddy* (1984) 2 Comp LJ 396 (AP)]

For being appointed as Managing Director, the person must be a Director, however, in case he ceases to be a Director of the company, his office of Managing Director will also come to an end and he will also cease to be the Managing Director of the Company.

A managing director who is not a director is contradiction in terms. [*Shirlaw* v *Southern Foundaries Ltd.*, (1940) 10 Com Cases I I (CA) affirmed on appeal *Southern Foundaries Ltd.* v *Shirlaw*, (1940) 10 Com Cases 255 :(1940) 2 All ER 445 (HL); *Balchand C* v *Devashola (Nilgiri) Tea Estates Co. Ltd.*, (1972) 42 Com Cases 623 (Mad)]

A Managing Director acts in dual capacity viz, Director as well as an employee of the Company. He is a party of the Contract which is a contract of service and not a contract for services. *[Lord Normand in Anderson v James Sutherland (Letterhead) Ltd.]*

MANAGER

Section 2(24) of the Companies Act, 1956 defines the term Manager, as Manager means an Individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially t he whole, of the affairs of a Company, and includes a director or any other person occupying the position of a manager, by whatever name called, and whether under a contract of service or not.

The definition of the Manager may be analyzed as under:—

a. Manager may and may not be a director;
b. The powers of management entrusted with a Manager must be exercised by him subject to the superintendence, control and directions of the Board of directors;
c. An Individual who occupies the position of Manager even without being designated as such would also be deemed to be a Manager;

However a person does not acquire the status of a Manager or Managing Director only on being appointed as a director. [*Deen Deyalu, T.* v *Sri Bezwada Papi Reddy* (1984) 2 Comp LJ 396 (AP)].

Cont…

A Director may also be appointed as Manager of the Company, however, in case he ceases to be a Director of the company, his office of manager will not come to an end and he will continue to be the Manager of the Company as per terms of his appointment unlike Managing Director.

The particulars of appointment and every change of Manager need to be filed with the concerned ROC in E-form 32 within 30 days of such appointment or change.

The contents of the Manager whether he is a director or not will be visible under view signatory details provided by the Ministry of Corporate Affairs portal.

MANAGING DIRECTOR VS MANAGER

A Company may have more than one Managing Director. The Managing Director may be entrusted with substantial power of management but not necessarily to give the whole or substantially the whole of the affairs of a Company. A Company, therefore, may appoint more than one Managing Director such as Managing Director (Finance), Managing Director (Administration), Joint Managing Director etc.

A Company cannot have more than one Manager. As per the definition of the Manager an Individual having the management of the whole, or substantially the whole, of the affairs of a Company is termed as Manager and more than one person cannot have the management whole or substantially whole of the affairs of the Company.

Manager or Managing Director of more than one Company:

a) **In terms of Section 386(2) a Company may appoint a person as its Manager, if he is the manager or managing director of one, and not more than one other Company.**

b) **In terms of Section 316 of the Companies Act, 1956 a Public Company** or a Private Company which is a subsidiary of a Public Company **shall appoint any person as Managing Director, if he is either the Managing Director or manager of one and not more than one other Company (including a private company** which is not a subsidiary of public company)

c) Provided that such appointment of Manager or Managing Director is made or approved by a resolution passed at a meeting of the Board with the Consent of all the directors present at the meeting and a special notice has been given to all the directors then in India about the resolution.

Cont…

d) However, after the commencement of the Act, any person is holding the office either of manager or of Managing Director in more than two companies, he shall, within one year from the commencement of this Act, choose not more than two of those companies as companies in which he wishes to continue to hold the office or manager or managing director, as the case may be. However the Central Government may, by order, permit any person to be appointed as a manager or managing director of more than two companies, if the Central Government is satisfied that it is necessary that the companies should, for their proper working, function as a single unit and have a common manager.

e) As per Schedule XIII, a managerial person shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person.

A Managing Director cannot be appointed for a term exceeding five years at a time. However, he may be reappointed for further period of five years or shorter periods as the case may be.

Section 197A provides prohibition on appointment of certain different categories of managerial personnel at a same time. Accordingly, a Company cannot appoint a Managing Director and a Manager at a same time. The above prohibition applies to public as well as private companies.

The office of Manager or Managing Director is not an office or place of profit. Section 314(1)(b) provides that no partner or relative of a director, no firm in which a director, manager or a relative of such director, is a partner, no private company of which such director is a director or members and no director or manager of such a private company, shall hold any office of place of profit carrying a total monthly remuneration of such sum as may be prescribed, except that of managing director or manager, banker or trustee for the holders of debentures of the Company.

WHOLE-TIME DIRECTOR

A whole-time director means a director in the whole-time employment of the company. In other words, a director who devotes his whole time to the affairs of a company is called a whole-time director of the company.

Cont…

In terms of above definitions of MD and WTD, it is quite clear that for appointment as MD the basic requirement is that the person must be the director of the Company but the same does not apply in the case of WTD.

Here it is desirable to understand the terms **Executive and Non-Executive Directors.** Although there is no specific definition of the term Executive or Non-Executive Director however, it is quite clear that the Director who is not the executive of the company means who is not in whole time employment of the Company are the Non-Executive Directors and others are Executive.

Therefore, a non-executive director may or may not be an independent or promoter director However, when we talk about Managing Director / Whole-Time Director / Manager we are definitely talking about an Executive Director.

<u>Whole Time Director of more than one Company:</u>

Since whole time director means a person who is in the whole time employment of the Company. A whole time director cannot be appointed as a Whole time director in more than one company.

It has been held by the Bombay High Court that the expression whole time director must refer to a director who spends all his time in the management of the Company in the same sense as a managing director does. [Ramaden A Thanawala V Jyoti Ltd] though he may accept office of non whole time director in other companies subject to the limits imposed by section 275 read with section 277 and 278.

<u>APPOINTMENT OF MANAGING DIRECTOR, WHOLE-TIME DIRECTOR & MANAGER</u>

<u>Appointment of managing director in case of private limited companies</u>

As such the provisions of Section 269 are not applicable to the Private Limited Company. The appointment of managing or whole-time director or manager is not mandatory in the case of independent private companies. However, an independent private company may appoint them in accordance with the provisions contained in the Articles of Association. If Articles of the concerned independent private company do not provide for such office then the Articles will have to be first altered by following the procedure laid down under section 31 of the Companies Act, 1956.

Cont…

================================ **ARTICLE** ==================================

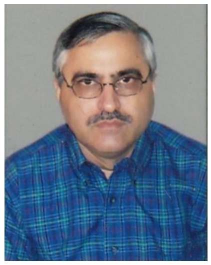
Appointing authority for managing director, whole-time director or manager in case of a public company or a private company which is a subsidiary of public company.

Under Section 269(2) no appointment of a person as a managing or whole time director or a manager shall be made except with the approval of the Central Government unless such appointment is made in accordance with the conditions specified in Parts I and II of Schedule XIII (the said parts I and II being subject to the provisions of part III of that Schedule) and a return in the prescribed e form 25C is filed within 90 days from the date of such appointment.

The appointment of managing or whole-time director or manager in a public company or a private limited company which is a subsidiary of a public company shall be made by the Board of Directors subject to the approval of members at the general meeting by way of ordinary or special resolution as may be required subject to the conditions of Schedule XIII of the Act and/or with the approval of the Central Government.

Directors cannot appoint a managing director in the absence of provisions in the articles empowering them to do so. [*Horn* v *Henery Faulder & Co* (1908) 99 LT 914] Articles normally confer power on the directors to appoint "one or more of their number" as managing director(s). If the articles have given the power of appointing a managing director to the Board of directors, the company in general meeting cannot make the appointment. [*Thomas Lagan Ltd.* v *Davies* (1911) 104 LT 914] However, the remuneration of a managing director has to be approved at a general meeting.

Thanks & Regards:
CS Ankur Srivastava
E-mail: ankursrivastavacs5985@gmail.com



CMA D.S. Kapoor

Hello Dear Friends,

Greetings of the Day..!

It is my pleasure to share with you all, my weekly USD/INR hedging guide aimed at providing guidance to Importers and Exporters to hedge their forex exposure.

USD / INR

Weekly Chart

Last week, it opened at 59.5850, high / low at 60.7600 / 59.2000, and closed at 59.5230 as against earlier week's closing at 59.2700.

Last week, we had informed that after crossing 58, the next technical target should have been around 60.50, and since the currency had already touched 59.9750, the target should have been achieved and accordingly, it was expected that once Rupee comes below 58.90, it may approach 58.55. However, instead of going down, it went up further and made another all time top of 60.76 on 26th June slightly higher than our expected target level of 60.50. However, later on, on 27th & 28th, profit booking started and the currency dropped to 59.20 and finally closed at 59.5230. The currency has now closed convincing below 5DMA (59. 97), however is still above the major support level of 59.05. The same is also nearer to the gap up area (created on 20th June).

Cont…

As per other technical indicators, it is being observed that top seems to be in place at 60.76 and the intermediate uptrend, which started on 6th Feb'13 (at 52.88) should have been ended at 60.76 on 26th June. If this observation comes true, we are likely to witness consolidation within 59.75 – 57.50 for next few weeks to be followed by correction later on in July – Sept quarter itself. The starting of weakness / correction in Euro/INR and GBP/INR also vouches for this view.

Presently, the position of important moving averages running below is as follows: 13DMA (59.05) / 3WMA (58.76) / 5WMA (57.98) / 3MMA (56.59) / 3QMA (56.26) and as informed last week, we expect that during July – Sept quarter, Rupee should strengthen enough so that the long term averages and the rate gets closer to each other.

This week, we expect volatile movements in Rupee to continue, wherein, we expect major support to come around 59.05. Once & if 59.05 is broken, currency may also move lower towards 58.50 – 58.60. The major resistance on upside is expected around 59.80 – 60.00. The range for the month of July, we expect, should be within 59.75 – 57.50.

Importers are advised to hedge their short term payables around 58.50 – 58.60. Medium term payables should be hedged, once it starts moving below 58.50. Hedging for long term payables should still be postponed for some time more.

Exporters are advised to continue covering receivables around current levels.

Major Resistances : 59.75 / 60.00 / 60.25
Major Supports : 59.05 / 58.55 / 58.10

Regards,

D. S. Kapoor
Cost Accountant
Mobile: 9628411116

Ministry of Corporate Affairs
Government of India

REGISTRATION OF ELECTORAL TRUST AS COMPANIES UNDER SECTION 25 OF THE COMPANIES ACT, 1956

In continuation of Circular no. 45/2011 dated 08/07/2011, 48/2011 dated 22/07/2011 and 7/2012 dated 25/04/2012, Ministry of Corporate Affairs has further issued a Circular no. 12/2013 dated 28/06/2013 and amended the Name Availability Guidelines, 2011 as under:
If it includes the words indicative of a separate type of business constitution or legal person or any connotation thereof, the same shall not be allowed. For example: Cooperative sehkari, Trust, LLP, Partnership, Society, Proprietor, HUF, Firm, Inc., PLC, GMBH, SA, PTE, Sdn, AG, etc.
Provided that name including phrase Electoral Trust may be allowed for registration of Companies to be formed under section 25 of the Companies Act, 1956 under the Electoral Trust Scheme, 2013 as notified by the Central Board of Direct Taxes (CBDT).
However, the Company to be formed under Section 25 of the Act, shall be the new Company and such company will be required to comply with Section 293-A of the Act. Further, name application may be accompanied with an affidavit to the effect that the name to be obtained shall be only for the purpose of registration of companies under Electoral Trust Scheme as notified by the CBDT.

CIRCULARS/ NOTIFICATIONS ISSUED DURING THE MONTH OF MAY, 2013

Ref No.	Date	Description
General Circular No. 12/2013	28.06.2013	Name availability guidelines,2011 - Registration of Electoral Trusts as Companies under Section 25 of the Companies Act,1956

================================ UPDATES ================================

CLARIFICATION ON SEBI'S CIRCULAR DATED AUGUST 13, 2012 ON "MANNER OF DEALING WITH AUDIT REPORTS FILED BY LISTED COMPANIES"

SEBI has, vide circular dated August 13, 2012 mandated the "Manner of Dealing with Audit Reports filed by Listed companies". Accordingly, listed companies are required to submit either Form A (Unqualified/ Matter of Emphasis Report) or Form B (Qualified/ Subject To/ Except For Audit Report) along with the Annual Report to the Stock Exchanges. It is also envisaged that the qualified audit reports will be scrutinized by Qualified Audit Review Committee (QARC) and if necessary, the company will be required to restate its books of accounts to provide true and fair view of its financial position.

SEBI is in receipt of various queries with regard to restatement of books of accounts of listed companies envisaged in the captioned circular. The primary concern raised is whether the restatement of books of accounts needs to be carried out in the same financial year or in the subsequent financial year as a prior period item.

In order to address the aforesaid concern, SEBI has issued a Circular no. **CIR/CFD/DIL/9/2013 dated 05th June, 2013 and** clarified that the restatement of books of accounts indicated in Paragraph 5 of the said circular shall mean that the company is required to disclose the effect of revised financial accounts by way of revised pro-forma financial results immediately to the shareholders through Stock Exchange(s). However, the financial effects of the revision may be carried out in the annual accounts of the subsequent financial year as a prior period item so that the tax impacts, if any, can be taken care of.

SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES) REGULATIONS, 2013, NOTIFIED

SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 have been notified on June 12, 2013

The said Regulations provide for a comprehensive regulatory framework for public issuance of non-convertible redeemable preference shares and also for listing of privately placed redeemable preference shares. Further, as per Basel III norms, Banks can issue non-equity instruments such as Perpetual Non-Cumulative Preference Shares and Innovative Perpetual Debt Instruments, which are in compliance with the criteria specified by RBI for inclusion in Additional Tier I Capital. The Regulations shall also be applicable to such instruments issued by banks.

These regulations came into effect w.e.f. 12.06.2013.

SEBI BOARD MEETING

The Board of Directors of Securities and Exchange Board of India has met in Mumbai on 25th June, 2013 and inter-alia taken following decisions:

1. Amendments to SEBI (Buy Back of Securities) Regulations, 1998 governing buy-back through open market purchase

As part of SEBI's constant endeavour to align regulatory requirements with the changing market realities as well as to enhance efficiency of the buy-back process, the following changes to buyback of shares or other specified securities from the open market through stock exchange mechanism have been approved:

(i) The mandatory minimum buy-back has been increased to 50% of the amount earmarked for the buy-back, as against existing 25%, failing which amount in the escrow account would be forfeited subject to a maximum of 2.5% of the total amount earmarked.

(ii) The maximum buy-back period has been reduced to 6 months from 12 months.

(iii) The companies shall create an escrow account towards security for performance with an amount equivalent to at least 25% of the amount earmarked for buy-back.

(iv) The company shall not raise further capital for a period of one year from the closure of the buy-back except in discharge of subsisting obligations as against the existing 6 months.

(v) The company shall not make another buy-back offer within a period of one year from the date of closure of the preceding offer.

(vi) The disclosure requirements have been rationalized requiring disclosure of the shares bought back on a cumulative basis on the website of the company and the stock exchange, only on a daily basis instead of the current requirement of disclosure on daily, fortnightly and monthly basis.

(vii) The companies can buy-back 15% or more of capital (paid-up capital and free reserves) only by way of tender offer.

(viii) Procedure for buy-back of physical shares (odd-lot) has been modified which includes creation of separate window in the trading system for tendering the shares, requirement of PAN/Aadhaar for verification, etc.

Cont…

(ix) The companies are permitted to extinguish shares bought back during the month, within fifteen days of the succeeding month subject to the last extinguishment within seven days of the completion of the offer.

(x) The promoters of the company shall not execute any transaction, either on-market or off-market, during the buy-back period.

2. Enabling Listing of Start-Ups and SMEs on Institutional Trading Platform (ITP) without having to make an IPO: -

Lack of exit opportunities for the existing investors and restricted access to new investors is one of the problems faced by Start-Ups and SMEs. With a view to provide easier exit options for informed investors like Angel Investors, VCFs and PE etc. to provide better visibility, wider investor base and greater fund raising capabilities to such companies, the Board approved the proposal to amend the SEBI (ICDR) Regulations to permit listing of Start-ups and SMEs in Institutional Trading platform (ITP) without having to make an IPO.

Such companies eligible to be listed on this 'Institutional Trading Platform' shall be accessible for investment to the informed investors only. Therefore the minimum amount for trading or investment on the ITP will be Rs 10 lakh. These companies shall be exempted from the requirements of rule 19(2)(b) of SC(R)R 1957 under which companies have to offer upto 25% of its shareholding to public through an offer document in order to get listed. Therefore the listing can be done without an IPO and the expenses associated with it. While such companies are listed on the ITP they will not be permitted to raise capital though they can continue to make private placements.

Listing on ITP by Start-Ups and SMEs is expected to offer their existing investors better chances to find alternate buyers than if they search using their own network in the investment community. Standardized norms of entry for companies, eligibility criteria, continuous disclosure requirements, simplified exit rules and corporate governance norms will be prescribed.

3. Amendments to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 relating to preferential issue

With a view to enhance transparency, ensure adequate audit trail and apply lock-in for the shares allotted in preferential issues, the Board approved the following:

Cont…

(i) Preferential issue shall be subscribed only through the allottee's own bank account. Further, the issuing company shall disclose the ultimate beneficial owner of allotted shares.

(ii) Allotments in preferential issues shall only be made in dematerialized form.

(iii) Shares allotted in the preferential issue shall not be transferred till trading approval is granted for such shares by the stock exchanges. Further, the lock-in period shall commence on the date of such trading approval.

4. Single Self Regulatory Organization (SRO) for Distributors of Mutual Fund Products

The Board approved the proposal to have single SRO for Distributors of Mutual Fund Products after following a fair and transparent procedure. Further, in order to facilitate the recognition of single SRO for Distributors of Mutual Fund Products and to avoid delay, it has been decided to have a cut off time for accepting applications for being recognized as SRO.

5. Amendment to SEBI (Mutual Fund) Regulations, 1996, regarding direct trading in debt segment of Stock Exchanges

The Board has approved the proposal to permit the asset management companies managing schemes of mutual funds to take membership of debt segment of stock exchanges under 'Proprietary Trading Member' (PTM) category. However, this will be only to undertake trades directly on behalf of such schemes managed by them.

6. Limited purpose membership to mutual fund distributors

The Board decided to allow Mutual fund distributors to take limited purpose membership of Stock Exchange with lesser financial and compliance burden to use infrastructure of Stock Exchanges for distribution & redemption of Mutual Fund Units.

To reduce the financial and compliance burden on these limited purpose members requirements such as SEBI registration, compliance as member of stock exchange, paid up capital and Base Minimum Capital etc, would not be applicable. However stock exchanges may prescribe suitable eligibility criteria in this regard including net worth requirements, membership fee etc. This limited purpose membership would be granted on the basis of ARNs, granted to Mutual Fund Distributor by AMFI.

Further to address the possible risk of default by these limited purpose members, they will not be allowed to handle pay in and pay out of funds as well as units on behalf of investor. Pay in & payout of funds & units would be directly from/ to the account of the investors.

Cont…

7. Amendments to the Securities Contracts (Regulation) Act, 1956 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012

The CPSS-IOSCO (Committee on Payment and Settlement Systems – International Organisation of Securities Commissions) Principles for Financial Market Infrastructures (FMIs) require that there should be a clear legal basis regarding (i) when settlement finality (defined as point of time after which a settlement is final and irrevocable) occurs, (ii) netting and (iii) the right of an FMI to use and dispose of, collateral, notwithstanding bankruptcy or insolvency of its participants or their clients.

The same has been identified as gaps in the legal framework governing operations of Clearing Corporations in India by the Financial Stability Assessment Program (FSAP) assessment of India.

In order to address the same and to provide sound legal basis for netting, settlement finality and right of Clearing Corporations over collaterals, the Board approved the proposal to appropriately amend the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. The Board also decided to propose to the Government amendments to the Securities Contracts (Regulation) Act, 1956 to further strengthen the clearing and settlement framework.

============================== **UPDATES** ==============================

भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

Reserve Bank of India has issued following Master Circulars on 01st July, 2013.

Note: Master Circulars are a one-point reference of instructions issued by the Reserve Bank of India on a particular subject between July-June. These are issued on July 1 every year with a sunset clause of 1 year and automatically expire on June 30 next year.

Sl no.	Particulars
1	Master Circular - Use of Hindi in Banks
2	Master Circular - Para-banking Activities
3	RRBs - Master Circular – Lending to Priority Sector
4	Master Circular on Export Credit Refinance Facility
5	Master Circular - Lending to Micro, Small & Medium Enterprises (MSME) Sector
6	Master Circular - Priority Sector Lending-Targets and Classification
7	Master Circular on Branch Licensing – RRBs
8	Master Circular – Prudential norms for Classification, Valuation and Operation of Investment Portfolio by Banks
9	Master Circular – Know Your Customer (KYC) norms / Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002
10	Frauds – Classification and Reporting
11	Master Circular on Implementation of the Provisions of Foreign Contribution (Regulation) Act, 2010
12	Master Circular - Disclosure in Financial Statements - Notes to Accounts
13	Master Circular – Basel III Capital Regulations
14	Master Circular - Guidelines for Relief Measures by Banks in Areas Affected by Natural Calamities
15	Master Circular on Interest Rates on Rupee Deposits held in Domestic, Ordinary Non-Resident (NRO) and Non-Resident (External) (NRE) Accounts
16	Master Circular on Branch Authorisation
17	Master Circular- Loans and Advances – Statutory and Other Restrictions
18	Master Circular - Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF)
19	Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework

Cont…

============================== **UPDATES** ================================

20	Master Circular - Rupee / Foreign Currency Export Credit and Customer Service To Exporters
21	Master Circular on Customer Service in Banks
22	Master Circular – Exposure Norms
23	Master Circular - Guarantees and Co-acceptances
24	Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances
25	Master Circular of instructions relating to deposits held in FCNR(B) Accounts
26	Master Circular - Interest Rates on Advances
27	Master Circular – Housing Finance
28	Master Circular - Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)
29	Master Circular on Wilful Defaulters
30	Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)
31	Master Circular on Credit Card, Debit Card and Rupee Denominated Cobranded Prepaid Card operations of banks
32	Master Circular on Inspection and Audit Systems in Primary (Urban) Co-operative Banks
33	Master Circular on Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Measures/Combating of Financing of Terrorism (CFT) / Obligations of banks under Prevention of Money Laundering Act (PMLA), 2002
34	Master Circular on Maintenance of Statutory Reserves- Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) by Primary (Urban) Co-operative Banks
35	Master Circular on Maintenance of Deposit Accounts – Primary (Urban) Co-operative Banks
36	Master Circular on Investments by Primary (Urban) Co-operative Banks
37	Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters - UCBs
38	Master Circular on Frauds- Classification and Reporting
39	Master Circular on Area of Operation, Branch Authorisation Policy, Opening/ Up-gradation of Extension Counters, ATMs and Shifting/Splitting/Closure of Offices
40	Master Circular Interest Rates on Rupee Deposits – Primary (Urban) Co-operative Banks
41	Master Circular on Customer Service - UCBs
42	Master Circular on Board of Directors - UCBs
43	Master Circular- Prudential Norms on Capital Adequacy - UCBs
44	Master Circular - Management of Advances - UCBs
45	Master Circular- Guarantees, Co-Acceptances & Letters of Credit - UCBs
46	Master Circular- Finance for Housing Schemes - UCBs
47	Master Circular- Exposure Norms and Statutory / Other Restrictions - UCBs

Cont…

============================== **UPDATES** ===============================

48	Master Circular – Levy of Penal Interest for Delayed Reporting/Wrong Reporting/Non-Reporting of Currency Chest Transactions and Inclusion of Ineligible Amounts in Currency Chest Balances
49	Master Circular - Scheme of Incentives and Penalties for bank branches based on performance in rendering customer service to the members of public
50	Master Circular – Facility for Exchange of Notes and Coins
51	Master Circular – Detection and Impounding of Counterfeit Notes
52	Master Circular - Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by FIs
53	Master Circular - Exposure Norms for Financial Institutions
54	Master Circular - Disclosure Norms for Financial Institutions
55	Master Circular - Resource Raising Norms for Financial Institutions
56	Master Circular - Guidelines for Issue of Commercial Paper
57	Master Circular - Guidelines for Issue of Certificates of Deposit
58	Master Circular on Call/Notice Money Market Operations
59	Master Circular on Miscellaneous Remittances from India – Facilities for Residents
60	Master Circular on Risk Management and Inter-Bank Dealings
61	Master Circular on Foreign Investment in India
62	Master Circular on Import of Goods and Services
63	Master Circular on Exports of Goods and Services
64	Master Circular on External Commercial Borrowings and Trade Credits
65	Master Circular on Direct Investment by Residents in Joint Venture (JV) /Wholly Owned Subsidiary (WOS) Abroad
66	Master Circular on Memorandum of Instructions governing money changing activities
67	Master Circular on Compounding of Contraventions under FEMA, 1999
68	Master Circular on Establishment of Liaison / Branch / Project Offices in India by Foreign Entities
69	Master Circular on Remittance Facilities for Non-Resident Indians / Persons of Indian Origin / Foreign Nationals
70	Master Circular on Acquisition and Transfer of Immovable Property in India by NRIs/PIOs/Foreign Nationals of Non-Indian Origin
71	Master Circular on Memorandum of Instructions for Opening and Maintenance of Rupee/ Foreign Currency Vostro Accounts of Non-resident Exchange Houses
72	Master Circular on Money Transfer Service Scheme
73	Master Circular on Non-Resident Ordinary Rupee (NRO) Account
74	Master Circular- Disbursement of Pension by Agency Banks
75	Master Circular – Collection of Direct Taxes- OLTAS
76	Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission

Cont…

77	Master Circular on Nomination facility for Relief/Savings Bonds
78	Master Circular on Appointment and Delisting of Brokers and Payment of Brokerage on Relief/Savings Bonds
79	Master Circular- Introduction of New Category of NBFCs - 'Non Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Directions
80	Notification as amended upto June 30, 2013 - Change in or Take Over of the Management of the Business of the Borrower by Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines, 2010
81	Notification as amended upto June 30, 2013 – "Mortgage Guarantee Companies Prudential Norms (Reserve Bank) Directions, 2008"
82	Notification as amended upto June 30, 2013 -The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003
83	Master Circular– Regulatory Framework for Core Investment Companies(CICs)
84	Notification as amended upto June 30, 2013 – "Mortgage Guarantee Company (Reserve Bank) Guidelines, 2008"
85	Master Circulars- Miscellaneous Instructions to All Non-Banking Financial Companies
86	Master Circular - Fair Practices Code
87	Master Circular – 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) -'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder'
88	Notification as amended upto June 30, 2013 – "Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 1977"
89	Master Circular on directions/ instructions issued to the Securitisation Companies/Reconstruction Companies
90	Master Circular - Frauds – Future approach towards monitoring of frauds in NBFCs
91	Notification as amended upto June 30, 2013 – "Mortgage Guarantee Companies Investment (Reserve Bank) Directions, 2008"
92	Master Circulars - Miscellaneous Instructions to NBFC- ND-SI
93	Master Circular – The Non-Banking Financial Company -Factors (Reserve Bank) Directions, 2012
94	Master Circular 2013 – Opening of Branch-Subsidiary-Joint Venture-Representative office or Undertaking Investment Abroad by NBFCs
95	Master Circular – Corporate Governance
96	Master Circular - allied activities- entry into insurance business, issue of credit card and marketing and distribution of certain products
97	Master Circular- Exemptions from the provisions of RBI Act, 1934
98	Notification as amended upto June 30, 2013– "Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007"
99	Master Circular - Returns to be submitted by NBFCs

Cont…

================================ **UPDATES** ==================================

100	Notification as amended upto June 30, 2013 – “Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2008.”
101	Notification as amended upto June 30, 2013 – “Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007”
102	Notification as amended upto June 30, 2012 – “Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998”
103	Master Circular- Capital Adequacy Standards and Risk Management Guidelines for Standalone Primary Dealers
104	Master Circular – Operational Guidelines to Primary Dealers
105	Master Circular on SHG-Bank Linkage Programme
106	Master Circular - Swarna Jayanti Shahari Rozgar Yojana (SJSRY)
107	Master Circular - Credit Facilities to Minority Communities
108	Master Circular on “Self Employment Scheme for Rehabilitation of Manual Scavengers” (SRMS)
109	Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)

================== COMPLIANCE OF LISTING AGREEMENT ===================

Compliances of Listing Agreement for the quarter ended 30th June, 2013 are as under:

Sr. No.	Compliances	Time Period
1.	Board Meeting to consider the Qtr. Results	Within 45 days form the end of Quarter.
2.	Notice of Board Meeting to the stock exchange to consider the Qtr. Results	At least 7 clear days before the Meeting excluding the date of meeting and notice
3.	Press release for Board Meeting (Eng.+Hindi)	Simultaneously i.e. as above
4.	Fax of Qtr. Result to SE	Within 15 minutes of Board Meeting. (Limited review report is to be submitted along with quarterly results)
5.	Publication of Qtr. Result (Eng.+Hindi)	Within 48 hours of Board Meeting
6.	Quarterly Compliance Report on Corporate Governance under Clause 49	Within 15 days of end of Quarter
7.	Shareholding Pattern to the Stock Exchange under Clause 35	Within 21 days of end of Quarter
8.	Reconciliation of Share Capital Audit Report from CA/PCS for reconciliation of physical share and Demat shares	Within30 days form the end of Quarter.
9.	In case of Book Closure: Notice to Stock Exchange, RTA, NSDL and CDSL	Before atleast 7 working days of Book Closure
10.	Book Closure Publication (Hindi +English Newspaper)	Before atleast 7 days of Book Closure

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

EXTENSION OF LAST DATE FOR PAYMENT OF ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2013-14

The annual membership fee and certificate of practice fee for the year 2013-14 **became due for payment w.e.f. 1st April, 2013. The last date for payment of fee was 30th June, 2013 which has now been extended upto 31st August, 2013.**

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/-(*)

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.

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) by following the steps given below:-

The payment can be made online through Institute's portal www.icsi.edu by following the steps given below:-

Kindly ensure that your browser is IE8, IE9, Mozila 15.0.1 and above, Chrome 21.0, Safari 4.0.3 and the best resolution for view is 1024x768 pixels.

a. Login to portal www.icsi.edu.

b. Click online services on the right top corner and then click 'Member's Tab' on page.

Cont…

c. Login for self profile by entering the membership number (like A1234) as per the sample given on the page and 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.

d. After login, select the 'Member Option' then click on "Online Services".

e. Select the check box if you are CP holder (for COP payment).

f. Click on Proceed for Payment button for payment.

g. Keep the generated acknowledgment for future reference and record.

(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, Senior Assistant on telephone Nos.011-45341062/64 or through e-mail ids: annualfee@icsi.edu, cp@icsi.edu.

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

AN APPEAL TO THE MEMBERS FOR GENEROUS DONATIONS TO SUPPORT THE VICTIMS WHO HAVE SUFFERED "EXTENSIVE DEVASTATION" IN THE STATE OF UTTARAKHAND

As you are kindly aware that "extensive devastation" has been caused due to cloudbursts and floods in the state and a large number of people have died and property worth crores of rupees has been damaged in the State of Uttarakhand.

At this moment, affected people need our help to tide over the calamity that has fallen upon them, to survive and to rebuild their lives. I request all members to stand with our distressed fellow countrymen, and actively participate in the national effort to support them at this difficult time. We have a Social Responsibility to help them in this hour of need.

NIRC of ICSI calls upon the members to come forward and donate generously to the Prime Minister's National Relief Fund so that we may send some consolidated amount towards the relief. Members are requested to contribute through a Cheque/Demand Draft in favour of "Prime Minister's National Relief Fund" which may please be sent to the Deputy Director, NIRC of ICSI, 4, Prasad Nagar Institutional Area, New Delhi. All donations are exempted under section 80G of income tax.

We will publish the names of all donors in the next issue of NIRC Newsletter as a token of our acknowledgement.

Regards,

M G JINDAL
Chairman
09814170354

*****