ICSI STUDENTS' FORUM, KOCHI

NOVEMBER 2015

CORPORATE SUPERNOVA

sfsupernovakochi@gmail.com

"CSR is not about managing reducing and avoiding risk, it is about creating opportunities, generating improved sustaionable, profitable performance for the people and planet."

QUARTERLY MAGAZINE

INDEX

FROM THE CHAIRMAN'S DESK

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CHAIRMAN, ICSI KOCHI CHAPTER
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Dear Students,

I am extremely happy to note that the Student Forum of Cochin Chapter re-launching their e-magazine. I would like to compliment all the office bearers of the Student Forum for taking this initiative to re-launch wonderful magazine.

This e-magazine was treated as one of the best journals earlier by the members of the CS fraternity and you will continue to show the same kind of quality articles in future also.

I wish the student forum and editorial team all the best.

Warm regards,
S. P Kamath
Chairman,
ICSI Kochi chapter

FROM THE STUDENTS' FORUM CHAIRMAN'S DESK

"If I have the belief that I can do it, I shall surely acquire the capacity to do it even if I may not have it at the beginning"
Mahatma Gandhi

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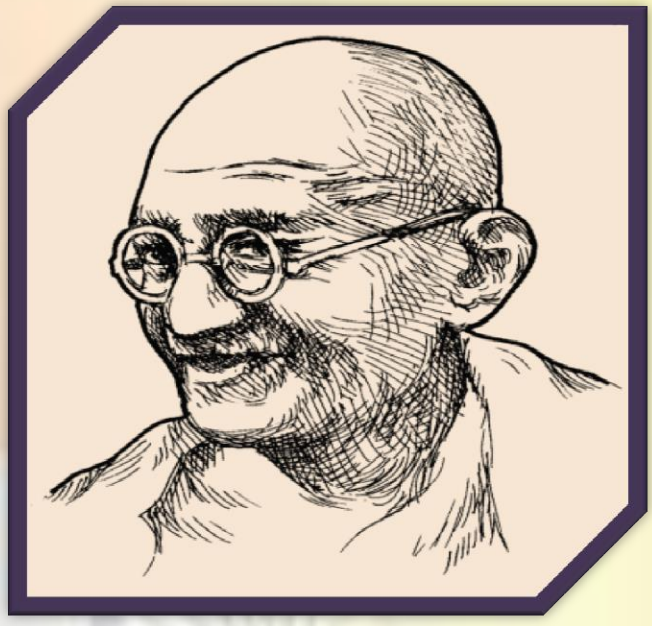
The re-launching of Corporate supernova, the prestigious magazine of ICSI Students' forum Kochi was not an easy task. It happened only because of the hard work and effort by the corporate supernova team and let me congratulate all the hands and brains behind this. We have proved that 'together we can create wonders'.

Our aim is to be a catalyst in the process of polishing the knowledge, ideas and imaginations of the students by providing fruitful contents such as articles, interviews, exam tips, positive thoughts etc. We also expect your active participations in our journey. If you are ready, we are happy to provide you pages in our magazine. Let our brain think beyond the text books and class rooms.

This supernova comes out with the theme 'Corporate social responsibility'. Be a socially responsible corporate. The slogan "love nature and it will teach you' is the soul of our life. It is easy to become a good professional but hard to become a good and social responsible human being. How you treat people around you and your surrounding nature is the ultimate thing and the meter for assessing you personality. So, be a good professional, be a good and socially responsible human being...

Warm regards,
Noufal P.N
Chairman,
Students' Forum

GREAT MEN OF INDIA – BOONS OF OCTOBER



"By education, I mean an all-round drawing of the best in child and man in body, mind and spirit."

M K GANDHI

"Creativity is the key to success in the future, and primary education is where teachers can bring creativity in children at that level."

A.P.J ABDHUL KALAM

CSR
CORPORATE SOCIAL RESPONSIBILITY

CS NEERAJ VASUDEVAN
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"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large "

World Business Council for Sustainable Development

What is CSR all about?

Corporate Social Responsibility also known as corporate conscience, corporate citizenship, social performance or sustainable responsible business is a form of corporate self regulation integrated into a business model. The Corporate is a business enterprise which undertakes to earn profit. The Corporate is expected to earn profit to meet its obligations to different categories of stakeholders. This is an orthodox and conventional description of a Corporate entity. Now a days, the corporates have major responsibilities towards the society apart from its Stakeholders. It is seen that the practice of CSR has been followed in the United States of America sometime around 1960's and 1970's. With the passage of time, the concept of CSR spread to the European countries. In India, Tata group and Birla group had been undertaking CSR without using the label of CSR. CSR is a win-win tool in the corporate hands to enhance its longevity, is beyond charity, to encompass sustainability that is effective and inclusive.

CSR and Indian Scenario

As discussed above, CSR is not a new concept in India. Ever since their inception, corporate like Tata Group, Aditya Birla Group, Indian Oil Corporation etc have been involved in serving the community. Through donations and charities, many other organizations have been doing their part for our society. The basic objective of CSR in these days in India is to maximize the Company's overall impact on the society and shareholders. Corporates also feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation of the business from their competitors. Public sector Companies such as GAIL (India) Ltd., NTPC Limited, BHEL, Chennai Petroleum Corporation Limited and Oil & Natural Gas Corporation have CSR policy in place.

"To enrich quality of life in the society we operate in, we need to give back to the society manifolds than what we get from it" – JRD Tata

CSR has gone through many stages in India. The ability to make a significant difference in the society and improve the overall quality of life has been clearly proven by the Corporates.

CORPORATE SOCIAL RESPONSIBILITY UNDER COMPANIES ACT, 2013

When the Hon. President of India gave assent to the Companies Bill, 2013, India became one of the few countries having the Act mandating the Companies to contribute compulsorily to CSR. Other countries are Sweden, Norway, Netherlands etc. Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014 gives the mandatory CSR obligations. Let us discuss the legal validity in detail.

As per Rule 2(1)(c) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Corporate Social Responsibility means and includes but is not limited to:-

I. *Projects or programs relating to activities specified in Schedule VII to the Act. or;*

II. *Projects or programs relating to activities undertaken by the board of directors of a Company (Board) in pursuance of recommendations of the CSR committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.*

SECTION 135 of the Companies Act, 2013

SECTION 135(1) - CONSTITUTION OF CSR COMMITTEE

Section 135(1) specifies that EVERY COMPANY having

1. NETWORTH* of Rs 500 crore or more **OR**
2. TURNOVER* of Rs 1000 crore or more **OR**
3. NET PROFIT* of Rs 5 crore or more

During any FINANCIAL YEAR shall constitute a Corporate Social Responsibility Committee of the Board consisting of THREE OR MORE DIRECTORS out of which at least one director shall be an independent director.

Meaning of Net worth and Turnover is given under Chapter I of the Companies Act, 2013 and the meaning of net profit is given under the CSR Rules.

***Net worth** means the aggregate value of the *paid up share capital* and all reserves created out of the profits and the securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the audited balance sheet but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. **SEC 2(57)**

***Turnover** means the aggregate value of the realization of the amount made from the sale supply or distribution of goods or on account of services rendered or both by a company during the financial year. **SEC 2(91)**

***Net Profit** means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following viz.

(i)Any net profit arising from any OVERSEAS 'BRANCH OR BRANCHES' of the Company, whether operated as a separate Company or otherwise; and

(ii)Any DIVIDEND received from other Companies in India and are complying with the provisions of Section 135 of the Act.

Provided that the net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Companies Act, 2013. So it is understood that for the purpose of first CSR reporting, the net profit shall mean average of annual net profit of the preceding 3 (three) financial years ending on or before 31.3.2014 as computed under the provisions of the Companies Act, 1956. Provided further that in case of a foreign Company covered under the CSR Rules, net profit means the net profit of such foreign Companies as per the profit and loss account prepared in terms of Section 381(a)(a) read with Section 198 of the Companies Act, 2013 **RULE 2(1)(f)**

As per Rule 3(1) of the CSR Rules, every Company including its holding or subsidiary, and a foreign company defined under Section 2(42) of the Companies Act, 2013 having its branch office or project office in India, which fulfills the criteria specified in Section 135(1) above shall comply with the provisions of Section 135 and the CSR Rules. Calculation of net profit of foreign Companies shall be in accordance with the provisions of Section 381 read with Section 198 of the Companies Act, 2013. **(***Note: Section 381 deals with Accounts of foreign companies and Section 198 deals with Calculation of Profits***)**

As per Rule 3(2) of the CSR Rules, every Company which CEASES to be a Company under Section 135(1) of the Companies Act, 2013, for 3(three) CONSECUTIVE financial years SHALL NOT be required to.

i. Constitute a CSR Committee; and
ii. Comply with the provisions under Section 135(2), 135(3), 135(4) and 135(5)of the Companies Act, 2013 till such time it meets the criteria specified under Section 135(1).

CSR COMMITTEES

As per Rule 2(d) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

Rule 5 of the CSR Rules states that Companies mentioned under Rule 3(1) shall constitute CSR Committee as follows.

a. An unlisted public Company or a Private Company covered under Section 135(1), which is not required to appoint an independent director pursuant to Section 149(4), shall have its CSR Committee without such Director.

b. A private Company having only 2 Directors on its Board shall constitute CSR Committee with 2 such Directors.

CSR Committee for a Foreign Company

With respect to foreign companies covered under the CSR Rules, the CSR committee shall comprise of at least 2 persons of which one person shall be as specified under 380(1)(d) of the 2013 Act (i.e. the person resident in India who has been authorized to accept on behalf of the Company service of process and any notices or other documents required to be served on the Company) and another person shall be nominated by the foreign Company. Section 380 deals with DOCUMENTS, ETC., TO BE DELIVERED TO THE REGISTRAR BY FOREIGN COMPANIES.

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects and programs or activities undertaken by the Company. – Rule 5(2)

SECTION 135(2) - DISCLOSURE IN BOARD'S REPORT

Section 135(2) specifies that the Board's Report under Section 134(3) shall disclose the composition of the Corporate Social Responsibility Committee. Section 134(3)(o) states that there shall be attached to the statements laid before a Company in General Meeting, a report by its Board of Directors which shall include the details about the policy developed and implemented by the Company on Corporate Social Responsibility initiative taken during the year.

SECTION 135(3) - RESPONSIBILITY OF CSR COMMITTEE

Section 135(3) mentions that the CSR Committee shall

- Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred for the activites specified in Schedule VII; and
- Monitor the CSR Policy of the Company from time to time.

CSR POLICY – As per rule 2(1)(e) "CSR POLICY" relates to the activites to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company. As per Rule 6(1), The CSR policy of the Company shall, among other things, shall include the following viz.

a. A list of CSR projects or programs with a Company plans to undertake falling within the purview of the Schedule VII of the Act, specifying the modalities of execution of such project or programs and implementation schedules for the same; and

a. Monitoring of such projects or programs Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of

a. business of a Company.

Provided further that the Board shall ensure that the activities included by the Company in its CSR Policy are related to activities specified in Schedule VII of the Companies Act, 2013. As per Rule 6(2), the CSR Policy of a Company shall specify that the surplus arising out of the CSR projects/programs/activities shall not form part of the business profit of the Company.

CSR Expenditure

As per Rule 7, CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on a item which is not in conformity or not within the purview of Schedule VII of the Act. Rule 4(4) states that Subject to the provisions of Section 135(5), the CSR projects or programs or activities undertaken in INDIA only shall amount to CSR expenditure

SECTION 135(4) - CSR POLICY

Section 135(4) mentions that the Board of every Company, liable to contribute to CSR, shall –

1. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company and disclose contents of such policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed; and

2. Ensure that the activities as are included in CSR Policy of the company are undertaken by the Company.

CSR Reporting

As per Rule 8(1), the Board's Report of a Company covered under these rule pertaining to a financial year commencing on 1/4/2014 shall include an ANNUAL REPORT on CSR containing particulars specified in Annexure.

(Note: Annexure means the annexure appended in the Companies (Corporate Social Responsibility Policy) Rules, 2014)

As per Rule 8(2), in case of a foreign company, the Balance Sheet filed under Section 380(1)(b) shall contain an annexure regarding report on CSR.

Display of CSR activities on Company's website

As per Rule 9, the Board of Directors of the Company shall, after taking into account the recommendations of the CSR Committee, approve the CSR Policy for the Company and disclose the contents of such policy in its report and the same shall be displayed on the Company's website, if any as per the particulars specified in the Annexure.

SECTION 135(5) - SPENDING ON CSR

As per Section 135(5), every Company falling under section 135(1),(ie. Obliged to contribute towards CSR) shall ensure that the Company spends. In EVERY FINANCIAL YEAR, ATLEAST 2 %(TWO PERCENTAGE) OF THE AVERAGE NET PROFITS of the Company made during THE THREE PRECEDING FINANCIAL YEARS, in pursuance of its CSR Policy.

First Proviso to Subsection 5 of Section 135 states that the Company shall give preference to the LOCAL AREA and AREAS AROUND IT WHERE IT OPERATES, for spending the amount earmarked for CSR activities. Rule 4(4) mentions that Subject to the provisions of Section 135(5), the CSR projects or programs or activities undertaken in INDIA only shall amount to CSR expenditure.

Second Proviso to Subsection 5 of Section 135 states that if the Company fails to spend the amount earmarked for CSR activities, the Board shall in the Board Report shall pursuant to Section 134(3)(o) specify the reasons for not spending the amount.

Explanation to Section 135 states that the AVERAGE NET PROFITS for the purpose of Section 135 shall be calculated in accordance with the provisions of Section 198.

CSR ACTIVITIES – RULE 4

The CSR activities shall be undertaken by the Company as per its stated CSR Policy, as projects/programs/activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business– **Rule 4(1)**

The Board of directors of the Company may decide to undertake its CSR activities, approved by the CSR Committee through a REGISTERED TRUST or REGISTERED SOCIETY or a COMPANY established under section 8 of the Act, by the Company, either singly or along with its Holding or Subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate Company of such other Company, or otherwise – **Rule 4(2)**

Proviso to Rule 4(2) state that:

i. If such Trust, Society or Company is not established by the Company, either singly or along with its holding or subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate Company of such other Company shall have an established TRACK RECORD OF THREE YEARS in undertaking similar projects or programs;

ii. Companies (Corporate Social Responsibility Policy) Amendment Rules,2015- dated 19th January 2015

iii. The Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

OTHERS

A Company may also collaborate with other Companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee of respective Companies are in a position to report separately on projects or programs in accordance with the CSR Rules. – **Rule 4(3)**

The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be treated as CSR activities in accordance with Section 135 of the Companies Act, 2013. – **Rule 4(5)**

Companies may build CSR capacities of their own personnel and as well as those of their implementing agencies through institutions with established track records of at least 3 financial years but such expenditure, including expenditure on administrative overheads shall not exceed 5% of the CSR expenditure of the Company in one financial year. – **Rule 4(6)**

Contribution of any amount directly or indirectly to any political party under Section 182 of the Act shall not be considered as CSR activity. – **Rule 4(7)**

CS VIVEK KUMAR

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CS Vivek Kumar is a post graduate in Commerce and an Associate member of Institute of Company Secretaries of India. He is pursuing law graduation in Cochin University of Science and Technology (CUSAT).

After completing graduation in marketing he joined with Ranbaxy, Laboratories Limited as Medical representative in the year 2004. After two years of service he promoted as Marketing Manager. During his tenure at Ranbaxy he completed Executive Programme of Company Secretary ship. In the year 2009, he resigned from job to complete 15 months practical training. He completed training under CS Jayan K, SVJS Associates, Practicing Company Secretaries. In the year 2012 he completed Professional Programme and become an Associate Member of Institute of Company Secretaries of India. Subsequently he obtained certificate of practice from the Institute and started his own practice at Ernakulam. He is one of the founder Director of Aalvo Consultants Private Limited.

1. WHY COMPANY SECRETARY (CS) ?

It was one of my dream to learn law after completing graduation. But I believed in the principle earn while you learn. At that point of time it was not possible to do LL.B on part time/evening basis. As the CS course basically deals with various corporate laws I decided to do CS. Furthermore you can earn while learning various laws.

2. WHAT QUALITIES ARE REQUIRED TO BE A GOOD COMPANY SECRETARY ?

I have not worked as a full time Company Secretary. Being a Practising Company Secretary you need to have good interpersonal skills, constant updation of your knowledge and ability to adapt with changing corporate environment.

3. WHAT WAS THE MOST CHALLENGING EXPERIENCE YOU FACED AS A COMPANY SECRETARY ?

After obtaining membership of the Institute I decided to start practice as a Company Secretary. Being a fresher it was very difficult to convince the corporates and acquire their confidence. Simultaneously maintaining office and acquiring practice were the other challenge I faced during my practice.

4. AS A COMPANY SECRETARY, PLEASE HIGHLIGHT YOUR STRENGTHS THAT HELPED YOU.

Interpersonal skills, the ability to remember the name of persons, fixing targets and achieving them and ability of data compilation acquired during my tenure at Ranbaxy Laboratories Limited helped a lot.

5. WHEN DID YOU REALISE THAT COMPANY SECRETARY IS THE PROFESSION THAT YOU SHOULD OPT?

It was Mr. Fernandez my teacher at Cochin College who gave the information regarding CS course. On the farewell day of graduation each one of us were asking to the various teachers regarding what to do after B.Com. He told me that there is a difficult course called Company Secretaryship which he was doing but couldn't complete. That was the day on which I decided to do CS. However I joined for CS only in 2008.

6. WHAT DID YOU LIKE BEST ABOUT THIS PROFESSION ?

Being a Company Secretary I have the opportunity to interact with various levels of the Corporates, right from bottom to top. Also I can become part of young and energetic entrepreneurs who face a lot of challenges day by day. Moreover I enjoy the independency provided by CS.

7. CS OR CGP (CORPORATE GOVERNANCE PROFESSIONAL).WHICH TERM DO YOU LIKE THE MOST AND WHY ?

I like the term CGP. Most of the time when we use the term Company Secretary due to lack of awareness most of the people misunderstands it as a Secretary of a body corporate.

8. IS THERE ANY MENTOR BEHIND YOUR SUCCESS ?

My parents and sister.

9. WERE YOU ACTIVE IN THE STUDENTS' FORUM ACTIVITIES IN KOCHI CHAPTER ?

It's my great privilege that I could be a part of formation of ICSI Student's Forum. I was the Chairman of ICSI Student's Forum during 2010-11. Also I was one of the editorial member of Corporate Supernova.

10. WHAT ARE THE EXPERIENCES THAT YOU GAINED FROM BEING PART OF STUDENTS' FORUM AND HOW WAS THAT HELPFUL?

Being a Students' Forum member I have got a lot of opportunities to interact with various Company Secretaries that helped me to find good trainer to impart 15 months practical training and to acquire diverse soft skills. The study circle meetings and paper presentations conducted by ICSI Students' Forum supported me during studies. The events like Training Orientation Programme, Executive Development Programme etc. conducted by ICSI Students' Forum along with ICSI Kochi Chapter was a new experience in the field of conducting events. Moreover the association with Corporate Supernova helped a lot to improve my knowledge as well as to familiarise with the intricacies of publishing online journals.

AARATHI VARMA
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1. As per the Govt. of India proposal, what is the proposed duration of the maternity leave that will be approved soon?
2. RBI is worried about the rising instances of FICN. What is this FICN?
3. Which group has acquired the tire division of Kesoram Industries?
4. Govt. has announced new schemes for gold monetization and gold bonds to reduce Indian appetite. What is the total holding of gold with Indians?
5. Which Indian company has launched a new subsidiary called Way Farers Brands?
6. Which Nobel price winning economist is called the father of Euro?
7. In which company was Swaray Kaushal, husband of Sushama Swaray offered the position of alternative director by Lalit Modi, which he declined?
8. Rattan India Power is the new name for which company?
9. Which bank is the 1st bank to issue contact less debit and credit cards in India?
10. PM Narendra Modi has a new management slogan "Avoid ABCD and Adopt ROAD". What do the acronyms ABCD and ROAD means?

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See page 22 for answers

BHAVISH AGGARWAL

Mr.Bhavish Aggarwal is the Young Alumni Achiever, 2014. He is a Co-founder and Chief Executive officer of Ola-Cabs which is one of the eminent start-ups in India. He received his Bachelor's Degree in Computer Science and Engineering from IIT Bombay in 2008. He shared "Life at IIT Bombay revolved around the peers and friends and I have a lot of memories associated with them. The Co-Founder of Ola cabs Mr.Ankit Bhatia is also a close friend from IIT Bombay."

Starting his career with Microsoft Research, Mr. Aggarwal had two wonderful years of experience from which he attained the ability to file two patents and also publish three papers in International Journals. But his curiosity and involvement in business world was too hard to resist which made him decide to quit his job in August, 2010 and he moved to Mumbai. In September 2010, he co-founded Ola-cabs from his home about which he says as follows:

"At Ola-Cabs, we are trying to provide hassle-free, reliable and technology-efficient cab service to Indians in a deeply fragmented and highly unpredictable market of car/taxi services where there is a significant shortage of easy and comfortable on-ground options for transportation be it within a city or outside"

THE SUCCESS STORY OF OLA CABS:

Ola cabs works on a model that helps in empowering the drivers as well. It strongly believes in fostering and cultivating a rich entrepreneurial culture among the drivers of the local cities. It ties-up with car manufacturers and loan financers that enable drivers and entrepreneurs to buy cars at discounted rates and at attractive financing options. There are host of other benefits extended to the drivers and their families such as medical insurance, children scholarships and a comprehensive Driver Incentive Program, thus creating a win-win situation for all.

Within no time, Mr. Aggarwal and his Company's fame reached the media and he was blessed with several prominent awards for his hard work with blood and sweat such as the 'Billionth award South Asia 2013', 'Best Start-Up of the year by IAMAI', 'HATT Awards', Hindustan times '30 under 30', and Forbes '30 under 30'.

To refresh his mind and to entertain himself, he loves cycling, or playing squash. Photography has always been one of his enjoyments and he maintains a hugely popular photo blog.

Mr. Aggarwal has three key points to share:

1. Take that chance: Few take the leap to follow their dreams, doubting whether they will make it. But you will never know unless you take the big step. There will be situations where your actions will have different outputs. Still believe in what you do.
2. Solve Real Problems: Focus on solving real problems. There will be enough takers for your solutions. You will make lives of some people better and money will follow.
3. Settle for the best: Don't take short-cuts while building your company – keep trying for the best.

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WOMEN EMPOWERMENT

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Women Empowerment is principally the creation of a background where women can make independent decisions on their personal development and make a standing as equals in society.

In this modern India, women are still being considered as grade II citizens, here Women Empowerment is an issue that should sting each of us to push for a change.

Women want to be treated as equals. An incidence of a woman rising to the top of her respective field ought to be considered as nothing more than a commonplace episode. This can only happen if there is a proper course for the empowerment of women. Unfortunately, women empowerment in India is a highly discussed topic with no real solution discovered.

Several challenges like Education, Poverty, Health and Safety are currently the issues plaguing the women in India. Targeting these issues will directly benefit the empowerment of women in India and efforts in this direction are effectively perceptible through various ‘Kudumbasree’ programmes run across the state of Kerala.

There are common attributes like tolerance, patience, focus, dedication, hardworking capability, compassion, multi-tasking skills (enabling them perform tasks at home as well as work place) etc. that would enable the common Indian women to break the shackles of being just ‘ordinary’ and rise the ladder of success and glory.

That being said, there are several women leaders and entrepreneurs in India, who have had remarkable success in their respective arena. Success of each of these women may be attributed to reasons more than one.

"That being said, there are several women leaders and entrepreneurs in India, who have had remarkable success in their respective arena. Success of each of these women may be attributed to reasons more than one"

The Companies Act, 2013 has had remarkable effect in enabling to showcase the leadership abilities of women with huge enterprises mandated to have at least one woman director in its board (rule applies for all companies falling under certain criteria).

In America, many of the Fortune 500 companies with maximum representation of women directors have accomplished better financial results than those with relatively less representation.

Penalty for non compliance with appointment of Women director for listed companies

Compliance Status	Fine Structure
Listed entities complying between April 1, 2015 and June 30, 2015	₹ 50,000/-
Listed entities complying between July 1, 2015 and September 30, 2015	₹50,000 + ₹1000/- per day w.e.f. July 1, 2015 till the date of compliance
Listed entities complying on or after October 1, 2015	₹1,42,000/- + ₹5000/- per day from October 1, 2015 till the date of compliance

"Look like a girl
Act like a lady
Think like a man
Work like a boss"

There is a vast talent pool and lot of women hold key position in many reputed companies. Nevertheless, the mindset of the corporate world has to transform, to welcome more women directors. But with mandatory provisions, this change is bound to happen and these changes at the helm are sure to percolate all the way down to the grass root level and, slowly but steadily, empower women in the real sense of the word.

ANSWERS

1. 8 months from the current 3 months. 1 month before delivery and 7 months after.
2. Fake Indian Currency Notes
3. JK group
4. 22000 tonnes
5. Bata India Ltd.
6. Robert Mundell
7. Indofil Chemicals
8. Indiabulls Power
9. ICICI Bank
10. Avoid Bypass Confuse Delay (ABCD) & Respond Ownership Accountability Discipline (ROAD).

SAHARA INDIA PARIWAR INVESTOR FRAUD CASE

The Sahara group companies-Sahara Real Estate and Sahara Housing Companies(“saharas”)(unlisted companies)by hiring lakhs of agents from their branches(around from thousands of branches)offered their Optionally Convertible Debentures (OFCDS)to crores of people and raised crores of rupees. This issue is purely on private placement basis and these OFCDs was not listed on any stock exchange in India or Abroad. Then on a clear technical grounds ,they claimed that there was no issue of securities to the public that would result in compliance with SEBI Regulations and other laws for disclosure. Moreover ,they refused to provide information to SEBI and adopted delaying art of manoeuvring .

As the Supreme Court records ,the Saharas ,raised their funds through OFCDs and filed/circulated Information Memorandum / Red Herring Prospectus with Registrar of Companies (RoCs) but nothing with SEBI.As per this view issue of shares to friends, associates, group companies, etc. did not amount to public issue requiring compliance with the provisions of the Companies Act,1956,the SEBI Act and Regulations etc. regarding public issues. The Saharas , by hiring about 10 lakh agents, opened 2900 branches and offered the OFCDs to crores of people and issued to around 66 lakhs of people (figures may be higher than this).This contradicted with the provisions under section 67(3) of Companies Act ,1956,that the maximum limit permitted is 49 offerees (in new Companies Act,2013 its 200 offerees excluding qualified institutional buyers and employees of the company being offered securities under a scheme of employees stock option as per provisions of clause(b) of sub-section(1) of section 62) beyond this shall be deemed to be an offer to the public.

The SEBI came to know this through the offer document filed by Sahara group with Merchant Banker for issue of shares through public offer of another group company, the earlier issues of OFCDs, made preliminary inquiries with the Merchant Banker. But on believing on the legal opinions, the Merchant Banker replied that the earlier issues were in compliance with law but didn’t provide much details. The Saharas obstinated that they had complied with the law and SEBI had no jurisdiction over this and would respond only to the RoCs, when SEBI communicated the matter with them. Further, they argued that the SEBI should wait till the matter was resolved regarding the issue before the Law Ministry as to whether they are liable for providing information to SEBI. As a result SEBI could collect information from RoC documents and passed orders regarding this and also given petitions before High Court, issued summons and so on. Finally the Supreme Court upheld the order by SEBI along with the order on appeal by SAT under section 15Z of SEBI Act. Supreme court directed these companies to refund over Rs 24,400 crores.

On 26 february 2014, the Supreme court of India ordered the arrest of Subrata Roy, Chairman and founder of Sahara India Pariwar, for failing to appear before court and for not refunding the 24,000 crore deposits to its investors. Finally, he was arrested on 28 February 2014. He was granted interim bail by Supreme court on condition of depositing 10,000 crores with SEBI. SEBI bars this and the other two group companies (Sahara Real Estate and Sahara Housing companies) from raising money from the public through OFCDs. In January 2011, for deceiving the investors in a proposed housing project of Rs.25,000, Delhi High Court issued warrant against Subrata Roy and other four officials. Delhi High court stays proceedings against them for this.SAT ordered Saharas to refund the amount within six weeks with 15% interest which amounts to 17,656.53 crores. They moved to Supreme court against this and in favour of Sahara Group it stayed the SAT order. Supreme court asked to provide the details and liabilities of the companies and also obligated the two companies to refund 17,400 crores to their investors. Supreme court gave 3 weeks time to give either sufficient bank guarantee or attach properties worth the amount raised through OFCDs.

In March 2015, the Court had directed Saharas to return around Rs.24,000 crores with the interest (nearly 3 crores) to investors through SEBI in 2012. Later they were allowed to pay by February 2013. The total dues have now gone upto Rs.40,000 crores in July 2015, SEBI cancelled Sahara's mutual fund licence.

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Reference: Wikipedia, judgment of Supreme Court.

THE CORPORATE WORLD 'SURVIVAL OF THE FITTEST'

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We can also define the Corporate world as a jungle, a harsh environment in which only the strong and the fittest can adapt and survive. Every hour every minute the total focus is on survival, don't you agree? Every business, businessman, employers has to show and prove his capabilities. In our academic years we had to prepare for exam once a year but when we enter into the corporate world there's a surprise test waiting for us all the time.

The phrase 'survival of the fittest' was popularized by Charles Darwin. By this phrase he did not mean that the toughest will survive, the swiftest will win, the smartest will succeed, or the biggest will dominate. So what does all of this mean for the strategy of a business or a brand? It means that the company or the brand best "fitted", or best "adapted" to its environment (its markets, its customers) is most likely to survive, and most likely to flourish. It means that companies or brand not well "fitted" to their markets will not survive long-term.

So, how does a company ensure its "fits" to its markets and its customers. The answer is twofold. First, the senior management of the company must be open-minded , willing to listen, and able to accept the truth. Everyone in the organization must feel free to tell the truth to senior management, without fear or apprehension. Second, the company must have a competent, experienced marketing research department with one or two old, grizzled researchers with 25 or 30 years of 'in the trenches' experience to manage the department and train the younger staffers.

FOUNDATION EXAM TIMETABLE

Day and Date of Examination	Subjects	Batch No.	Examination Timings	
			From	To
Saturday, 26th Dec, 2015	Paper -1 Business Environment and Entrepreneurship AND Paper-2 Business Management, Ethics and Communication	I	9.30 A.M.	11.00 A.M.
		II	12.00 Noon	1.30 P.M.
		III	2.30 P.M.	4.00 P.M.
		IV	5.00 P.M.	6.30 P.M.
Sunday, 27th Dec, 2015	Paper-3 Business Economics AND Paper-4 Fundamentals of Accounting and Auditing	I	9.30 A.M.	11.00 A.M.
		II	12.00 Noon	1.30 P.M.
		III	2.30 P.M.	4.00 P.M.
		IV	5.00 P.M.	6.30 P.M.

EXECUTIVE EXAM TIMETABLE

Date and Day	Executive Programme
21.12.2015 Monday	Cost and Management Accounting (Module-I)(OMR Based Exam)
22.12.2015 Tuesday	Tax Laws and Practice(Module-I)(OMR Based Exam)
23.12.2015 Wednesday	Industrial, Labour and GeneralLaws (Module-II)*(OMR Based Exam)
24.12.2015 Thursday	NO EXAMINATION
25.12.2015 Friday	NO EXAMINATION
26.12.2015 Saturday	Company Law(Module-I)
27.12.2015 Sunday	Economic and Commercial Laws(Module-I)
28.12.2015 Monday	NO EXAMINATION
29.12.2015 Tuesday	Company Accounts and Auditing Practices (Module-II)
30.12.2015 Wednesday	Capital Markets and Securities Laws (Module-II)
31.12.2015 Thursday	NO EXAMINATION

PROFESSIONAL EXAM TIMETABLE

Date and Day	Professional Programme (Old Syllabus)
21.12.2015 Monday	Company Secretarial Practice (Module – I)
22.12.2015 Tuesday	Drafting, Appearances and Pleadings (Module-I)
23.12.2015 Wednesday	Financial, Treasury and Forex Management (Module-II)
24.12.2015 Thursday	NO EXAMINATION
25.12.2015 Friday	NO EXAMINATION
26.12.2015 Saturday	Corporate Restructuring and Insolvency (Module-II)
27.12.2015 Sunday	Strategic Management, Alliances and International Trade (Module-III)
28.12.2015 Monday	Advanced Tax Laws and Practice (Module-III)
29.12.2015 Tuesday	NO EXAMINATION
30.12.2015 Wednesday	Due Diligence and Corporate Compliance Management (Module-IV)
31.12.2015 Thursday	Governance, Business Ethics and Sustainability

Date and Day	Professional Programme (New Syllabus)
21.12.2015 Monday	Advanced Company Law and Practice (Module – I)
22.12.2015 Tuesday	Secretarial Audit, Compliance Management and Due Diligence (Module – I)
23.12.2015 Wednesda	Corporate Restructuring, Valuation and Insolvency (Module – I)
24.12.2015 Thursday	NO EXAMINATION
25.12.2015 Friday	NO EXAMINATION
26.12.2015 Saturday	Information Technology and System Audit (Module – II)
27.12.2015 Sunday	Financial, Treasury and Forex Management (Module – II)
28.12.2015 Monday	Ethics, Governance and Sustainability (Module – II)
29.12.2015 Tuesday	Advanced Tax Laws and Practice (Module – III)
30.12.2015 Wednesda	Drafting, Appearances and Pleadings (Module – III)
31.12.2015 Thursday	Elective 1 out of below 5 subjects (Module – III) (i) Banking Law and Practice (ii) Capital, Commodity and Money Market (iii) Insurance Law and Practice (iv) Intellectual Property Rights – Law and Practice (v) International Business-Laws and Practices

16th National PCS Conference

The 16th National PCS Conference held on 13th & 14th of August 2015 was the first of its kind ever to be hosted in the State of Kerala. Months of Planning, Hard work and wholehearted cooperation of Members Staff and Students put together with Blessings in the Gods owns land, The conference was a core of positive vibes. The 16th National PCS Conference was a two day residential Conference, hosted by the Kochi Chapter of ICSI, held at Bolgatty Palace & Island Resort, Kochi.

His Excellency, The Governor Justice P. Sathasivam inaugurated the Conference The esteemed presence of the Hon'ble Chief Minister of Kerala Shri.Oommen Chandy, on the second day of the Conference, made the event noteworthy in all sectors of the Society. Eminent personalities among various sectors, regulatory bodies, and members of ICSI from all over the country attended the function. Renowned resource persons lead the sessions. The event was covered by the regional newspapers and television station. Around 500 delegates from all over India attended the Conference. Becoming a part of such a land mark event was indeed a privilege.

The conference started on 13th morning when delegates started to arrive at the venue. The Conference began with registration of delegates. The inaugural session started by 11.45AM. The dias was blessed with the presence on eminant personalities, And the Conference was formally inaugurated by lighting the lamp by His Excellency, The Governor Justice P. Sathasivam.

On the first day the sessions started immediately after the inaugural session. The topics for the sessions were Secretarial Audit and Secretarial Standards- Expectations and experiences, Internal Audit- CS can paly role?" , "Winning qualities of highly successful people. Special sessions on "Challenges and opportunities for PCS in digital economy" and "Indemnity, Immunity & Insurance For professionals" were also conducted. After the technical sessions, Cultural programs by company secretaries with a blend of south Indian food and culture made the evening a joyful one.

The next dawn bought in more fun and enjoyment with a perfect climate. The day began with meditation, refreshing the mind and soul, and a Boating for the nature lovers through the backwaters of Kerala. After fueling the stomach for the morning, The sessions for the second day began. The first session on Grooming for startups was graced with the presence of the Hon'ble Chief Minister of Kerala Shri. Oommen Chandy. Other sessions for the day were on "NCLT, Competition Law Compliance by Enterprises, Court Craft and Advocacy", Annual Returns- Checks and Balances" , GST- A new area for practice & New Norms for NBFC's. Soon after the sessions by around 4pm the valedictory functions began. The Chief Guest for the evening was Prof. K.V Thomas and the Key note Speaker was Sri. Asgar Ali Pasha IAS, Managing Director KTDC Limited. With the conclusion of the Valedictory Session the beautiful two days came to an end with a smile on everybody's face.

16TH NATIONAL PCS CONFERENCE

THE COMPANIES (AMENDMENT) ACT, 2015

Latest Notifications

The Ministry of Corporate Affairs (MCA) recently issued the Companies (Amendment) Act, 2015 (Amended Law) thereby amending certain sections of the Companies Act, 2013. The amendment received assent from the President on May 25, 2015 and was notified in the Official Gazette on May 26, 2015. Further the amended law mainly strives to improve the ease of doing business in India and has addressed the issues/concerns faced by the stakeholders.

Following are the amendments and clarifications of Companies Amendment Act, 2015 :-

- Section 2(68) and 2(71) - No need of minimum paid-up share capital to commence a business.

- Section 9 - The requirement of having a common seal has been made optional.

- Section 11 - The requirement of filing a declaration regarding 'every subscriber to the memorandum has paid the value of share committed by him/her and that the paid-up share capital of the company is not less than the amount prescribed' with the registrar by the director before commencement of business has been omitted.

- Section 123(1) – Additional proviso has been inserted "no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.".

- Section 134(3)(c) - The following clause shall be inserted, namely:— "(ca) details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government;".

- Section 177(4) - the following proviso shall be inserted, namely:— "Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed;".

- Section 185(1) -Section 185 deals with provisions relating to loans, guarantees and securities provided by a company to its directors or any other person in whom director are interested.

  In section 185 of the principal Act, in sub-section (1), in the proviso, after clause (b), the following clauses and proviso shall be inserted, namely:—

  "(c) any loan made by a holding company to its wholly owned subsidiary company or any guarantee given or security provided by a holding company in respect of any loan made to its wholly owned subsidiary company; or

  (d) any guarantee given or security provided by a holding company in respect of loan made by any bank or financial institution to its subsidiary company:

  Provided that the loans made under clauses (c) and (d) are utilised by the subsidiary company for its principal business activities.".

- Punishment for Contravention of sec 73 and sec 76 of Companies Act, 2013 for acceptance of deposits by companies. [New sec 76A inserted]

  "76A. Where a company accepts or invites or allows or causes any other person to accept or invite on its behalf any deposit in contravention of the manner or the conditions prescribed under section 73 or section 76 or rules made thereunder or if a company fails to repay the deposit or part thereof or any interest due thereon within the time specified under section 73 or section 76 or rules made thereunder or such further time as may be allowed by the Tribunal under section 73,—

  (a) the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees; and

  (b) every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both:

  Provided that if it is proved that the officer of the company who is in default, has contravened such provisions knowingly or wilfully with the intention to deceive the company or its shareholders or depositors or creditors or tax authorities, he shall be liable for action under section 447."

- Section 117(3) – As per the amendment, no person shall be entitled under section 399 to inspect or obtain copies of the Board resolution passed by a company under sec 179(3), filed with the registrar under section 117(3).
- Section 188 – As per the amendment under section 188 the requirement of passing special resolution for approving certain related party transactions has been removed.

Further, it has also been provided that for related party transactions between a holding company and its wholly owned subsidiary company, no resolution are required to be passed if the accounts of the both are consolidated and placed before the shareholders in a general meeting for approval.

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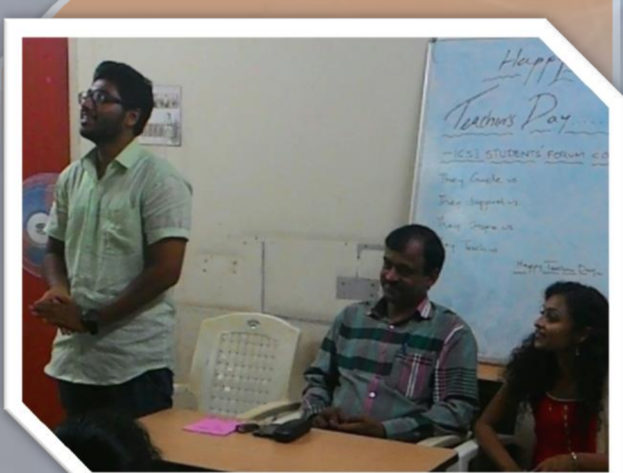
ICSI ONAM 2015

TEAM STUDENTS' FORUM KOCHI

GANDHI JAYANTHY CELEBRATION

TEACHER'S DAY CELEBRATION



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8th November, Sunday

HOW TO REGISTER ?

Register in team (2 persons) with the Kochi Chapter on or before Thursday, 05 November 2015 with their details at icsistudentsforum@gmail.com

REGISTRATION FEES

Rs. 250/Per team
(comprising of 2 members.)

CURRICULUM

Companies Act, 2013 the rules, circulars, notifications & guidelines issued by MCA

ELIGIBILITY

Eligibility to participate is only for registered students of ICSI (Executive level+ above). Foundation students, Students who have passed the CS Professional Programme, Practicing Advocates, Chartered Accountants, Cost Accountants are not eligible to participate.

VENUE

Kochi Chapter of The Institute of Company Secretaries of India,ICSI House, No 65/635, Judges Avenue, RBI Quarters Road, Behind Indian Express, Kaloor, Ernakulam – 682017, Ph: 0484 4040502, 2402950

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*The rules and other terms of the quiz will be intimated separately upon registration.

ACKNOWLEDGMENT

Acknowledgement being the corner of appreciation and recognition, we would like to thank each and everyone who worked for the success of the magazine "CORPORATE SUPERNOVA". This would not have been possible without the efforts of the team members. Hence we would like to extend our sincere gratitude to each and everyone.

Firstly, we are glad for the platform that we got from ICSI Kochi Chapter to express our team work through the success of this magazine.

We also thank all our faculties and students who directly and indirectly supported us to re-launch our magazine "CORPORATE SUPERNOVA". Their professional capacity and quality time they had for us was a major contribution for the success.

Nevertheless, we thank all of you for the great support you provided us on time. We would also be grateful to all of you, if you spare some time for giving us a feed back regarding the same.

Thank you
STUDENTS' FORUM 2015

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CORPORATE SUPERNOVA
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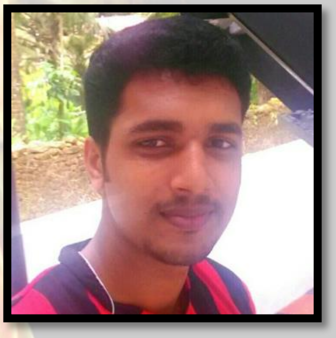

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