CORPORATE JOURNAL

"TO FACILITATE OVERALL PROFESSIONAL DEVELOPMENT WITH ENLIGHTENED INFORMATION"

"IT'S GOOD TO STAND AT ZENITH AND SEE SOMEONE AS YOUR AIM BUT IT FEELS BEST WHEN YOU STAND THERE & SOMEONE SEES YOU AS HIS AIM"

⇒ INSIDE

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.

Since: January, 2013

FROM THE EDITOR

CS Ankur Srivastava
Editor

Dear Professional Colleagues & Friends,

We are carrying tremendous pressure in our life. As student we have pressure of studies & examination, if we are married the pressure of life, children, mother in law, brother in law etc., if we are Corporate or business house the pressure of sale, targets, taxes, margins etc., if we are working the pressure of deadlines, targets, achievement etc., if we are professional in addition to all such pressure we have the pressure to meet the expectation of the Professional World as well.

By subscribing to all such pressure, we tend to live a life full of "Have tos", we don't have time to spend on our self or to do what we love to. This is because we measure life with the quantity and not the quality. We always value how much we have. No one can have a perfect life, but everyone can choose to have a happy life. If we choose to have a happy life, we have to balance all sphere of life it may be personal, family, job or professional front we need to accept all challenges and move forward. This is called management of Life. We have to be adaptable to the changes in the world in the direction of the quality. All the changes lead towards the betterment. It is upto us how we sync the change towards improving the quality.

We all are aware that a separate and dedicated Corporate Judicial Forum NCLT has been constituted w.e.f. 1st June and its rules have also been notified on 21st July, 2016 except the provisions related to merger and amalgamations. With this massive change in the corporate judicial process a bundles of new opportunities have arisen in front of all of us. Now the matter is to take a step outside our comfort zone and adapt the change.

We need to prepare ourself for this new challenge, we need to sync ourself with the process of NCLT. And this will happen only when we decide to change. To synchronize ourself with the expected level of betterment which the change had supposed, we need to be connected and adaptable.

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

Happy Reading.

CS Ankur Srivastava
Editor

PREPARATION AND RECORDING OF MINUTES OF BOARD MEETING UNDER THE NEW COMPLIANCE REGIME- SECRETARIAL STANDARD 1

The Institute of Company Secretaries of India has issued the Secretarial Standards (SS1 on Meeting of the Board of Directors and SS2 on General Meetings) which were approved by the Central Government. The adherence by the Company to these Standards is mandatory, as per the provisions of Section 118(10) of the Companies Act, 2013.

CS Shruti Srivastava

Secretarial Standards came in force w.e.f. 01st July, 2015 and apply to all the Meetings of the Board of Directors of all the Companies except One Person Companies wherein only One director in the Board.

These Standards have overhauled the entire process of the Board Meeting. The highlights of the provisions relating to the preparation and recording of the minutes of the Meetings of the Board of Directors and committees thereof are narrated herein below:

Minutes of the Board / Committee Meetings: Every company shall keep Minutes of all Board and Committee Meetings in a Minutes Book. Minutes kept in accordance with the provisions of the Act evidence the proceedings recorded therein. Minutes help in understanding the deliberations and decisions taken at the Meeting.

- A distinct Minutes Book shall be maintained for Meetings of the Board and each of its Committees.
- Minutes may be maintained in electronic form in such manner as prescribed under the Act and as may be decided by the Board. Minutes in electronic form shall be maintained with Timestamp. A company may maintain its Minutes in physical or in electronic form with Timestamp. Every company shall however follow a uniform and consistent form of maintaining the Minutes. Any deviation in such form of maintenance shall be authorized by the Board.
- The pages of the Minutes Books shall be consecutively numbered. This shall be followed irrespective of a break in the Book arising out of periodical binding in case the Minutes are maintained in physical form. This shall be equally applicable for maintenance of Minutes Book in electronic form with Timestamp.
- In the event any page or part thereof in the Minutes Book is left blank, it shall be scored out and initialled by the Chairman who signs the Minutes.

- Minutes shall not be pasted or attached to the Minutes Book, or tampered with in any manner.
- Minutes of the Board Meetings, if maintained in loose-leaf form, shall be bound periodically depending on the size and volume and coinciding with one or more financial years of the company.
- There shall be a proper locking device to ensure security and proper control to prevent removal or manipulation of the loose leaves.
- Minutes of the Board Meeting shall be kept at the Registered Office of the company or at such other place as may be approved by the Board.

Contents of Minutes: Now the Secretarial Standards have also specified the contents of the minutes:

General Contents: Minutes shall state, at the beginning :

- serial number and type of the Meeting;
- name of the company
- day, date, venue;
- Time of commencement and conclusion of the Meeting.
- Names of the Directors present physically or through Electronic Mode, Company Secretary
- Minutes shall record the names of the Directors present physically or through Electronic Mode, the Company Secretary who is in attendance at the Meeting and Invitees, if any, including Invitees for specific items.

  The names of the Directors shall be listed in alphabetical order or in any other logical manner, but in either case starting with the name of the person in the Chair. The capacity in which an Invitee attends the Meeting and where applicable, the name of the entity such Invitee represents and the relation, if any, of that entity to the company shall also be recorded.
- Minutes shall contain a record of all appointments made at the Meeting.

In case a Meeting is adjourned, the Minutes shall be entered in respect of the original Meeting as well as the adjourned Meeting. In respect of a Meeting convened but adjourned for want of quorum, a statement to that effect shall be recorded by the Chairman or any Director present at the Meeting in the Minutes.

Where the Minutes have been kept in accordance with the Act and all appointments have been recorded, then until the contrary is proved, all appointments of Directors, First Auditors, Key Managerial Personnel, Secretarial Auditors, Internal Auditors and Cost Auditors, shall be deemed to have been duly approved by the Board. All appointments made one level below Key Managerial Personnel shall be noted by the Board.

Specific Contents : Minutes shall inter-alia contain:

- Record of election, if any, of the Chairman of the Meeting.
- Record of presence of Quorum.
- The names of Directors who sought and were granted leave of absence.
- The mode of attendance of every Director whether physically or through Electronic Mode.
- In case of a Director participating through Electronic Mode, his particulars, the location from where and the Agenda items in which he participated.
- The name of Company Secretary who is in attendance and Invitees, if any, for specific

  items and mode of their attendance if through Electronic Mode.
- Noting of the Minutes of the preceding Meeting.
- Noting the Minutes of the Meetings of the Committees.
- The text of the Resolution(s) passed by circulation since the last Meeting, including dissent or abstention, if any.
- The fact that an Interested Director was not present during the discussion and did not vote.
- The views of the Directors particularly the Independent Director, if specifically insisted upon by such Directors, provided these, in the opinion of the Chairman, are not defamatory of any person, not irrelevant or immaterial to the proceedings or not detrimental to the interests of the company.
- If any Director has participated only for a part of the Meeting, the Agenda items in which he did not participate.
- The fact of the dissent and the name of the Director who dissented from the Resolution or abstained from voting thereon.
- Ratification by Independent Director or majority of Directors, as the case may be, in case of Meetings held at a shorter Notice and the transacting of any item other than those included in the Agenda.
- The time of commencement and conclusion of the Meeting.

Apart from the Resolution or the decision, Minutes shall mention the brief background of all proposals and summaries the deliberations thereof. In case of major decisions, the rationale thereof shall also be mentioned. The decisions shall be recorded in the form of Resolutions, where it is statutorily or otherwise required. In other cases, the decisions can be recorded in a narrative form.

Where a Resolution was passed pursuant to the Chairman of the Meeting exercising his second or casting vote, the Minutes shall record such fact.

Recording of Minutes:

- Minutes shall contain a fair and correct summary of the proceedings of the Meeting. The Company Secretary shall record the proceedings of the Meetings. Where there is no Company Secretary, any other person duly authorized by the Board or by the Chairman in this behalf shall record the proceedings.

- The Chairman shall ensure that the proceedings of the Meeting are correctly recorded. The Chairman has absolute discretion to exclude from the Minutes, matters which in his opinion are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or which are detrimental to the interests of the company.

- Minutes shall be written in clear, concise and plain language. Minutes shall be written in third person and past tense. Resolutions shall however be written in present tense. Minutes need not be an exact transcript of the proceedings at the Meeting. In case any Director requires his views or opinion on a particular item to be recorded verbatim in the Minutes, the decision of the Chairman whether or not to do so shall be final.

- Any document, report or notes placed before the Board and referred to in the Minutes shall be identified by initialing of such document, report or notes by the Company Secretary or the Chairman. Wherever any approval of the Board is taken on the basis of certain papers laid before the Board, proper identification shall be made by initialing of such papers by the Company Secretary or the Chairman and a reference thereto shall be made in the Minutes.

- Where any earlier Resolution (s) or decision is superseded or modified, Minutes shall contain a reference to such earlier Resolution (s) or decision.

- Minutes of the preceding Meeting shall be noted at a Meeting of the Board held immediately following the date of entry of such Minutes in the Minutes Book. Minutes of the Meetings of any Committee shall be noted at a Meeting of the Board held immediately following the date of entry of such Minutes in the Minutes Book.

Finalization of Minutes:

- Within fifteen days from the date of the conclusion of the Meeting of the Board or the Committee, the draft Minutes thereof shall be circulated by hand or by speed post or by registered post or by courier or by e-mail or by any other recognized electronic means to all the members of the Board or the Committee for their comments.
- Where a Director specifies a particular means of delivery of draft Minutes, these shall be sent to him by such means. If the draft Minutes are sent by speed post or by registered post or by courier, an additional two days may be added for delivery of the draft Minutes.
- Proof of sending draft Minutes and its delivery shall be maintained by the company.
- The Directors, whether present at the Meeting or not, shall communicate their comments, if any, in writing on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalised and entered in the Minutes Book within the specified time limit of thirty days. If any Director communicates his comments after the expiry of the said period of seven days, the Chairman shall have the discretion to consider such comments.
- In the event a Director does not comment on the draft Minutes, the draft Minutes shall be deemed to have been approved by such Director.
- A Director, who ceases to be a Director after a Meeting of the Board is entitled to receive the draft Minutes of that particular Meeting and to offer comments thereon, irrespective of whether he attended such Meeting or not.

Entry in the Minutes Book:

- Minutes shall be entered in the Minutes Book within thirty days from the date of conclusion of the Meeting. In case a Meeting is adjourned, the Minutes in respect of the original Meeting as well as the adjourned Meeting shall be entered in the Minutes Book within thirty days from the date of the respective Meetings.
- The date of entry of the Minutes in the Minutes Book shall be recorded by the Company Secretary. Where there is no Company Secretary, it shall be entered by any other person duly authorized by the Board or by the Chairman.
- Minutes, once entered in the Minutes Book, shall not be altered. Any alteration in the Minutes as
- entered shall be made only by way of express approval of the Board at its subsequent Meeting in which such Minutes are sought to be altered.

Signing and Dating of Minutes: Minutes of the Meeting of the Board shall be signed and dated by the Chairman of the Meeting or by the Chairman of the next Meeting. Minutes of the previous Meeting may be signed either by the Chairman of such Meeting at any time before the next Meeting is held or by the Chairman of the next Meeting at the next Meeting.

The Chairman shall initial each page of the Minutes, sign the last page and append to such signature the date on which and the place where he has signed the Minutes. Any blank space in a page between the conclusion of the Minutes and signature of the Chairman shall be scored out.

If the Minutes are maintained in electronic form, the Chairman shall sign the Minutes digitally.

Minutes, once signed by the Chairman, shall not be altered, save as mentioned in this Standard.

A copy of the signed Minutes certified by the Company Secretary or where there is no Company Secretary, by any Director authorized by the Board shall be circulated to all Directors within fifteen days after these are signed.

Inspection and Extracts of Minutes: The Minutes of Meetings of the Board and any Committee thereof can be inspected by the Directors. A Director is entitled to inspect the Minutes of the Meetings held during the period of his Directorship, even after he ceases to be a Director. The Company Secretary in Practice appointed by the company, the Secretarial Auditor, the Statutory Auditor, the Cost Auditor or the Internal Auditor of the company can inspect the Minutes as he may consider necessary for the performance of his duties. Inspection of Minutes Book may be provided in physical or in electronic form.

- While providing inspection of Minutes Book, the Company Secretary or the official of the company authorized by the Company Secretary to facilitate inspection shall take all precautions to ensure that the Minutes Book is not mutilated or in any way tampered with by the person inspecting.
- A Member of the company is not entitled to inspect the Minutes of Meetings of the Board.
- Extracts of the Minutes shall be given only after the Minutes have been duly entered in the Minutes Book. However, certified copies of any Resolution passed at a Meeting may be issued even earlier, if the text of that Resolution had been placed at the Meeting.
- A Director is entitled to receive, a copy of the Minutes of a Meeting held before the period of his Directorship.
- A Director is entitled to receive a copy of the signed Minutes of a Meeting held during the period of his Directorship, even if he ceases to be a Director.
- Extracts of the duly signed Minutes may be provided in physical or electronic form.

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

Preservation of Minutes and other Records: Minutes of all Meetings shall be preserved permanently in physical or in electronic form. If electronic form then with Timestamp.

Where, under a scheme of arrangement, a company has been merged or amalgamated with another company, Minutes of all Meetings of the transferor company, as handed over to the transferee company, shall be preserved permanently by the transferee company, notwithstanding that the transferor company might have been dissolved.

Office copies of Notices, Agenda, Notes on Agenda and other related papers shall be preserved in good order in physical or in electronic form for as long as they remain current or for eight financial years, whichever is later and may be destroyed thereafter with the approval of the Board.

Office copies of Notices, Agenda, Notes on Agenda and other related papers of the transferor company, as handed over to the transferee company, shall be preserved in good order in physical or electronic form for as long as they remain current or for eight financial years, whichever is later and may be destroyed thereafter with the approval of the Board and permission of the Central Government, where applicable.

Minutes Books shall be kept in the custody of the Company Secretary. Where there is no Company Secretary, Minutes shall be kept in the custody of any Director duly authorised for the purpose by the Board.

Disclosure: The Annual Report and Annual Return of a company shall disclose the number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director.

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

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

INSOLVENCY & BANKRUPCY CODE

BACKGROUND:

CS Divesh Goyal

Article 19 (1)(g) of the Constitution of India gives freedom to practice any profession or to carry on any occupation, trade or business to the citizens of India, there are restrictions on closure of any industrial undertaking. Such restriction is justified on the ground that it is in public interest to prevent unemployment. As a result of such policy there is a freedom to undertake any industrial activity, but there is no freedom to exit.

Jurisdiction:

It extends to the whole of India. Provided that Part III (INSOLVENCY RESOLUTION AND BANKRUPTCY FOR INDIVIDUALS AND PARTNERSHIP FIRMS) of this Code shall not extend to the State of Jammu and Kashmir.

Effectiveness of the Code:

Insolvency & Bankruptcy code, 2016 (IBC) received the assent of president on 28/05/2016. The code has become an Act and provisions will be effective from a date to be notified. Still not date of notification of the same.

Even those different dates may be appointed for different provisions of this Code and any reference in any such provision to the commencement of this Code shall be construed as a reference to the commencement of that provision.

Applicability: The provisions of this Code shall applying relation to their insolvency, liquidation, voluntary liquidation or bankruptcy, as the case may be.

- Companies under Companies Act
- Special Companies under special Act
- Limited Liability Partnerships
- Other body Corporate as notified by CG
- Individuals
- Partnership Firms

Purpose of I & B Code:

The incidence of corporate failure has adverse implications for various stakeholders including the shareholders, creditors, employees, suppliers and customers. Corporate failure can also have a ripple effect on the economy, affecting the solvency of many other businesses. Therefore, it is necessary that there be a highly efficient corporate insolvency regime to improving the Corporate Insolvency in India.

One of the main purposes of this Code is to suggest certain immediate reforms for improving the Corporate Insolvency regime in India.

General Reasons Behind Insolvency:

The main reasons behind insolvency are primarily poor management and financial constraints. This is much more prevalent in smaller companies. Specifically, the reasons are:

• Market – Company did not recognize the need for change

• Bad debts – obviously money owed by customers

• Management – failure to acquire adequate skills, imprudent accounting, lack of information systems

• Finance – loss of long term finance, over gearing or lack of cash flow

• Knock on effect – i.e. from other insolvencies

• Other – for example excessive overheads etc.

THE LEGAL LANDSCAPE

'Bankruptcy and Insolvency' falls in List III i.e. concurrent list. Therefore both the state as well as the centre has the power to make law on the subject. In case of conflict between laws made by the Parliament and State Legislature the parliamentary law will prevail. The stream of insolvency laws in India can be segregated under following heads:

Companies:

There are three laws (Companies Acts of 1956 and 2013; and Sick industrial Companies Act 1985) which handle the corporate insolvency procedures in India.

REVIVAL AND REHABILITATION OF SICK COMPANIES:-

The Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") remains to date the only Central rescue law in force (although, it applies to industrial Companies only). This is because other legislative attempts to overhaul the corporate rescue regime in India have not been made operational yet.

THE SICK STORY.   *Sick Companies provisions were themselves sick.*

Following enactments were brought in:-

1. SICA -1985 read with 1991 &1993 Amendment
2. Companies (Amendment) Act, 2002_ - Chapter VIA of the CA 1956, inserted by the Companies (Second Amendment) Act, 2002, which provided for the National Company Law Tribunal ("NCLT") to exercise powers in relation to sick industrial companies could not be notified for commencement because the operationalization of the NCLT remained entangled in litigation
3. SICA (Special Provision) Repeal, Act - Not yet effective & now amended by IBC

4. Companies Act, 2013- Never made effective & now omitted by IBC
5. IBC - provisions to be notified

Therefore, as of today, all aspects of rehabilitation of sick/potentially sick industrial companies continue to be governed by SICA and there is no similar statutory rescue mechanism for other categories of companies (other than mechanisms under certain statutes applicable to banking companies and some State Relief Undertaking Acts.

LIQUIDATION / WINDING-UP OF COMPANIES:-

The current legal framework governing the winding-up of companies is contained in the CA 1956. The provisions contained in Chapter XX of the CA 2013 relating to winding up of companies have not been notified yet. The winding up proceedings under the CA 1956 are carried out voluntarily (members' voluntary liquidation, which is a liquidation procedure for solvent companies, and creditors' voluntary liquidation), or compulsorily by the High Court. It may be noted that insolvency of a company is only one of the grounds for compulsory winding up a company. I & B code, 2016 delete all the section of Voluntary winding up from the Companies Act, 2013.

S. No.	Section	Particulars
	Complete process of Voluntary Winding up	
1.	304	Circumstances in which company may be wound up voluntarily
2.	305	Declaration of Solvency in case of proposal to wind up voluntarily
3.	306	Meeting of creditors
4.	307	Publication of Resolution to wind up voluntarily
5.	308	Commencement of voluntary Winding up
6.	309	Effect of Voluntary Winding up
7.	310	Appointment of Company Liquidator
8.	311	Power to remove and fill the vacancy of company liquidator
9.	312	Notice of appointment of company Liquidator to be given to the Registrar

10.	313	Cesser of Board's Power on appointment of company liquidator
11.	314	Power and duties of Company Liquidator in Voluntary Winding up
12.	315	Appointment of Commitees
13.	316	Company Liquidator to submit the report on progress of winding up
14.	317	Report of Company Liquidator to Tribunal for the Examination of persons
15.	318	Final meeting and dissolution of the company
16.	319	Power of company liquidator to accept the shares etc. as the consideration for the sale of property of the company
17.	320	Distribution of the property of the company
18.	321	Arrangement when binding on Company and liquidator
19.	322	Power to apply to Tribunal to have questions determined Cost of Voluntary Winding Up
20.	323	Cost of Volunary winding Up
21.	325	Application of insolvency rules in winding up of insolvent Companies.
22.	The heading "Part II.—Voluntary winding up" shall be omitted	
23.	342(2)(3)(4)	Prosecution of delinquent officers and members of Company.

Individual and Partnership

Personal insolvency is preliminary governed under two acts in Indi:

i. The Presidency Towns Insolvency Act, 1909 (for the erstwhile presidency towns, i.e. Kolkata, Mumbai and Chennai) and

ii. The Provincial Insolvency Act, 1920 (for the rest of India).

Though above are the Central Law, it should be noted that both these Acts have a number of state specific amendments. The substantive provisions under the two Acts are largely similar. There have not been any substantial changes to this regime over the years and it has proved to be largely ineffective in practice

Limited Liability Partnership: The Limited Liability Partnership Act, 2008 includes provisions not only related to winding up and dissolution of a LLP but also compromise, arrangement or reconstruction of LLP. In addition, the LLP Rules, 2012 contain detailed provision regarding the procedure of winding up and dissolution of LLP in various circumstance, including insolvency.

Co-operative Society

Co-operative societies fall under the State List in the Constitution and there are State specific legislations for co-operative societies which often include provisions relating to winding up. In addition,

- The Co-operative Societies Act, 1912 and
- The Multi-State Co-operative Societies Act, 200212,

which are both central acts, also include provisions for the dissolution and winding up of co-operative societies registered under them. However, these Acts do not provide for the rehabilitation or revival of sick co-operative societies.

ASSET RECONSTRUCTION UNDER THE SARFAESI ACT:-

The SARFAESI Act envisages specialized resolution agencies in the form of Asset Reconstruction Companies to resolve Non-performing Assets and other specified bank loan under distress. This mechanism is largely seen as a debt recovery tool and not an insolvency resolution tool (i.e. it does not facilitate rescue in practice).

DEBT ENFORCEMENT/ RECOVERY:-

The RDDBI Act set up the framework for the establishment of Debt Recovery Tribunals ("DRTs") and the Debt Recovery Appellate Tribunals ("DRATs") in India. The primary objective of RDDBFI Act was to ensure speedy adjudication of cases concerning recovery of debts due to banks and notified financial institutions. Cases pending before the civil courts where the debt amount exceeded Rs 10,00,000 were automatically transferred to DRT. There are some key differences between DRTs and ordinary civil courts.

STATE RELIEF UNDERTAKING ACTS:-

Several State governments have their own Relief Undertaking legislations that seek to provide for rehabilitation of sick undertakings established or funded by the government. Many such legislations were specifically enacted for the purpose of preventing unemployment (and thus allowed many unviable businesses to continue operating even at the cost of creditors).

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

THE INDUSTRIES DEVELOPMENT AND REGULATION ACT, 1951

It may be noted that the Central Government is authorised to take-over the management of a scheduled industrial company under the Industries Development and Regulation Act, 1951 several grounds and provide relief similar to those available under insolvency laws (suspension of claims etc.)

Present nature of Insolvency Process in India

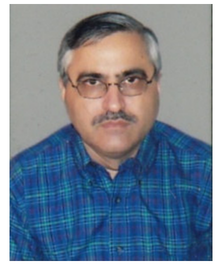
Corporate Insolvency	Individual & unincorporated bodies Insolvency	Other Incorporated Bodies
•Companies Act, 2013 •SICA •SARFAESI •RDB ACT, 1993	•Presidency Town Insolvency Act, 1909 •Provisional Insolvency Act, 1920	•Industrial Develpment Regulation Act •Co-operative Society Act

Conclusion:-

Though there are no prefect laws and bankruptcy code anywhere in the world, the presence of a strong framework is essential to deal with corporate insolvency and creditor and debtor protection in a hassle-free manner. The Insolvency and Bankruptcy Code would provide such environment to ensure easy exit for sick companies and help the country to improve its position in easy of doing business.

With Warm Regards,

CS Divesh Goyal
Practicing Company Secretary
Email: csdiveshgoyal@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.

Last week, we were of the view that consolidation within 66.85 – 67.60 should continue for few days more and only once this consolidation gets completed and currency moves above 67.60 decisively, Rupee depreciation may start.

During last week, Open / High / Low / Close have been **67.1290** / **67.2976** / **66.7916** / **67.1305** (earlier week's closing **67.1290**). After opening at 67.1290 on 11th, the currency went up to 67.2976 (last week's high 67.5455) on the same day and then started correcting and went down to 66.7916 (last week's low 67.0600) on 14th and then after retracing up to 67.1655, it finally closed at **67.1305**, being slightly higher than last week's close. Thus, the consolidation continued as expected.

Now, the present status: The moving averages position is presently as under**:**

21DMA	67.34	**3 WMA**	67.14	**3 MMA**	67.27	**3 QMA**	66.95
30DMA	67.22	**5 WMA**	67.27	**5 MMA**	66.89	**5 QMA**	66.51
50DMA	67.16	**21WMA**	66.97	**21MMA**	65.07	**21QMA**	59.89
200DMA	66.81	**30WMA**	67.10	**30MMA**	63.74	**30QMA**	55.64

- Currency has closed below few of the above-mentioned short & medium term moving averages including 50DMA, however is still above all the other medium & long term moving averages. It has also closed below 120DMA (67.14) / 10WMA (67.15), however is still above 65DMA (66.99) / 50WMA (66.58). 3WMA has closed below 5WMA last week (after 3 weeks of uptrend). 3MMA is running above 5MMA since 3 weeks. 3QMA is running above 5QMA.

- Currency has closed below 8WMA (67.16) / 10WMA (67.15), however has closed above 13WMA (67.01); these averages are in positive phase.

- 21DMA (67.34) is running above 30DMA (67.22). 21WMA has closed below 30WMA and the negative difference between the two has gone up to 0.13 (earlier week 0.03);

- Current difference between 50DMA and 200DMA is static at 0.35 (earlier week 0.35; end Jan'15 1.47). **The difference between the two is rising since 7 weeks (after bottoming at 0.05).** This point towards rupee depreciation in medium term.

- The currency has been taking support at 8QMA (presently at 65.18) continuously since start 2012. Besides, 8QMA is running above 10QMA (64.34) / 13QMA (63.67). **Long term trend reversal would only be there, once currency decisively moves below 8QMA**. Further, in case 8QMA goes below 10QMA, it would also be an indication of long term Rupee appreciation.

- **MACD** – the status is as under:

  Daily Chart – **gone below zero line**, and is running below its average;

  Weekly Chart – running above zero line, but is below its average;

  Monthly Chart – running above zero line, but **is below its average**;

  Quarterly Chart – running above zero line and is above its average.

  Signal indicates consolidation in short and medium term.

- **Crossover Signal –** the status is as under:

  Daily Chart – running negative since 7th July'16, but is above zero line;

  Weekly Chart – running negative since 11th Mar'16, but is above zero line;

  Monthly Chart - has been running positive since Aug'11.

Signal indicates consolidation in currency in short to medium term.

- **<u>RSI</u> –** the status is as under:

  Daily Chart - moved up to 48.38 (last week 46.69), and is above average;

  Weekly Chart - moved up to 52.80 (last week 52.78), but is below average;

  Monthly Chart – remained static at 63.14 (last week 63.14), and is below average;

  Quarterly Chart - remained static at 73.19 (last week 73.19), but is above average.

  Signal indicates consolidation in Rupee in short to medium term.

- **<u>Stochastic Oscillator</u> –** <u>Monthly chart is giving mixed signals. Constant review is required.</u>

- **<u>Dollar Index</u> –** It remained within 96.8050 - 95.8400 range and finally closed at **96.3270** (last week 96.3270)**.** The status is as under:

  Monthly crossover signal remains in up mode (above zero line since Feb'15);

  Daily Crossover signal running positive since 24th June'16, and has crossed zero line last week (**positive crossover running**);

  Weekly Crossover signal running negative since week ending 5th Feb'16, but is above zero line;

  Daily RSI has moved up to 59.62 (last week 59.27), and is above average;

  Weekly RSI has moved up to 54.26 (last week 53.22), and is above average;

  Monthly RSI has moved up to 58.03 (last week 57.59), but is below average;

  Daily MACD is running above zero line, and is above its average;

  Weekly MACD is running below zero line, but is above its average;

  3WMA (96.20) is running above 5WMA (95.70) since 4 weeks (after 2 weeks of downtrend);

  We are of the view that running consolidation of last 4 weeks in Index is expected to complete anytime this week, and now, once index decisively crosses 96.48 (50WMA), it is likely to move higher towards its next targets of 97.80 / 98.55, however one has to remain very careful for sudden profit booking.

  Going forward, the following summarized facts may be observed:

  a. Running consolidation in Dollar Index may complete in few days and on breaking of 96.48, it may move higher towards 97.80 / 98.55, however one has to remain very careful for sudden profit booking;

  b. Currency has closed below 120DMA (67.14) / 50DMA (67.16), however is still above 50WMA (66.58);

c. 50DMA (67.16) is running above 200DMA (66.81) and the difference between the two is increasing since last 7 weeks; 50DMA (67.16) is running above 65DMA (66.99) also;

d. 21DMA (67.34) is running above 120DMA (67.14) since 3 weeks; 21DMA (67.34) is also running above 30DMA (67.22);

e. 21WMA (66.97) is running below 30WMA (67.10) since 2 weeks;

f. 3WMA (67.14) has closed below 5WMA (67.27) last week; 3MMA (67.27) is running above 5MMA (66.89) since 3 weeks;

g. Monthly MACD running below average indicates that depreciation in Rupee, whenever happening, would not be able to last at higher level for a longer period.

In view of all the above narrated facts, we are of the view that consolidation within 66.85 – 67.60 should continue; currency may open on Monday below 67.20 only, however once it decisively moves above 30DMA (67.22), it would try to move higher towards 67.55-67.60. Only a decisive breaking of 66.85 – 67.60 range would give the idea for future movements. Please note that few of the long term indicators have started giving mixed signals and hence, one has to remain very cautious about the expected volatility on both the sides. Both ends of the range i.e. 66.85 & 67.60 should be regarded as stop losses for both the sides.

Please note that we have been informing since quite some time that, though 120DMA (67.14) is running above 200DMA (66.81), but the difference between the two is slowly coming down over few weeks; 120DMA went below 200DMA last in Mar'14, when Rupee got appreciated from around 62 to 58.25 in May'14. Accordingly, repetition of history by way of sudden Rupee appreciation in near future may not be ruled out.

There may be two possibilities:

i. Rupee appreciation happens before Sept'16 i.e. before the period when RBI has to make payment of about 20-25 Billion Dollars worth of payables and then from the level, where currency gets bottomed out, Rupee depreciation starts due to this expected RBI payment and also in view of Presidential elections in USA (on 8th Nov'16) and other global factors as well.

ii. This expected Rupee appreciation happens after Sept'16, when RBI might have completed the said payment of 20-25 Billion Dollars.

Importers should hedge medium term payables around current levels i.e. 67.10 – 67.15. Short term payables may be settled at market rates. Hedging of payables beyond September may now be postponed or be hedged by way of call options. Total hedging may be reduced to around 55-60%. Review of hedging strategies should be made, in case currency closes above 67.70 or below 66.60 on daily closing basis.

Exporters should start hedging medium term receivables from 67.25-67.30 onwards in instalments. Short term receivables may be settled at market rates. Hedged position may be increased to around 65-70%.

Major Resistances : 67.25 / 67.55 / 67.80 / 68.10

Major Supports : 66.90 / 66.60 / 66.00

Note: All the above rates are from Meta Stock

DISCLAIMER: The opinion expressed in this column is based on technical analysis. There is risk of loss in trading, as markets get affected by multiple factors, which cannot be fully accounted for in preparation of the above opinion. The contents are for academic circulation only. Those following the above do so at their own risk. Any recommendation does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any currency / cross. One should fully understand risks in trading of currency / cross before trading.

Regards,

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

Ministry of Corporate Affairs
Government of India

CIRCULARS/ NOTIFICATIONS ISSUED DURING THE PERIOD

Ref No.	Date	Description
S.O. 2463(E)	19.07.2016	In exercise of the powers conferred by sub- section (1) of section 381 of the Companies Act, 2013 (18 of 2013)

ANNUAL FILING FORMS FOR COMPANIES ACT, 1956

Annual filing forms for Companies Act, 1956 - 23AC, 23ACA, 23B, 20B, 21A are likely to be available on MCA21 portal by mid-August 2016. Stakeholders are requested to plan accordingly.

NCLT RULES NEW

National Company Law Tribunal Rules, 2016 and National Company Law Appellate Tribunal Rules, 2016 have been notified w.e.f. 21st July, 2016.

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

Ministry of Corporate Affairs
Government of India

HELP LINE OF CENTRAL REGISTRY CELL OF MINISTRY OF CORPORATE AFFAIRS

1. Stakeholders are requested to select Type/category "CRC" while creating any new service complaint (Helpdesk ticket) for Name Reservation or Company Incorporation related problems.
2. If service complaints related to Name Reservation or Company Incorporation are not resolved within 2 working days after a service ticket is raised, Stakeholders may escalate the matter by sending an email to CRC.Escalation@mca.gov.in **only** in the event of tickets not being resolved within 2 working days. Stakeholders are advised to normally wait for resolution of tickets within the stipulated time and not send e-mails as soon as tickets are raised. **Action on e-mails will be taken only in respect of cases where tickets have not been resolved within 2 working days**. Stakeholders should clearly mention the Helpdesk ticket SR number & date on which ticket was raised in the subject line along with specific problem details.
3. Corporate Seva Kendra (0124-4832500) - Stakeholders are requested to select Option '1' for queries related to Name Reservation and Company Incorporation, and Option '2' for all other queries.

Ministry of Corporate Affairs
Government of India

RELAXATION OF FILING FORM MR-1 FOR CEO, CFO & CS AND INCREASE IN LIMITS AND RELAXATION OF DISCLOSURE IN ANNUAL REPORT REGARDING REMUNERATION OF EMPLOYEES - COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Ministry of Corporate Affairs has amended the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and done away the requirement of filing return of appointment in form MR-1 of Chief Executive Officer (CEO), Company Secretary (CS), and Chief Financial Officer (CFO).

Also with this relief Ministry has also taken the wider approach and increased the limits of the remuneration of the employees to be disclosed in the annual report from ₹ 60 lacs to ₹ 1.02 Crores per annum if employed throughout the year and from ₹ 5 Lacs to ₹ 8.50 Lacs if employed part of the financial year. Now Names of Top 10 employees also need to be disclosed in the Board Report.

Also Ministry has done away the requirement of certain detailed disclosures in the Annual Report of the Listed Companies under Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which are listed herein below:

i. Explanation on the relationship between average increase in remuneration and company performance;

ii. Comparison of the remuneration of KMP against the performance of the Company;

iii. Variation in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies;

iv. Comparison of each remuneration of the KMP against the performance of the Company;

v. Key parameters for any variable component of remuneration availed by the directors;

vi. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receiving remuneration in excess of the highest paid director during the year.

This will bring a relief for the Listed Companies wherein an elaborated disclosure was required to be published in the annual reports relating to the comparison and explanation between the remuneration of KMPs and employees. However, a detailed disclosure will continue to be disclosed in the Annual Report, ofcourse with above higher limits, in order to have insight and transparency of the remuneration policy of the listed entities.

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

Ministry of Corporate Affairs
Government of India

COMPANIES (INCORPORATION) THIRD AMENDMENT RULES, 2016

Ministry of Corporate Affairs has issued Companies (Incorporation) Third Amendment Rules, 2016. The glimpse of the changes are given herein below:

1. A natural person shall not be member of more than a One Person Company at any point of time and the said person shall not be a nominee of more than a One Person Company.
2. Now the details of the subscribers and witness in the Memorandum and Articles of Associations shall be allowed in type written or printed form so long as the subscribers and witnesses have appended their respective signatures or thumb impression on the subscriber sheet.
3. In case the subscriber is holding a valid DIN and the particulars provided are uptodate and the declaration to this effect is given in the application, the proof of identity and residence need not to be attached.
4. INC 10 has been omitted.
5. Every company which has a website for conducting online business or otherwise, shall disclose/publish its name, address of its registered office, the Corporate Identity Number, Telephone number, fax number, if any, email and the name of the person who may be contacted in case of any queries or grievances on the landing/home page of the said website.
6. Shifting of registered office shall be allowed only if there is no enquiries, inspection or investigation is pending or after completion of all enquiries, inspection or investigations as a consequence of no prosecution is envisaged or no prosecution is pending.
7. Change of name shall not be allowed in case of annual return or financial statements of any company is due for filing. ‘Any other documents’ due for filing has been removed under this sub clause and proviso has been inserted that the change of name shall be allowed upon filing necessary documents or payment or repayment of matured deposit or debentures or interest thereon as the case may be.
8. Shifting of registered office from a one state to another, In case of NBFC, will require approval from RBI.
9. A new provision has been inserted for conversion of unlimited company into a limited liability company by shares or guarantee.

Ministry of Corporate Affairs
Government of India

COMPANIES (ACCOUNTS) AMENDMENT RULES, 2016

Ministry of Corporate Affairs has issued Companies (Accounts) Amendment Rules, 2016 and made

1. In relation to the consolidation of accounts in rule 6 after second proviso the following proviso has been inserted:

   Provided further that nothing in this rule shall apply in respect of preparation of consolidated financial statements by a company if it meets the following conditions:

   i. it is a wholly-owned subsidiary, or is a partially-owned subsidiary of another company and all its other members, including those not otherwise entitled to vote, having been intimated in writing and for which the proof of delivery of such intimation is available with the company, do not object to the company not presenting consolidated financial statements;

   ii. it is a company whose securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India; and

   iii. its ultimate or any intermediate holding company files consolidated financial statements with the Registrar which are in compliance with the applicable Accounting Standards.

   Thus consolidation of accounts would not require, if the Company fulfils above criterion.

2. In Rule 8, wherein separate section of performance and financial position of each of the subsidiary, joint venture and associate are required to be given in form AOC1 are replaced with the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report. Accordingly, form AOC1 has been changed.

Ministry of Corporate Affairs
Government of India

COMPANIES (REMOVAL OF DIFFICULTIES) THIRD ORDER, 2016-
REAPPOINTMENT OF AUDITORS UNDER SECTION 139(2)

Section 139(2) of the Companies Act, 2013 provides that no listed company and the prescribed class of companies shall appoint or re-appoint-

(a) an individual as auditor for more than one term of five consecutive years; and

(b) an audit firm as auditor for more than two terms of five consecutive years;

And, under third proviso to sub-section (2) three years time period was allowed for the companies existing on or before the commencement of this Act.

And, whereas, difficulties have arisen regarding compliance with the provisions of third proviso to sub-section (2) of section 139 in so far as they relate to the period within which companies would comply with provisions of sub-section (2) of section 139 of the said Act.

Now, therefore, Central Government hereby makes the following Order to remove the above said difficulties which shall be deemed to have come into force from 1st April, 2014.

In the Companies Act, 2013, in section 139, in sub-section (2), for the third proviso, the following proviso shall be substituted, namely: -

"Provided also that every company, existing on or before the commencement of this Act which is required to comply with the provisions of this sub-section, shall comply with requirements of this sub-section within a period which shall not be later than the date of the first annual general meeting of the company held, within the period specified under sub-section (1) of section 96, after three years from the date of commencement of this Act.".

This will clarify the position that the existing auditors having more than 10 years in the prescribed companies are entitled to audit upto 31.03.2017. They need to be changed not later than the first Annual General meeting held after 31.03.2017.

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

ACCEPTANCE OF FIXED DEPOSIT RECEIPTS (FDRS) BY CLEARING CORPORATIONS

Currently, Fixed Deposit Receipts of banks are accepted by Clearing Corporations as eligible collateral from the participants. However, It has been observed that some banks who are also trading members/ clearing members on the Stock Exchange/Clearing Corporation have placed Fixed Deposit Receipts issued by themselves as Collateral, with the Clearing Corporation.

SEBI as a member of the International Organization of Securities Commissions (IOSCO) has implemented various standards of the Principles for Financial Market Infrastructures (PFMIs). The Risk Management Review Committee of SEBI also considered the PFMI principle 5 on 'Collateral' while deliberating on the issue of 'deposit of collateral' with the Clearing Corporation.

Based on recommendations of the Risk Management Review Committee of SEBI, it has been decided to further align the risk management practices of the securities market with the PFMIs. Therefore, the Clearing Corporations are advised to implement the following -

a) Clearing corporation shall not accept Fixed Deposit Receipts (FDRs) from trading/clearing members as collateral, which are issued by the trading/ clearing member themselves or banks who are associate of trading/ clearing member.

Explanation - for this purpose, 'associate' shall have the same meaning as defined under Regulation 2 (b) of SECC Regulations 2012.

b) Trading/Clearing Members who have deposited their own FDRs or FDRs of associate banks shall replace such collateral, with other eligible collateral as per extant norms, within a period of six months from the date of issuance of the circular.

5) Clearing corporations are directed to:

a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;

b) bring the provisions of this circular to the notice of their members and also disseminate the same on its website;

c) implement the provisions of this circular and communicate to SEBI the status of implementation.

भारतीयरिज़र्वबैंक

RESERVE BANK OF INDIA

REVISED PROCEDURE TO SUBMIT STATUTORY AUDITORS' CERTIFICATE (SAC) BY NBFCS

In terms of the extant instructions vide Notification No. DNBS 192/DG (VL) dated Feb 22, 2007 prescribing Prudential Norms Directions, all NBFCs are required to submit a certificate from their Statutory Auditors every year to the effect that they continue to engage in the business of NBFI requiring it to hold a CoR under Section 45-IA of the RBI Act.

With a view to ensure consistency in the manner in which the information is received from the Auditors, it has been decided to introduce a uniform format of the Statutory Auditor Certificate. The NBFC would need to fill in the information, as applicable, in COSMOS.

Thereafter, the Statutory Auditor Certificate needs to be scanned and uploaded in COSMOS https://cosmos.rbi.org.in under the menu Upload Returns > Statutory Auditors Certificate.

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