

**Vinod Kothari &
Company**

**Vinod Kothari
Consultants P Ltd**

**Academy of Financial
Services P Ltd**

**1012 Krishna Building
224 AJC Bose Road
Kolkata – 700017
91-33-22817715/ 1276/
3742**






**Also at:
601-C, Neelkanth,
98, Marine Drive,
Mumbai- 400 002
91-22-22817427**

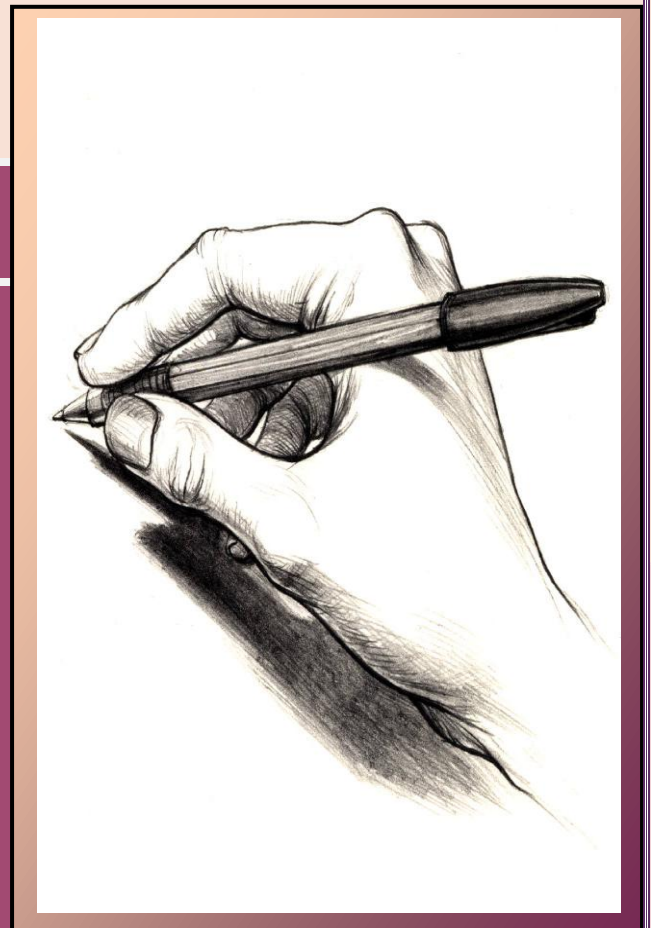
SPARSH.....

Touches

May, 2014

In this Issue:

-  **Editorial**
-  **Our Articles Published**
-  **What's happening at
VKC and VK & Co.**
-  **Our Corner**
-  **Contact Us**



Editorial

Together We Can



***"Nothing happens until you decide.
Make a decision and watch your life
move forward."***

– Oprah Winfrey

Our work is to discover our interest and then with all our might to give ourselves to it. We at VKCPL & VK & Co., constantly discover our interest and decide to follow it with a zeal to succeed and the passion for moving ahead. Each one of the associates is motivated to attain expertise in their areas of interests.

With the above idea of togetherness for achieving long-term goal, we come again with **"Sparsh"**

Stay in touch with us through
SPARSH!!

Editor:

- Vijaya Agarwala
editor@vinodkothari.com

Articles Published

- *An Article on "Appointing Directors at private companies becoming difficult" by Mr. Vinod Kothari was published in Moneylife.*
- *An Article on "MCA silently inserting backdated changes in Rules" by Aditi Jhunjunwala was published in Moneylife.*
- *An Article on "Mandating CSR: Will spending based measure lead to 'responsible' corporate citizens?" by Neha Gupta was published in ICSI-WIRC Focus-Monthly Journal for Corporate Executives and Journals, February edition.*
- *An Article on "Want to set up an NBFC-Think again" by Abhirup Ghosh was published in Money life.*

For More Articles, Click [here](#).

Our Forthcoming Events

- *2 Day Course on Corporate Law - Implementing Companies Act, 2013, Rules thereof and the Revised Clause 49 on 18th and 19th of June, 2014 by Mr. Vinod Kothari. Details can be viewed [here](#).*



For More Details, click the link given below:

<http://vinodkothari.com/secwork/>

<http://vinodkothari.com/lectures/>

✿ **What's happening at VKC and VK &Co.**

➤ **Seminar & Sessions taken by Mr. Vinod Kothari**

- Seminar on "Important Amendments Affecting the Private and Unlisted Companies" organized by DTPA, Kolkata on May 31, 2014 at National Library, Kolkata
- Half day workshop on "Recent SEBI Circulars on Clause 35-B & 49 of Listing Agreement" organized by the Institute of Company Secretaries of India- EIRC on May 09, 2014.
- Session at MSOP organized by the Eastern India Regional Council of The Institute of Company Secretaries of India (ICSI-EIRC) on May 15, 2014

➤ **Seminar & Sessions taken by Ms. Nidhi Bothra**

- Session by Ms. Nidhi Bothra and Ms. Nivedita Shankar on "Formation, Planning & Conversion to LLP under The Companies Act, 2013 regime" organized by Central Kolkata CA Study Circle, EIRC on May 31, 2014 at Emami Conference Hall.
- Session on The Companies Act, 2013 by Ms. Nidhi Bothra at the IIA on May 03, 2014
- Session on The Companies Act, 2013 by Ms. Nidhi Bothra at the BBD Bag Study Circle on May 02, 2014

➤ **Seminar & Sessions taken by Ms. Nivedita Shankar**

- Session by Ms. Nidhi Bothra and Ms. Nivedita Shankar on "Formation, Planning & Conversion to LLP under The Companies Act, 2013 regime" organized by Central Kolkata CA Study Circle, EIRC on May 31, 2014 at Emami Conference Hall.
- Session on The Companies Act, 2013 by Ms. Nidhi Bothra and Ms. Nivedita Shankar at the BBD Bag Study Circle on May 02, 2014

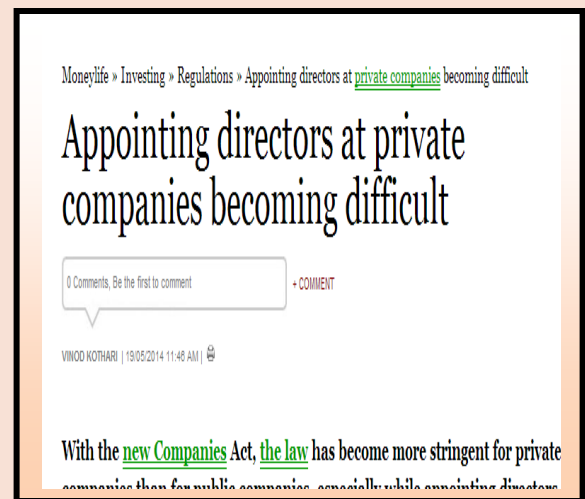
Articles Published

***“Appointing directors at private companies becoming difficult” by Mr. Vinod Kothari
published in **Moneylife*****

With the new Companies Act, the law has become more stringent for private companies than for public companies, especially while appointing directors

Moving from the Companies Act 1956 to the Companies Act 2013 is like shifting from your old house to a new one. In the old house, where you have stayed for years, everything would have found its own place – the shoes, the clothes, umbrella, first aid, brooms, and whatever else you need in your household. Your legs can find their own way, even in pitch dark of night – they know the way to the bathroom, to the stairs, they even know where the stairs end.

To view the entire article click [here](#) on May 19, 2014



“MCA silently inserting backdated changes in Rules “

by Ms. Aditi Jhunjunwala

published in [Moneylife](#)

How can we rely on a Ministry as arbitrary as MCA, which brings something with a bang and then silently creeps in to correct the same without any indication?

The Ministry of Corporate Affairs (MCA) came up with the finalised rules on Companies Act, 2013 after comments from the stakeholders on the draft rules on and from 27 March 2014 without bearing any date or notification number on the same as the same was apparently not published in the Official Gazette. However, all the rules were supposedly effective from 1 April 2014. Subsequently, one by one all the Rules were being notified and by now corporates had started taking action based on the Rules already available on the MCA portal. To the surprise of all—the notified rules contained changes as from the so called final rules earlier available on the MCA portal. Therefore, what appeared before though were final rules, but what appear now in the Gazette are actually the final-final rules!

This Article was published in [Moneylife](#) , on 20th may, 2014.

Moneylife » Investing » Regulations » MCA silently inserting backdated changes in Rules

MCA silently inserting backdated changes in Rules



ADITI JHUNJUNWALA | 20/05/2014 12:09 PM |

How can we rely on a Ministry as arbitrary as MCA, which brings something

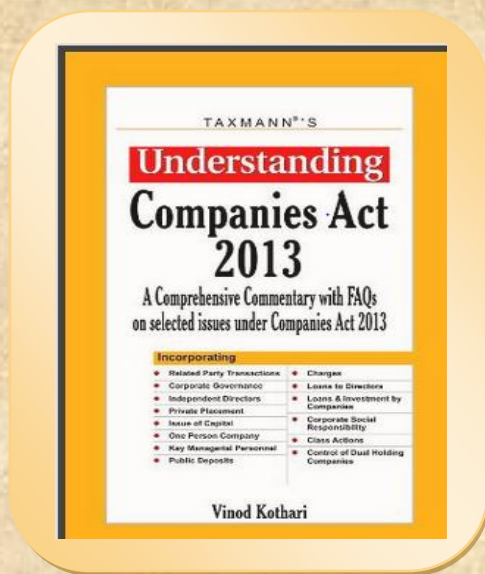


"MCA takes Lawmaking into its own Hands"

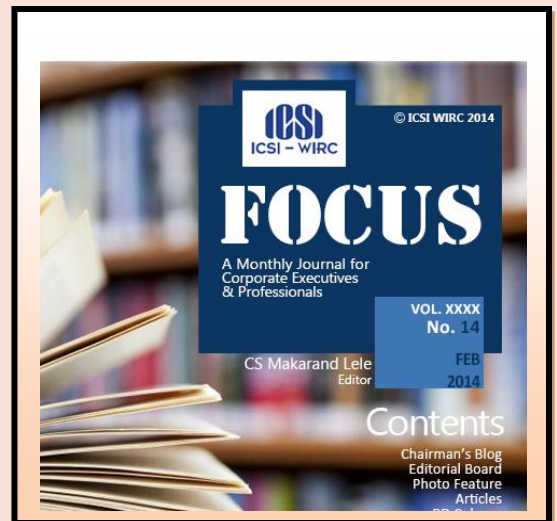
by Mr. Vinod Kothari

published in [India Corplaw](#)

The Write up now forms part of our book-
[**Understanding Companies Act, 2013**](#)



This Article was also published in [**WIRC- FOCUS Journal**](#)



“Want to set up an NBFC?- Think again”

*by Abhirup Ghosh
published in [Moneylife](#)*

The RBI is now singing a different tune. NBFCs have to take prior approval from RBI for any merger, amalgamation or even if any entity wants to buy 10% or more stake in the NBFC. This **will make** NBFCs think thrice before striking a deal involving substantial change in their shareholding

The whammies on the non-banking financial companies (NBFCs) sector will likely show their adverse impact on the growth of NBFCs in India. The recent regulatory amendments have left the industry baffled and quite unsure on what the regulators are intending to achieve.

Firstly, the dawn of the Companies Act, 2013 (Act, 2013) which almost killed the bond market for the NBFCs. *Secondly*, the confusion over the Debenture Redemption Reserve (DRR) requirements created by the Ministry of Corporate Affairs (MCA), which left the NBFCs jittery with carrying out any debt issuance.

This Article was published in [Moneylife](#) on May 28, 2014



What's happening at VKC and VK &Co.

Sessions taken by Mr. Vinod Kothari

- *Seminar on "Important Amendments Affecting the Private and Unlisted Companies" organized by DTPA, Kolkata on May 31, 2014 at National Library, Kolkata*
- *Half day workshop on "Recent SEBI Circulars on Clause 35-B & 49 of Listing Agreement" organized by the Institute of Company Secretaries of India- EIRC on May 09, 2014.*
- *Session at MSOP organized by the Eastern India Regional Council of The Institute of Company Secretaries of India (ICSI-EIRC) on May 15, 2014*



➤ ***Sessions taken by Ms. Nidhi Bothra***

- *Session by Ms. Nidhi Bothra and Ms. Nivedita Shankar on “Formation, Planning & Conversion to LLP under The Companies Act, 2013 regime” organized by Central Kolkata CA Study Circle, EIRC on May 31, 2014 at Emami Conference Hall.*
- *Session on The Companies Act, 2013 by Ms. Nidhi Bothra at the IIA on May 03, 2014*
- *Session on The Companies Act, 2013 by Ms. Nidhi Bothra and Ms. Nivedita Shankar at the BBD Bag Study Circle on May 02, 2014*

➤ ***Session taken by Ms. Nivedita Shankar***

- *Session by Ms. Nidhi Bothra and Ms. Nivedita Shankar on “Formation, Planning & Conversion to LLP under The Companies Act, 2013 regime” organized by Central Kolkata CA Study Circle, EIRC on May 31, 2014 at Emami Conference Hall.*
- *Session on ‘The Companies Act, 2013’ by Ms. Nidhi Bothra and Ms. Nivedita Shankar at the BBD Bag Study Circle on May 02, 2014*



Hall of Fame

Ms. Aditi Jhunhunwala was quoted by IFR Asia on May 24, 2014
“The backdated rectification does not merely replace typographical errors, but makes substantive material changes,”



the previous notification was effectively replaced with a new one.

The latest notification, published in English, is dated March 31, while a Hindi version is dated April 3, although both were not available to the market until May 14, according to a source.

Market participants have welcomed the surprise revision, though the process has attracted some criticism. It is unclear if any companies had taken action on the previous notification, or if those measures could be unwound.

“The backdated rectification does not merely replace typographical errors, but makes substantive material changes,” said Aditi Jhunhunwala, a senior associate in the corporate law division with Vinod Kothari & Co, a compliance consultancy in Kolkata.

“The market is most important for the country and it is good that the ministry has shown sensitivity towards correcting its follies, but surreptitiously inserting changes is not the right way. Good ends do not justify bad means.”

The revised rules exempt All India Financial Institutions, or AIFIs, from the requirement of creating a DRR account for either public or privately placed bonds. The Reserve Bank of India regulates AIFIs.

- “The backdated rectification does not merely replace typographical errors, but makes substantive material changes,” said Aditi Jhunhunwala, a senior associate in the corporate law division with Vinod Kothari & Co, a compliance consultancy in Kolkata.

Our Corner!!

One picture in ten thousand, perhaps, ought to live in the applause of mankind.....

At VK & Co. we not only motivate to be a good professional but also encourage what we are good at..... 😊 😊

Such an effort has unleashed the artists amongst us to create master pieces.

Below is one such illustration by Shambo Dey



Contact Us



1012 Krishna Building
224 AJC Bose Road
Kolkata – 700017, India
Ph: 91-33-22817715/ 1276/
3742

Mumbai office:
601-C, Neelkanth,
98, Marine drive,
Mumbai- 400 002
022-22817427

Mail to:
vinod@vinodkothari.com;
nidhi@vinodkothari.com

Our Websites:
www.vinodkothari.com
www.india-financing.com