

Professional Programme

Paper 1:

Company Secretarial Practice (One paper: Three Hours – 100 marks)

Level of Knowledge: Expert knowledge

Objectives:

To provide an in-depth understanding of the procedures under the Companies Act, Rules and Regulations made there under including understanding of international dimensions of company law

Detailed contents:

1. E-governance (MCA – 21)

Important features of MCA-21 – CIN, DIN, DSC, CFC, SRN, etc; E-forms and on-line filing and inspection of documents.

2. Company Formation and Conversion

- ✓ Choice of form of business entity; conversion/ re-conversion of one form of business entity into another.
- ✓ Procedure for incorporation of private/public companies or companies limited by guarantee, unlimited companies and their conversions/ re-conversion/re-registration; obtaining certificate of commencement of business; obtaining certification of re-registration; commencement of new business and certification; filing of agreements with managerial personnel.
- ✓ Formation of associations not for profit and non-profit companies; procedure relating to foreign companies carrying on business in India.

3. Alteration of Memorandum and Articles

Procedure for alteration of various clauses of memorandum: name clause, situation of registered office clause, objects clause, capital clause and liability clause; procedure for alteration of articles; effect of alteration.

4. Issue and Allotment of Securities

- ✓ Procedure for public issue, rights issue and bonus shares; procedure for issue of securities at par/premium/discount; procedure for calls on shares; issue of sweat equity shares, employees stock option scheme, shares with differential voting rights; issue and redemption of preference shares; issue of shares on preferential basis/private placement.
- ✓ Return of allotment and effect of irregular allotment; issue of certificates; alteration of share capital; procedure for forfeiture of shares and reissue of forfeited shares; cancellation of shares; surrender of shares; conversion and re-conversion of shares into stock.
- ✓ Procedure for issue of debentures including creation of security and debenture redemption reserve; drafting of debenture trust deed; conversion and redemption of debentures.

5. Membership and Transfer/Transmission

- ✓ Procedure for induction of members; nomination of shares; variation of shareholders' rights; cessation of membership including dispute resolution.
- ✓ Transfer/ transmission/ transposition; dematerialization/ re-materialization of securities.

6. Directors and Managerial Personnel

- ✓ Procedure for appointment, reappointment, resignation, removal and varying terms of appointment/ re-appointment of directors and managerial personnel.
- ✓ Procedure for payment of remuneration to directors and managerial personnel and disclosures thereof; compensation for loss of office; waiver of recovery of remuneration; directors and officers liability insurance.
- ✓ Procedure for making loans to directors, disclosure of interest by a director, holding of office or place of profit by a director/relative, etc. of a director.

- ✓ **Company Secretary**—Appointment, resignation and removal of Company Secretary; role of the Company Secretary; functions and duties; relationship with chairman and directors; secretary as advisors to the chairman and the Board.
- ✓ Company Secretary in Practice – Functions; procedure for appointment, resignation and removal of company secretary in practice.
- ✓ **Auditors:** Procedure for appointment/reappointment, resignation and removal of statutory auditors and branch auditors; appointment of cost auditors; special auditors; CAG audit.

7. Decision-making Forums and Meetings

- ✓ Collective decision making forums - authority, accountability, delegation and responsibility.
- ✓ Board Meetings - Convening and management of Board and Committee Meetings.
- ✓ General Meetings - Convening and management of statutory meeting, annual and extra-ordinary general meetings, class meetings; preparation of notices and agenda papers.
- ✓ Procedure for passing of resolutions by postal ballot, conducting a poll and adjournment of a meeting.
- ✓ Post-meeting formalities including preparation of minutes and dissemination of information and decisions including filing thereof.

8. Preparation & Presentation of Reports

Preparation of financial statements, auditors' report, directors' report and report on corporate governance.

9. Distribution of Profit

Procedure for ascertainment of divisible profits and declaration of dividend; payment of dividend; claiming of unclaimed/unpaid dividend; transfer of unpaid/unclaimed dividend to Investor Education and Protection Fund.

10. Charges

Procedure for creation/modification of charges and registration thereof; register of charges; inspection of charges.

11. Inter-corporate Loans, Investments, Guarantees and Security

Procedure for making inter-corporate loans, investments, giving of guarantees and providing of security.

12. Filing and Filing of Returns and Documents, etc.

Procedure for filling and filing of returns and documents:

- a) Annual filing, i.e., annual accounts, compliance certificate, annual return, etc.
- b) Event based filing

13. Striking off Names of Companies – Law and Procedure

14. Best Practices – Secretarial Standards & Concept, scope and advantages; Secretarial Standards issued by the ICSI; Compliance of secretarial standards for good governance.

15. Insider Trading

Concept and rationale behind prohibition of insider trading; SEBI's Insider Trading Regulations; major actions taken by SEBI so far; Role of Company Secretary in Compliance Requirements.

16. Global Developments in Company Law

Contemporary developments, distinguishing and evolving features of company law in other jurisdictions.

Paper 2:

Drafting, Appearances and Pleadings

(One paper: Three Hours – 100 marks)

Level of Knowledge: Working knowledge

Objectives:

To acquaint the students with fundamentals of drafting, pleadings and advocacy techniques.

Detailed contents

1. General Principles of Drafting

General principles and rules of drafting of deeds and conveyance, basic components of deeds, endorsement and supplemental deeds, aids to clarity and accuracy, legal requirements and implications.

2. Drafting of Agreements

- ✓ Drafting of various agreements including collaboration agreements, arbitration; guarantees, counter guarantees; bank guarantee, hypothecation agreement, outsourcing agreements, service agreements, leave and license, etc.
- ✓ Procedure for incorporation of private/public companies, companies limited by guarantee and unlimited companies and their conversions/ re-conversion/re-registration; obtaining certificate of commencement of business; obtaining certification of re-registration; commencement of new business and certification; filing of agreements with managerial personnel.

3. Drafting of Various Deeds

Deed of sale of land, building, mortgage, licence, lease, assignment, trust, partnership, Power of Attorney, etc.

4. Drafting of Agreements under the Companies Act

Pre-incorporation contracts; Memorandum and Articles of Association and other agreements.

5. Appearances and Pleadings

- ✓ Appearance before tribunals/quasi-judicial bodies such as CLB, SAT, NCLT, CCI TRAI, etc. and appellate authorities.

- ✓ Drafting of petitions/applications; drafting of written statement, counter affidavit, reply and rejoinder.
- ✓ Drafting of Affidavit in evidence; arguments on preliminary submissions, arguments on merits; legal pleadings and written submissions.
- ✓ Drafting and filing of Appeals, writ petitions, special leave petition, revision and review applications, affidavits.
- ✓ Dress code, etiquettes and court craft.

6. Compounding of Offences

Compounding of offences under the Companies Act, SEBI Act, FEMA etc. Consent Orders.

Paper 3:

Financial Treasury and Forex Management

(One paper: Three Hours – 100 marks)

Level of Knowledge:Expert knowledge

Objectives:

- ✓ To provide conceptual clarity about the management tools and techniques used in financial planning, analysis, control and decision making.
- ✓ To provide knowledge of derivatives, forex and treasury management to enable the candidates to tackle practical situation with ease.

Detailed contents:

1. Nature and Scope of Financial Management

Nature, significance, objectives and scope of financial management; risk-return and value of the firm; financial distress and insolvency; financial sector reforms and their impact on financial management; functions of finance executive in an organization; financial management – recent developments.

2. Capital Budgeting Decisions

Planning and control of capital expenditure; capital budgeting process; techniques of capital budgeting- discounted and non-discounted cash flow methods, choice of methods; capital rationing; risk evaluation and sensitivity analysis, simulation for risk evaluation; linear programming and capital budgeting decisions.

3. Capital Structure Decisions

Meaning and significance of capital structure; capital structure vis-a-vis financial structure; capital structure planning and designing; optimal capital structure; determinants of capital structure; capital structure and valuation - theoretical analysis; EBIT – EPS analysis; cost of capital; factors affecting cost of capital, measurement of cost capital, weighted average cost of capital, marginal cost of capital; risk and leverage; measures of leverage, leverage effects on shareholders returns.

4. Sources of Finance

Equity, non-voting preference shares; debentures and bonds; company deposits; term loans from financial institutions and banks; international finance and syndication of loans; euro-issues and external commercial borrowings; FCCB; internal funds as a source of finance; dividend policy and retention of profits; bonus shares; deferred payment arrangements; corporate taxation and its impact on corporate financing; financing cost escalation.

5. Dividend Policy

Introduction; types, determinants and constraints of dividend policy; different dividend theories — Walter's Model, Gordon's Model and Modigliani-Miller Hypothesis of dividend irrelevance; forms of dividend; dividend policy - practical considerations and legal constraints; corporate dividend practices in India; statutory framework.

6. Working Capital Management and Control

Working capital - Meaning, types, determinants; assessment of working capital requirements - operating cycle concept and applications of quantitative techniques;

management of working capital - cash, receivables, inventories; financing of working capital; banking norms and macro aspects of working capital management.

7. Security Analysis and Portfolio Management

Security analysis - Fundamental approach, technical approach and efficient capital market theory; portfolio management - meaning, objectives; portfolio theory – traditional approach; modern approach - CAPM model.

8. Financial Services

Meaning, significance and scope of financial services ; types of financial services – merchant banking, leasing and hire purchase, venture capital, mutual funds, factoring and forfeiting, securitization of debt, loan syndication, custodial and corporate advisory services, credit rating.

9. Project Planning and Control

Project Planning and preparation of project report; project appraisal under normal, inflationary and deflationary conditions; project appraisal by financial institutions – lending policies and appraisal norms by financial institutions and banks; loan documentation and loan introduction of New Syllabus of the Company Secretaryship Course, Student Company Secretary November 2007 syndication, project review and control; social cost and benefit analysis of project.

10. Derivatives and Commodity Exchanges

Concept of derivatives; financial derivatives and commodity derivatives; types of derivatives - forward contracts, futures contracts, options; participants in futures and options market, Index based derivatives and security based derivatives; derivatives and exposure management, currency forwards, currency futures, currency options, currency swaps and interest rate risk management; derivative markets in India; commodity exchanges in India.

11. Treasury Management

Meaning, objectives, significance, functions and scope of treasury management; relationship between treasury management and financial management; role and

responsibilities of chief finance executive; tools of treasury management; internal treasury controls; environment for treasury management; role of information technology in treasury management; liquidity management, regulation, supervision and control of treasury operations, implications of treasury on international banking.

12. Forex Management

Nature, significance and scope of forex management; foreign exchange market and its structure; foreign exchange rates and its determination; exchange rate quotes; types of exchange rates; forex trading; currency futures and options; foreign exchange risk exposures and their management; exchange rate forecasting; risk in foreign exchange business.

13. Recent Developments in Financial, Treasury and Forex Management

14. Practical Problems and Case Studies

Paper 4:

Corporate Restructuring and Insolvency

(One paper: Three Hours – 100 marks)

Level of Knowledge: Expert knowledge

Objectives:

To provide an in-depth understanding of all aspects of law and practical issues relating to corporate restructuring and insolvency.

Detailed contents:

Part A:

Corporate Restructuring (70 Marks)

1. Introduction

Meaning of corporate restructuring, need, scope and modes of restructuring, historical background, global scenario, national scenario.

2. Strategies

Planning, formulation and execution of various corporate restructuring strategies - mergers, acquisitions, takeover's, disinvestments and strategic alliances, demergers and hiving off.

3. Mergers and Amalgamations

Meaning and concept; legal, procedural, economic, accounting, taxation and financial aspects of mergers and amalgamations including stamp duty and allied matters; interest of small investors; merger aspects under competition law; jurisdiction of courts; filing of various forms; Amalgamation of banking companies and procedure related to Government companies; Cross border mergers.

4. Takeovers

Meaning and concept; types of takeovers; legal aspects - SEBI takeover regulations; procedural, economic, financial, accounting and taxation aspects; stamp duty and allied matters; payment of consideration; bail out takeovers and takeover of sick units; takeover defense; cross border takeovers.

5. Funding of Mergers and Takeovers

Financial alternatives; merits and demerits; funding through various types of financial instruments including equity and preference shares, options and securities with differential rights, swaps, stock options; ECBs, funding through financial institutions and banks; rehabilitation finance; management buyouts/leveraged buyouts.

6. Valuation of Shares and Business

Introduction; need and purpose; factors influencing valuation; methods of valuation of shares; corporate and business valuation.

7. Corporate Demergers and Reverse Mergers

Concept of demerger; modes of demerger - by agreement, under scheme of arrangement; demerger and voluntary winding up; legal and procedural aspects; tax aspects and reliefs; reverse mergers – procedural aspects and tax implications.

8. Post Merger Re-organization

Factors in post merger reorganization: integration of businesses and operations, financial accounting, taxation, post merger valuation, human and cultural aspects; assessing accomplishment of post merger objectives; measuring post merger efficiency.

9. Financial Restructuring

Reduction of capital; re-organization of share capital
Buy-back of shares—concept and necessity; procedure for buy-back of shares by listed and unlisted companies.

10. Legal Documentation

11. Case Studies

Part B –

Corporate Insolvency (30 Marks)

12. Revival, Rehabilitation and Restructuring of Sick Companies

Sick companies and their revival with special reference to the law and procedure relating to sick companies.

13. Securitization and Debt Recovery Securitization Act :

Overview of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; process; participants; Special Purpose Vehicle (SPV), Asset Reconstruction Companies (ARCs), Qualified Institutional Buyers (QIB).

14. Debt Recovery Act :

Overview of the Recovery of Debts due to Banks and Financial Institutions Act, 1993; Tribunal, Procedure; compromises and arrangements with banks and creditors.

15. Winding up

Concept; modes of winding up; administrative machinery for winding up.

Winding up process and procedure; managing stakeholders and parties in liquidation; conducting meetings of shareholders/creditors etc.; dealing with contracts; managing estate; outsourcing responsibilities to professionals/service providers such as valuers, security agencies, etc; best practices in performing liquidation/administrator functions; accountability and liabilities; Role of liquidators and insolvency practitioners.

Consequences of winding up; winding up of unregistered companies; dissolution.

16. Cross Border Insolvency

Paper 5:

Strategic Management, Alliances and International Trade

(One paper: Three Hours – 100 marks)

Level of Knowledge: Working knowledge

Objectives:

To develop the basic understanding of the students about the concepts, techniques and processes relating to strategic management, alliances as well as International Trade and treaties including World Trade Organization.

Detailed contents:

Part A:

Strategic Management (40 Marks)

1. Nature and Scope of Strategic Management

Concept; role, functions and processes of strategic management in globally, competitive and knowledge-based environment.

2. Environmental Scanning and Internal Appraisal Analysis

- a. Identification of external variables - economic, technological, legal, political, socio-cultural and, global; industry appraisal analysis and forecasting; synthesis of external factors.
- b. Internal scanning of the firm.
- c. Tools and techniques of strategic management –SWOT analysis, situational analysis; Gap analysis, impact analysis, value chain analysis; business process re-engineering.

3. Planning and Formulation

Formulation of Corporate vision, mission, goals and objectives; developing strategic alternatives, evaluations of alternatives, selection of best alternative; strategic planning viz-a -viz tactical planning; Strategic models for optimal decision–making.

4. Implementation and Control

Strategy implementation; developing programs, budgets and procedures; strategic control; managing strategic changes.

5. Review

Performance Evaluation - criteria and challenges

6. Risk Management

Meaning, objectives and significance; types of risks; measuring the trade off between risk and return; control and management of business risks.

7. Management Information Systems

Concept, elements and structure; approaches of MIS development; pre-requisites of an effective MIS, Enterprise Resource Planning (ERP).

8. Internal Control Systems

Meaning, definition, objectives, classification, scope and limitation of internal control; steps and techniques of internal control systems.

Part B:

Strategic Alliances (20 Marks)

9. Nature and Scope

Meaning, types and stages; integrating alliances into corporate strategy; cross cultural alliances; implementation and management of strategic alliances.

10. Foreign Collaborations and Joint Ventures

Industrial Policy; Foreign Investment Policy; kinds and negotiation of collaboration and joint ventures, drafting of agreement, restrictive clauses; Indian joint ventures abroad – Indian experiences.

Part C:

International Trade (40 marks)

11. International Trade and Treaties

Concept and Theories of International Trade, Institutionalization of international trade, establishment of World Trade Organization; Economic Blocks and Trade Agreements such as ASEAN, EU, SAPTA, NAFTA etc.; India's Free Trade, Economic Cooperation and Partnership Agreements.

12. Anti-dumping, Subsidies and Countervailing Duties

WTO agreements on anti-dumping; safeguard measures; subsidies & countervailing duties; Regulatory Framework and procedure in India.

13. Settlement of Disputes under WTO

Rules, regulations and procedures relating to settlement of disputes under WTO.

Paper 6:

Advanced Tax Laws and Practice (One paper: Three Hours – 100 marks)

Level of Knowledge: Expert knowledge

Objectives:

- i. To provide —knowledge of framework of taxation system in India.
- ii. Knowledge of various concepts and their application relating to tax laws with a view to integrating the relevance of these laws with financial planning and management decisions.
- iii. An overview of international taxation.

Detailed Contents:

Part A:

Direct Taxation - Law and Practice (30 marks)

1. General Framework of Direct Taxation in India

Different direct tax laws and their inter-relationship; importance of Income Tax Act and Annual Finance Act and related Constitutional provisions; harmonization of tax regime.

2. Companies under Income-tax Laws

Classification and tax incidence; corporation tax as per Article 366; computation of taxable income and assessment of tax liability considering special provisions relating to companies.

3. Tax Planning

Concept of tax planning; Tax planning with reference to setting up a new business; location aspects; nature of business; tax holiday, etc.

Tax planning with regard to specific management decisions such as mergers and takeovers; location of undertaking; introduction of voluntary retirement; tax planning with reference to financial management decisions such as borrowing or investment decisions; reorganization or restructuring of capital decisions.

Tax planning with respect to corporate reorganization; tax planning with reference to employees' remuneration.

Tax planning viz-a -viz important provisions of wealth-tax including court rulings and legislative amendments.

4. Tax Management

Return and procedure for assessment; special procedure for assessment of search cases, e-commerce transactions, liability in special cases; collection and recovery of tax; refunds, appeals and revisions; penalties imposable, offences and prosecution.

Part B:

Indirect Taxation - Law and Practice (50 marks)

5. Introduction

Special features of indirect tax levies—all pervasive nature, contribution to Government revenues; constitutional provisions authorizing the levy and collection of duties of central excise, customs, service tax, central sales tax and VAT.

6. Central Excise Laws

Basis of chargeability of duties of central excise—goods, manufacture, classification and valuation of excisable goods, CENVAT; assessment procedure, exemption, payment, recovery and refunds of duties.

Clearance of excisable goods; Central Excise Bonds; maintenance of accounts and records and filing of returns.

Duties payable by small scale unit set-off of duties— concept, meaning and scheme; Central Excise Concessions on exports; search, seizure and investigation; offences and penalty.

Adjudication, Appeal and Revision, including appearance before CEGAT by Company Secretary as authorized representative; settlement of cases.

7. Customs Laws

Levy of and exemption from customs duties – specific issues and case studies; assessment and payment duties; recovery and refund of customs duties.

Procedure for clearance of imported and exported goods; drawback of duties.

Transportation and warehousing

Confiscation of goods and conveyances and imposition of penalties; search, seizure and arrest, offences and prosecution provisions.

Adjudication, Appeal and Revision; Settlement of Cases.

8. **Promissory Estoppel in Fiscal Laws** – Principles and applicability with reference to indirect taxes.
9. **Tax Planning and Management** – Scope and management in customs, with specific reference to important issues in the respective areas.

Part C:

International Taxation (20 marks)

10. Basic Concepts of International Taxation

Residency issues; source of income; tax havens; unilateral relief and Double Tax Avoidance; transfer pricing; international merger and acquisitions; impact of tax on GATT 94, WTO, anti dumping processing; the subpart F Regime : definition of CFC, Subpart of Income and Operating Rules.

11. Advance Ruling and Tax Planning

Authority for advance rulings, its power and procedure; applicability of advance ruling; and procedure on receipt of application.

Tax planning and special provisions relating to certain incomes of non-resident corporate assesses.

Double taxation avoidance agreements; general principles; provisions and tax implications thereof.

12. Taxation of Inbound Transactions

Taxation of passive investments; capital gains & losses; income taxation; property taxation; branch profit taxation.

13. Taxation of Outbound Transactions

Foreign tax credit; foreign income exclusions; indirect foreign tax credit (deemed paid system vs. current pooling system); Controlled Foreign Corporations; PFIC's (Passive Foreign Investment Companies); cross border merger, acquisitions and transfers.

Paper 7:

Due Diligence and Corporate Compliance Management

(One paper: Three Hours – 100 marks)

Level of Knowledge: Expert knowledge

Objectives:

- (i) To provide thorough understanding and appreciation of composite legal due diligence in regard to certain corporate activities.
- (ii) To provide expert knowledge about the Corporate Compliance Management

Detailed contents:

1. Due Diligence

Nature, objectives, significance and scope of due diligence; steps in the process of due diligence.

2. Areas of Due Diligence

- ✓ Initial Public Offer (IPO), Follow-on Public Offer (FPO), Rights issue, Employees Stock Option Plans (ESOPs), Preferential Allotment
- ✓ Issue of debt (both long term & short term) such as debentures, bonds, warrants etc.
- ✓ Takeovers and acquisitions
- ✓ Setting up of business units in India and abroad
- ✓ Setting up joint ventures

- ✓ Compliance of Listing Agreement
- ✓ Internal Audit of Depository Participants
- ✓ Issue of Global Depository Receipts
- ✓ Issue of Indian Depository Receipts
- ✓ Legal Due Diligence

3. Compliance Management

Concept and significance; systems approach to compliance management; process of establishment of compliance management system; compliance in letter and spirit.

4. Secretarial Audit

Need, objectives and scope; process; periodicity and format for secretarial audit report; check-list under various corporate laws; share transfer audit; compliance certificate.

5. Search / Status Reports

Importance, scope; verification of documents relating to charges; requirements of financial institutions and corporate lenders; preparation of report.

6. Securities Management and Compliances

Meaning, need and scope; mechanism for self-regulation; advantages to company, regulator and investors.

Paper 8:

Governance, Business Ethics and Sustainability

(One paper: Three Hours – 100 marks)

Level of Knowledge: Expert knowledge

Objectives:

To provide knowledge on global development and best practices in the corporate world.

Detailed Contents:

Part A:

Corporate Governance (50 Marks)

- 1. Evolution, concept, principles and development.**
- 2. Management structure for corporate governance; Board structure; building responsive boards** – issue and challenges; effectiveness of Board, board committees and their functioning in particular audit committee, legal compliance committee and Stakeholders' relationship committee; appraisal of Board performance, transparency and disclosure; internal control system and risk management.
- 3. An analysis of legislative framework of corporate governance in various countries** – such as UK, USA and India.
Corporate communication; art and craft of investors relations; shareholders activism, investor protection and changing role of Institutional Investors.
- 4. Various corporate governance forums** – Common Wealth Association for Corporate Governance (CACG), Organization for Economic Cooperation Development (OECD), International Corporate Governance Network (ICGN), National Foundation for Corporate Governance (NFCG), etc.

Part B:

Business Ethics (30 Marks)

7. **Genesis, significance and scope; organization perspectives**
8. **Ethical principles in business – codes and innovations**
9. **Concept of the stakeholders' organization**
10. **Activity analysis, business dilemma versus decision, characteristics of ethical dilemmas; the dilemma resolution process; business ethics as a strategic management tool; stakeholders' protection.**
11. **Challenges of business ethics and corporate leadership.**

Part C:

Corporate Sustainability (20 Marks)

12. **Genesis, meaning, nature, objectives, significance and scope of corporate sustainability**
13. **Sustainability reporting** – frameworks and guidance; trends and drivers; business benefits of corporate sustainability reporting; leadership programmes and stakeholder engagement; corporate sustainability management systems.

Legal framework; conventions and treaties on environmental, health and safety and social security issues.
14. **Principle of Absolute Liability** – Case studies
15. **Contemporary developments**

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