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CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS

New
President
&
Vice President
of The ICSI



**THE INSTITUTE OF
Company Secretaries of India**

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

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**‘CHARTERED SECRETARY’ GREETES AND CONGRATULATES
CS MAMTA BINANI AND CS (DR.) SHYAM AGRAWAL ON THEIR ELECTION AS PRESIDENT AND
VICE PRESIDENT RESPECTIVELY OF THE INSTITUTE FOR THE YEAR 2016-17**



CS Mamta Binani, President, The ICSI

CS Mamta Binani is the President of the Institute of Company Secretaries of India for the year 2016 w.e.f. 19th January, 2016. She is the second lady President of ICSI in its illustrious history of 47 years.

Ms. Mamta Binani, is a Commerce Graduate and a Fellow Member of the Institute of Company Secretaries of India and has also done LLB. She is a meritorious student throughout her education career. She was an All India Topper in the Intermediate Examinations of The Institute of Company Secretaries of India, amongst all the Lady Candidates in India and had ranked 14th on an All India Basis. In the Final Examinations, she stood all India first in the subject 'Company Law'. She has received various medals, certificates and awards including the D.L. Majumdar's Silver Medal. She is practising as a Company Secretary for over 18 years now.

Ms. Binani is a facilitator for some very prestigious programmes conducted by the Professional Institutes of India. She is a regular and acclaimed speaker in the professional forums on subjects of academic interest including inter-personal & communication skills. She takes keen interest in delving into corporate and professional issues and is consulted on various contemporary matters by the Industry. She had been an empanelled trainer with ICICI Bank Limited, where she facilitated training in soft skills up to the chief managerial level on an All India Basis. She is associated with the financial sector, education sector and is an experienced mentor and counsellor to young professionals & students. She also serves as an Independent Director on few of the Boards.

Ms. Binani had been the Chairperson of the Eastern India Regional Council of The Institute of Company Secretaries of India in 2010. She has been the first lady to have held the position, amongst all the 3 professional Institutes, namely The Institute of Chartered Accountants of India, The Institute of Cost Accountants of India and The Institute of Company Secretaries of India, in the Eastern Region. She also holds various positions in prestigious chambers of commerce, NGOs and Professional Associations.

She has been conferred with the "Bharat Nirman Awards" in the year 2010 for "Excellence in Professional Services" and is the first Company Secretary to have received this prestigious award. She also received the "Tejaswini Award" in the year 2010. She was conferred with the 'Hello Kolkata' award for exemplary work in social sector. "Wah Zindagi" has featured a telefilm on her journey which is widely viewed in YouTube.

She writes for leading journals and magazines and contributes articles and papers in various house journals of professional institutes, on topics of varied interests. She has served as the Vice- President of the Institute of Company Secretaries of India for the year 2015.

She believes in interdependence and co-existence & owes her accomplishments to her mother-in-law and her joint family structure.



CS (Dr.) Shyam Agrawal, Vice President, The ICSI

CS (Dr.) Shyam Agrawal has been elected as Vice- President of the Institute of Company Secretaries of India for the year 2016 w.e.f. 19th January, 2016.

CS (Dr.) Shyam Agrawal is the Central Council Member of the Institute of Company Secretaries of India, for the term 2015-2018. A Fellow Member of The Institute of Company Secretaries of India, he obtained his Masters of Law (LL.M.) and Ph.D (Law) on the topic "Micro, Small and Medium Enterprises- An analytical study of Law, Practice and Procedure".

He was the Chairman, Northern India Regional Council (NIRC) of the ICSI for the year 2014. He was the Chairman, Jaipur Chapter of NIRC of The ICSI for the years 2009 & 2010.

CS (Dr.) Shyam Agrawal is the Practicing Company Secretary and is also associated with various social, economic and other organisations like: Rajasthan Tax Consultants' Association, Federation of Rajasthan Trade & Industry (FORTI), JCI International (Worldwide Federation of Young Leaders and Entrepreneurs), Institute of Directors, New Delhi, Lions Club Jaipur Professionals, etc. He was Member of Educational Advisory & other Discussion Panel of leading newspapers viz., Dainik Bhaskar, Rajasthan Patrika.

CS (Dr.) Agrawal is a regular faculty for seminars, study circle and several training programs of ICSI, a regular speaker at various Professional, Management & Educational bodies on various topics of corporate relevance especially on MSME and Entrepreneurship and participated in various Economic & Social Discussion, Workshops etc. His dynamism is regularly reported in the Print & Electronic Media on the topics related to social, professional, environmental, economy and other issues. He Initiated a Signature Campaign on most desirable issue "Save Water, Respect Nature and Global Warming" and initiated a Campaign on "Cast Your Vote".

CS (Dr.) Agrawal has received accolades from many Social Organisations, Chambers and other Institutions for his distinguished contribution in the development of Society, Profession, Youth, Industry etc.

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- ▶ Shyam Agrawal (Dr.)

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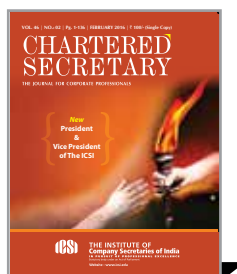


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- 01 >> Outgoing President CS Atul H Mehta putting the President's Collar to CS Mamta Binani the newly elected President of the Institute.
- 02 >> Newly elected President of the Institute CS Mamta Binani pinning the ICSI insignia to CS (Dr.) Shyam Agrawal, the newly elected Vice President of the Institute.
- 03 >> Rajesh Sharma presenting a photo album to CS Atul H Mehta, the outgoing President of the Institute.
- 04 >> CS Mamta Binani Chairing the Council Meeting of the Institute.
- 05 >> Group Photo of Incoming President, Vice President, outgoing President with Council Members and CE&OS and JS of the Institute.



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- 06 >> Felicitation Function – Ankur Yadav felicitating CS Mamta Binani, the incoming President of the Institute..
- 08 >> CS Mamta Binani addressing Team ICSI. Present on the occasion are the Council Members of the Institute.
- 09 >> A view of Team ICSI.

- 07 >> Dr. S K Dixit felicitating CS (Dr.) Shyam Agrawal, the incoming Vice President of the Institute.
- 10 >> Celebration of Udaï Divas (The day of statutory recognition of ICSI)- Release of Souvenir – From Left: CS Rishikesh Vyas, CS Mahavir Lunawat, CS Mamta Binani, CS Milind Sarwate (Founder and CEO, Increate Value Advisors LLP, Mumbai) and CS Ashish Doshi.



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- 11 >>> Release of Company Secretaries Foundation Programme Examination Result - Arun Jaitley (Hon'ble Union Minister for Corporate Affairs, Finance and I&B) seen releasing the result. Others standing from Left: Tapan Ray (Secretary, MCA), CS Mamta Binani, CS Ranjeet Pandey and CS Vineet K. Chaudhary.
- 13 >>> Inauguration of the ICSI-Amaravati Chapter - Presentation of Memento to Nara Chandrababu Naidu (Hon'ble Chief Minister of A.P.). Others standing from Left: CS Ravi Kumar M, CS K Srinivasa Rao, CS Atul H Mehta, CS Venkata Ramana R, CS Ahalada Rao V and CS Nagendra D Rao.
- 15 >>> NIRC - Jaipur Chapter - Orientation Programme for the Members of Rajasthan Legislative Assembly on Corporate Governance, Investor Protection & CSR: Role of Elected Representatives - CS Atul Mehta addressing, others sitting from Left: CS (Dr.) Shyam Agrawal, Rao Rajendra Singh (Hon'ble Dy. Speaker, Rajasthan Legislative Assembly), Kailash Meghwal (Hon'ble Speaker, Rajasthan Legislative Assembly) and Prithvi Raj (Secretary, Rajasthan Legislative Assembly).
- 17 >>> Meeting of ICSI delegation with Joint Secretary, MCA - Standing from Left: CS Vineet K Chaudhary, CS (Dr.) Shyam Agrawal, CS Mamta Binani and Amardeep Singh Bhatia (Jt. Secretary, MCA).

- 12 >>> Inauguration of the ICSI-Amaravati Chapter - Nara Chandrababu Naidu (Hon'ble Chief Minister of A.P.) un-veiling the inscription to mark the inauguration of the ICSI-Amaravati Chapter.
- 14 >>> ICSI President's Meeting with Member of Parliament - Standing from Left: CS Mamta Binani and Meenakshi Lekhi (Member of Parliament).
- 16 >>> Meeting of ICSI delegation with Secretary, MCA - Standing from Left: CS Vineet K Chaudhary, CS (Dr.) Shyam Agrawal, CS Mamta Binani and Tapan Ray (Secretary, MCA).
- 18 >>> Meeting of ICSI delegation with Secretary, Ministry of MSME - Standing from Left: CS Sonia Baijal, CS (Dr.) Shyam Agrawal and Anup K Pujari (then Secretary, Ministry of MSME).

15TH ICSI NATIONAL AWARDS FOR EXCELLENCE IN CORPORATE GOVERNANCE FUNCTION



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- 19 >> 15th ICSI National Awards for Excellence in Corporate Governance, 2015 - Panel Discussion on "Board Evaluation: A self driven measure for good governance" - Makarand M Lele introducing the Panelists, from Left - Somasekhar Sundaresan ((Partner, J. Sagar Associates(Moderator)), P R Ramesh (Chairman, Deloitte Haskins & Sells), DR. Y R K Reddy (International Adviser in Corporate Governance), S Durgashankar (President – Group M&A, Corporate Accounts & Group Secretarial, Member of the Group Executive Board, Mahindra & Mahindra Ltd.), and Amit Tandon (Founder and Managing Director, Institutional Investors Advisory Services).
- 20 >> 15th ICSI National Awards for Excellence in Corporate Governance Function - Release of Book titled SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - A Referencer – On the dais from Left: K. Sethuraman (Group Company Secretary and Chief Compliance Officer, Reliance Industries Limited), CS Sutanu Sinha, CS Vineet Chaudhary, CS Atul Mehta, S. Ramadorai (Chairman, National Skill Development Agency & the National Skill Development Corporation and Non-Executive Chairman Bombay Stock Exchange), N.R. Narayana Murthy (Co-Founder, Infosys Limited), CS Mantra Binani and CS Ashish Garg.
- 21 >> Presentation Ceremony - Life Time Achievement Award for Translating Excellence in Corporate Governance into Reality - N.R. Narayana Murthy receiving the trophy.
- 22 >> Best Governed Companies Award (In alphabetical Order) - For Mahindra & Mahindra Limited Trophy and Citation being received by S. Durgashankar (President – Group M&A, Corporate Accounts & Group Secretarial, Member of the Group Executive Board, Mahindra & Mahindra Ltd.) and Narayan Shankar (Company Secretary, Mahindra & Mahindra Ltd.).
- 23 >> Best Governed Companies Award - For Wipro Limited Trophy and Citation being received by Sanaula Khan (Company Secretary), Dipak Kumar Bohra (Senior Vice President & Global Controller – Finance) and Kothandaraman Gopal (Head Secretarial & Compliance, Finance, Wipro Limited).
- 24 >> Award to the Company Secretaries of Best Governed Companies - Narayan Shankar (Company Secretary, Mahindra and Mahindra Ltd.) seen receiving the Company Secretaries of Best Governed Companies trophy.



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- 25 >> Award to the Company Secretaries of Best Governed Companies - Sanaula Khan (Company Secretary, Wipro Ltd.) seen receiving the Company Secretaries of Best Governed Companies trophy.
- 27 >> Axis Bank Limited - Certificate being received by Sanjeev Kumar Gupta (Executive Director) and Girish Koliyote (Company Secretary, Axis Bank Ltd.).
- 29 >> Marico Ltd. - Certificate being received by Vivek Karne (CFO), Ravin Mode (Head IR, Treasury and M&A) and Hemangi Ghag (Company Secretary and Compliance officer, Marico Ltd.).
- 31-32 >> A cross section of invitees, dignitaries and delegates.
- 26 >> Certificate of Recognition for Adopting Exemplary Corporate Governance Practices (In alphabetical order) - Apollo Tyres Ltd. - Certificate being received by Seema Thapar (Company Secretary) and Gaurav Kumar (CFO, Apollo Tyres Ltd.).
- 28 >> Infosys Limited - Certificate being received by AGS Manikantha (Company Secretary) and Rekha Kamat (Manager Secretarial, Infosys Ltd.).
- 30 >> Rallis India Limited - Certificate being Received by V. Shankar (Managing Director) and P. S. Meherhomji (Company Secretary, Rallis India Ltd.).



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- 33 >>> ICSI Training of Trainers (ToT) programme for resource persons organising investor awareness programmes under IEPF, MCA – On the dais from Left: CS K V Singhal, A K Chaturvedi (RD - North, MCA), CS G S Sarin and CS Manish Aggarwal.
- 34 >>> ICSI-WIRC Convocation - From Left: CS Kamlesh Joshi, CS Rishikesh Vyas, CS Ashish Garg, Chief Guest Prof. Rishikesh T Krishnan (Director, IIM, Indore), CS Atul Mehta and CS Ashish Doshi.
- 35 >>> EIRC – North Eastern Chapter - Study Circle Meeting for discussion on Draft Guidance Note on Annual Return and Related issues under the Companies Act, 2013 – Sitting on the dais from Left: CS Vivek Sharma, CS Laxmi Prasad Kolla (RoC, MCA, NERegion and Chief Guest of the Programme), CS Pankaj Jain, CS Biman Debnath and CS Pravin Kumar Chhajjer.
- 36 >>> WIRC – Bhayander Chapter - Full Day Seminar on Practical aspects of Challenges and Opportunities for CS & Celebration of 3rd Foundation Day of the Chapter - From Left: CS Praveen Soni, CS CA Manak Chand Daga, CS Savithri Parekh (Faculty of the Programme), CS Manoj Mimani, CS Rakesh Gupta and CS Sunil Agarwal..
- 37 >>> EIRC – Bhubaneswar Chapter –4th ICSI CG Week - Dr. Aurobindo Behera (Former Member, Board of Revenue) addressing. Others sitting on the dais from Left: CS Debadatta Mohapatra and CS Sunita Mohanty.
- 38 >>> NIRC – Symposium on Living a Life You Love – Shiv Khera (Renowned Corporate Trainer and Internationally Acclaimed Management Guru) addressing.
- 39 >>> NIRC –Inauguration of Renovated NIRC – ICSI Auditorium – CS Atul H Mehta inaugurating the renovated auditorium. Others present on the occasion include CS Satwinder Singh, CS NPS Chawla, CS Manish Gupta, CS Nitesh Sinha, CS Rajeev Bhambri and S K Nagar.



at a Glance

Articles

P-15

Division of Units of a Company among Family Members through MOU or Family Arrangements - How far Valid and Legal ?

» P-15

Pradeep K Mittal

There are two typical methods of division of any company. One is demerger or hiving off whereby in case of two units or more than two units, each of the unit in the event of the division amongst family members who are controlling the company, devolve upon each of the segment of the family. The second method is division of units amongst the family members who are controlling the company without approaching the High Court under sections 391 to 394 of the Companies Act, 1956. This article deals with the circumstances under both the methods that could be followed in the light of the latest judgment of the Delhi High Court.

Landmark Judgement: Supreme Court Directs RBI to Disclose Information to Applicants under the RTI Act, 2005

» P-19

Delep Goswami & Anirrud Goswami

Till now the Reserve Bank of India and other Banks were denying disclosure of vital information regarding banking activities to the public/ RTI Activists on the frivolous ground of "fiduciary relationship" and that disclosure of such information would adversely affect the economic and financial stability of the country apart from harming the reputation and removing the confidence of the public on banks. The Supreme Court has come down strongly on the RBI and banks and has held that such perceptions of the RBI is totally misconceived and that by not providing the information sought for, the Banks are actually covering up their underhand actions. The Supreme Court further held that the RBI is duty bound to take rigid action against those Banks which have been engaging in disreputable business practices. The RBI, as per the Supreme Court's Judgement, is duty bound to comply with the provisions of the RTI Act and disclose information sought thereunder.

Comparative Analysis of the Listing Agreement and Chapters III & IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

» P-24

Rajesh Arora & Sona Rajara

The Listing Regulations consolidate and streamline the provisions of existing listing agreement for different segments of the capital market. The provisions of the Listing Regulations have been aligned with the Companies Act, 2013. This Article makes a Comparative Analysis between Listing Agreement and Chapters III & IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with new insertions.

Scope of Protection to Three-Dimensional Shapes as Trademarks in India and Abroad

» P-34

Ashwin D. Rajan & Anita Aswal

The shape of trademarks depicting three-dimensional shapes of products, containers, or contours of packaging, are now increasingly being utilized by companies and industries of various economic sectors located in countries worldwide, motivated by the serious need to survive and prosper amidst ever-growing, tense, and daunting business competitions at the national as well as international levels. This rising trend of using shape trademarks by manufacturers/producers as an effective merchandising technique, is gaining ground gradually in India also. This article presents some highly constructive and discerning information, in addition to the basic stock of relevant knowledge, about the types and benefits of the shape trademarks, the general rigorous requirements to be met for getting a shape trademark registered in India and abroad, and some shape

marks favouring easy registration worldwide. The registration procedure for shape trademarks in India has also been dealt with. A brief description of other types of non-conventional trademarks is also made.

Arbitration & Conciliation: Pillars of ADR Mechanism

» P-39

Amit K Vyas

Litigation in India is the most avoidable option for various reasons, prominent being the protracted legal system which more often than not deprives the citizens of due justice. A typical case in a court (from initiation to final appeal) takes almost 15- 20 years to be decided. It is in this regard that arbitration and conciliation come to the rescue by acting as strong pillars of ADR (alternative dispute resolution). Studies also show that arbitration is faster, less expensive and less disruptive. Arbitration process typically costs less because it is faster and less complicated. Also, some parties do not feel the need to use an advocate in arbitration. Conciliation is another ADR mechanism which is of immense value to litigating parties. While Arbitration is less formal than litigation, Conciliation is even less formal than arbitration. Conciliation is a voluntary process whereby the conciliator, a trained and qualified neutral, facilitates negotiations between disputing parties and assists them in understanding their conflicts at issue and their interests in order to arrive at a mutually acceptable agreement. Conciliation offers a more flexible alternative to arbitration as well as litigation, for resolution of disputes in the widest range of contractual relationships, as it is an entirely voluntary process. Far-reaching changes to India's Arbitration and Conciliation law are being worked out based on the recommendations of the Law Commission of India in its Report No. 246. These amendments bring about a higher role for Institutional arbitration, minimum judicial intervention in an arbitration process, better enforcement of the arbitration awards, protection of Indian assets in case of foreign seated arbitration etc. It is hoped that the amended law sees the light of the day without further delays.

Role of Information Technology in Corporate Governance

» P-48

Tapas Bhattacharya

Corporate Governance is a combination of systems, processes and rules which ensure that a company is Governed in the best interest of all stakeholders because of the need for greater accountability for decision-making about the use of IT. Information technology governance is a set of practices of corporate governance focused on information technology (IT) systems and its management. IT effectiveness is directly related to the long term aftermath of decisions made by top management. IT governance is the duty of the board and executive management and that IT governance should be an integral part of enterprise governance. IT governance comprises a set of formal and informal rules and processes that determine how IT decisions are made, how empowerment is exercised, and how IT decision makers are held responsible for serving the corporate interest. It establishes the framework used by the organization to establish explicit responsibility of individual decisions, and ensures the conformity of decisions to assigned responsibilities.

Limits under the Companies Act, 2013

» P-52

Raghunath Ravi & Meenakshi. N

Under the Companies Act, 2013 certain provisions are applicable to companies with specified amount of paid-up capital/reserves/net worth/turnover/borrowings/profits. These may be by way of compliance with certain provisions of the Act or exemptions therefrom based on the criteria. It is to be noted that in certain sections/rules the meaning to these terms may be different from the one given under "definition" in the Act. The Table given in the Article lists out the aforesaid terms used in various sections/rules and gives the comments for such items where the provisions are not specific and thus offer scope for different interpretation. The Table highlights the fact that the Act prescribes various parameters for applicability of certain provisions in the Act to companies, thus necessitating reference to the Act frequently to ensure compliance with the Act.



Research Papers

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Impact of Social Responsibility on Financial Performance & Tax Implications: Indian Scenario

➤➤ P-65

Meenu Gupta

The Companies Act, 2013 has prescribed a mandatory 2% of average net profits of Companies to be spent on CSR activities. Till 2012-13, companies were voluntarily making donations and spending on CSR which marked a turning point for the increase in CSR Expenditure in response to SEBI Circular dated August 2012. A research study was done to find the impact of CSR Expenditure on financial performance and tax implications. A Regression analysis has revealed 51% dependency level of CSR expenditure on financial performance.

Nature and Dimensions of Unorganized sector

➤➤ P-72

K.S. Ram

The unorganized sector is the seed bed of local entrepreneurship and it is a permanent feature of Indian economy. It suits the socio-economic features of Indian economy. This is independent of and complementary sector to the organized sector. The nature of employment is predominantly self-employment, unpaid family labour and occasionally casual paid labour. At present this sector is not covered by the Indian statistical system. The vibrant growth of Indian future economy depends on identifying the needs of unorganized sector. This article analyses the characteristics of unorganized sector, differences between organized and unorganized sectors, dimensions of unorganized sector, factors contributing to the growth of unorganized sector, its impacts on the economy and the role to be played by various sections for the desired survival of this sector.

Legal World

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▶ LMJ: 04: 02: 2016 Offence committed under 630 of the Act, i.e. withholding the property of the company, is a continuous offence. [SC] ▶ LW: 09: 02: 2016 Supreme Court upholds the cost of Rs.10 lakhs imposed by the High Court for filing false affidavit. ▶ LW: 10: 02: 2016 Property which was purchased before the PMLA came into effect cannot be attached as proceeds of crime, under the PMLA.[Del] ▶ LW: 11: 02: 2016 The petitioner cannot maintain a petition under Article 226 of the Constitution of India for the relief for which the petitioner, prior to instituting the writ petition, has already availed of the relief under the civil law. [Del] ▶ LW: 12: 02: 2016 Delhi High Court refused to stay the suit filed in Shimla by the plaintiff holding that it is different from the earlier suit filed in Shimla by the defendant. ▶ LW: 13: 02: 2016 Appeal impugning the order rejecting the application under Section 8 of the Arbitration Act is not maintainable. [Del] ▶ LW: 14: 02: 2016 The accident was in fact caused on account of the rash and negligent driving of the offending vehicle by its driver, against whom a criminal case was registered under the provisions of the IPC, which facts have not been taken into consideration by either the State Commission or National Commission. Therefore, the judgment and order of the National Commission is liable to be set aside, as the said findings recorded in the judgment are erroneous in law. [SC] ▶ LW: 15: 02: 2016 It is admitted fact that respondent establishment came under the provisions of the said Act only with effect from 01.04.2011 and before that the said establishment was not covered under the said Act. It is not in dispute the petitioner issued the notice on 26.12.2007 to the hospital and not to any particular department. Therefore, the respondent is not liable to be prosecuted under the provisions of the said Act.[Del] ▶ LW: 16: 02: 2016 Delhi High Court upholds the dismissal of the DTC conductor who had been found, during inspection, to have carried passengers without issuing tickets even after collecting fare from them.

From the Government

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▶ Companies (Incorporation) Amendment Rules, 2016 ▶ Establishment by Central Government Central Registration Centre (CRC) ▶ Whether Hindu Undivided Family (HUF)/ its Karta can become partner/Designated Partner (DP) in Limited Liability Partnership (LLP) ▶ Date of coming into force of section 125, sub-sections (5),(6) & (7) of the Companies Act, 2013 ▶ Frequently Asked Questions (FAQs) with regard to Corporate Social Responsibility under section 135 of the Companies Act, 2013. ▶ Delegation of Power to RDs under section 208 of the Companies Act, 2013 ▶ Relaxation of additional fees and extension of last date of in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013- State of Tamil Nadu and UT of Puducherry - reg. ▶ Revision in Position Limits for Agricultural Commodities ▶ Know Your Client Requirements - Clarification on voluntary adaptation of Aadhaar based e-KYC process ▶ Revised Position Limits for Currency Derivatives Contracts ▶ Reduction in Daily Price Limits & Near month Position Limits for Agricultural Commodity Derivatives and Suspension of Forward Segment ▶ Securities and Exchange Board of India (Depositories And Participants) (Amendment) Regulations, 2016 ▶ Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2016 ▶ Clarification Circular on Streamlining the Process of Public Issue of Equity Shares and Convertibles ▶ Amendment to SEBI Circular CIR/MRD/ DSA/33/2012 dated December 13, 2012 pursuant to amendment in Regulation 2(1) (b) of SECC Regulations, 2012. ▶ The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2016 ▶ Mandatory requirements / Exit Policy for Commodity Derivatives Exchanges ▶ Securities and Exchange Board of India (Delisting of Equity Shares)(Amendment) Regulations, 2016 ▶ Procedures for ensuring compliance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) by Listed Stock Exchanges. ▶ Notification regarding establishment of Local Office of the Board at Jammu ▶ Investment by Gold ETFs in Gold Monetisation Scheme of Banks ▶ Procedure to deal with cases prior to April 01, 2014 involving offer / allotment of securities to more than 49 up to 200 investors in a financial year. ▶ Electronic filing of first appeal before CIT(Appeals) - reg. ▶ The Income-tax (22nd Amendment) Rules, 2015 - Revised rules & Forms related to Quoting of PAN w.e.f. 01.01.2016 ▶ Scrutiny Assessments- some important issues and scope of scrutiny in cases selected through Computer Aided Scrutiny Selection ('CASS')-reg ▶ TDS under section 194A of the Act on interest on fixed deposit made on direction of Courts - reg.

Other Highlights

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 ▶ Certificate of Practice Issued / Cancelled
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 ▶ NCLT Corner
 ▶ Looking Beyond
 ▶ The Standing and Other Committees / Boards of the Council for the Year 2016-17



From the President



“Let us march together because talent wins games but teamwork wins championships”



Esteemed Professional Colleagues

The beginning, it is said, is only the start of a journey to another beginning. I have begun my new role as the President of ICSI from 19th January 2016, with an inspired vigour to scale new meaningful heights of excellence and rectitude in diverse ways. A journey of a thousand miles begins with small but firm dedicated steps.

I feel privileged to share my thoughts with you through this prestigious Journal after assuming this resplendent Office. At the onset, I express my sincere gratitude to my colleagues in the Council for reposing their confidence and unwavering trust in me for undertaking this mammoth responsibility. It is the vision and the untiring zeal of the illustrious Immediate Past President, Past Presidents, Past Council Members, Past Secretaries, ICSI Officers, Past Regional Council Members, Past Chapter Managing Committee Members, which has brought glory and meaning to ICSI's journey of 47 years. The team ICSI which is an amalgam of adroit strengths and intellects is now carrying the baton and is taking the Institute's mission forward for further creating a strong brand for ICSI.

It is also the dynamic stewardship of every member that has

led ICSI to touch commendable heights and gain immense trust and confidence of the Government of India, regulatory authorities and corporate sector. As a President, I can't ask for a better foundation and will certainly be a keeper of this legacy.

While great milestones have already been coined by our past leaders, we would always be insatiable and longing to add more apposite feathers to the repository. All stakeholders would be anxious to know about the drops of water, Team ICSI is going to effectively pour into the ocean of ICSI. Hereunder, we are taking an inventory of few of our goals and will keep on communicating with you, in the days to come:

Brand Image: Our first and foremost agenda is to take the strong brand to a new high. Team ICSI will be dedicated towards it and this sensitisation will surely enable creating more opportunities for members and inculcate a sense of humongous pride in the minds of students and members.

Governance: Our Institute has always been at the forefront of promoting Corporate Governance; in line with this, it



gives me immense pleasure to inform that the Institute has on January 6, 2016 announced 2016 as the 'Mission Year for Corporate Governance' and the proposal for observing 'International Corporate Governance Day' (ICGD) is also being mooted. ICSI will showcase Governance at every touch point. The Council has voluntarily adopted Secretarial Standards for its meetings from its very first meeting of this term.

Skill CS: Our vision for ICSI during this year is in close affinity to the vision of our Hon'ble Prime Minister Shri Narendra Modi to make India a 'Skill Capital of the World'. Congruent with the same, the talent of our professionals will be further worked on, so as to be the 'Skill Capital of the Indian Corporate World'. The strive would be to enrich our intellectual capital with the skill-sets required to become a 'Complete Professional'.

Members' Strength: A repository of strength is lying in our esteemed members. We want to harness the same towards the benefit of the Institution and that can only become possible with the active participation of the members. In this direction, a form under the nomenclature of 'Know Your Member' has been developed so as to get the relevant information pertaining to the members. The said form has been included as a part of this Journal for your valuable comments and suggestions. Kindly give some time to it. Your goodselves are the ones who are engaged in multifaceted functions and are handling the most erudite boards and touching lives everyday. All of us coming together will be a matter of awe and a turning point for the Institute.

NCLT: National Company Law Tribunal (NCLT) and the NCLAT is coming with monumental opportunities for the profession. The need of the hour for ICSI is to enable focussed high quality learning by means of audio-visual aids like that of court room set-ups for NCLT and to take it to stakeholders belonging to all geographies through web-casts and webinars. To have a fiery and dedicated approach, we are also forming core groups for the subjects like Companies Act, Secretarial Audit, Insolvency Laws, GST, Internal Audit, CSR, Training for Directors etc. We also invite our members to write to us about their areas of interest in which they would like to contribute.

Regulatory inputs: The dynamism in the various regulatory

frameworks deserves and demands the considered inputs of the Institute and we pledge our first and immediate attention to it.

The Companies Law Committee (CLC) submitted its report to the Government today, i.e. February 1, 2016. The CLC has, *inter-alia*, recommended amendments to both the 2013 Act and the Rules to the 2013 Act. It has proposed changes in 78 Sections of the 2013 Act, which along with consequential changes, would result in about 100 amendments to the 2013 Act. It has proposed approximately 50 amendments to the Rules. The issues with regard to our profession has also been taken note of and will be duly represented by ICSI with strong conviction.

Incubation Centres: At ICSI, we would like to rev-up the dream of 'Start Up-Stand Up CS' and the endeavour would be to burn the entrepreneurial fire in our professionals. With the various initiatives of the Government of India, there is a sea of opportunities just waiting to get unleashed optimally. ICSI will be readily providing proactive and measureable support to scale up the ambitions of the go-getters and to raise the magnitude of professionals by having Incubation Centres.

Secretarial Standards: Secretarial Standards (SS) is very close to the hearts of all. For the leaders of yester years and that of today because it is their zeal and efforts that has borne fruit. The glory of it will always be upheld. The kind of governance that mandation of Secretarial Standards has brought with it is commendable. The Institute is working on developing international Secretarial Standards on Board Meetings on a request received from CSIA (Corporate Secretaries International Association) for the international member countries of CSIA. The existing secretarial standards of India will entail modifications as per the suggestions of the CLC report and the Institute is working on the same.

Two new Standards - on Board's Report and on Dividend are on the anvil.

Information Technology: The ambitious project covering the life cycle from pre-registration stage of student to member under SMASH (Student Member Application Software Hosting) project is in motion. This Digital ICSI platform shall ensure total online platform and seamless flow



From the President

of information and effective monitoring of all touch points. We will aim to ensure its roll-out, with an eye on not losing the human warmth.

Students and Infrastructure: The big repository of talent lying subdued in our students will be harnessed. High attention will be given for creating opportunities for placement of management trainees. Oral coaching, study centres and revision classes will be strengthened and all stakeholders involved in this will be taken along. Career awareness and Counsellor appointments shall get its due weightage. The infrastructure and need of manpower at the Regional Councils, Chapters and even at the Head Quarters is being reassessed and priority is being given to it.

CSBF: Company Secretaries Benevolence will get its due mindfulness. To start with, a desk has been dedicated for CSBF. We request all the Regional Councils and Chapters to contribute voluntarily a token amount of say Rs.10 per participant, per program to the CSBF. We shall work towards strengthening the team handling CSBF at ICSI and furthering the reach of CSBF with the kind assistance of the esteemed Managing Committees of CSBF, Regional Councils, Chapters and precious volunteers.

Sharing of Concerns: Further, we are on our toes to ensure that the communications received from our precious stakeholders are looked after judiciously. Officers at the Head Office, Regions and Chapters have been requested to not keep any communication on hold beyond 2 working days. I request the members to use the call centres and the grievance email id to the maximum as this has a strong monitoring system. In spite of it, if there is anything that is not getting the desired attention, you may feel to write at president@icsi.edu.

Young Members: For our fresh members, who are always very close to our heart.....we truly believe that one of the many mantras to have a successful career and a meaningful life is to decide the goal of your life without wasting a single moment. As Swami Vivekananda says "Take up one idea. Make that one idea your life. Think of it, dream of it, and live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea aside. This is the way to Success". Give yourself some time. Any profession or business demands a gestation period which needs to be handled with poise and patience.

Placement for Members: Here, let me make a mention of a strong placement drive that is a must for an Institute. We are conscious of this and we will work on it. **Indemnity and Insurance for our professionals is another such aspect which will get its due attention.**

'Make in India' Week to be held from 13 February to 18 February, 2016 at Mumbai, which, *inter alia*, is showcasing the pride of India and taking the corporate and public participation to the next level will be inaugurated by the hands of the Honourable Prime Minister, Shri Narendra Modi Ji. Different Ministries will have its esteemed pavilion. For the pavilion of Ministry of Corporate Affairs, ICSI is one of the proud partner and playing an effective role on all the days of the show and working shoulder to shoulder with MCA. I would like to thank the Ministry of Corporate Affairs, Government of India for its incessant guidance and for giving us the privilege to be partners in Nation building.

We acknowledge and offer our deep gratitude to the **Hon'ble Union Minister of Corporate Affairs, Finance and I & B, Shri Arun Jaitley**, for releasing the results of the Foundation program of ICSI through his gracious hands on January 27, 2016. This first time initiative has given a new dimension to our efforts.

We would be looking for all the support, synergy and cooperation as an invincible team ICSI. Ingenuity, plus courage, plus work equals miracles. Let's all come together to create a vivid circle of influence.

Your valuable ideas and suggestions are priceless! Thank you for continuously sharing your views. These inputs are like blessings to us!

The path needed to travel and traverse may look laid down with hurdles at this point in time but it is at times self-limiting. The sky gets cleared as we move on, with passion and sincerity. Miles to go before we sleep...!!!

Best regards

February 01, 2016
New Delhi

Yours sincerely

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Division of Units of a Company among Family Members through MOU or Family Arrangements - How far Valid and Legal ?

➤ Whether a company which was formed out of a joint family can subsequently be divided into different segments of a larger family on the basis of a Memorandum of Understanding or Family Arrangements is the brief question that is examined here.

In this Article, an attempt has been made to explain the law on the point of division of different manufacturing units of a company among various segments of the joint family under a Memorandum of Understanding or Family Arrangement. This topic can be dealt with in relation to three types of companies namely (a) private limited company (b) closely held public limited company and (c) widely held public limited company.

In a growing family, a business or an enterprise is invariably started under the umbrella of a partnership firm. Later on as the business grows, a private limited company is incorporated for the purpose of taking over the business of the partnership firm – in other words corporatization of business.

PRIVATE LIMITED COMPANY

A company is a separate entity and is governed by the provisions of the Companies Act, 1956 (and presently by the Companies Act, 2013). The essential legal position is that the shareholders of the company are not the owners of its assets and that there cannot be an agreement between the shareholders for any group to divide the assets of the company. The private limited company may be



controlled by one segment of the family or different segments of a family and would be in the nature of quasi-partnership in which, outside public is not at all interested.

A question then arises as to whether such company can be divided into different segments of a larger family on the basis of Memorandum of Understanding or Family Arrangement and this question has fallen for consideration before the Supreme Court in the case of Sangramsinh P Gaekwad v. Shantidevi P Gaekwad MANU/SC/0052/2005 = AIR 2005 SC 809 where the court held as under:-

* Past Central Council Member of the ICSI.



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238. It is now well-known that principles of quasi-partnership is not foreign to the concept of Companies Act. For the purpose of grant of relief, the principles of partnership had been applied even in a public limited company. (See *Loch and Anr. v. John Blackwood Ltd.*, 1924 AC 783, *Ebrahimi v. Westbourne Galleries Ltd. and Ors.*, 1972 (2) All ER 492.)

PUBLIC LIMITED CLOSELY HELD COMPANY

However, companies which are in the nature of quasi-partnership and of which the shares are held by various segments of the family and where members of general public are not at all interested, can also be the subject matter of division in the sense that if in a company, there are more than one division/manufacturing unit, such division or unit could be the subject matter of division between different members of a Joint Family. The Supreme Court in the case of *Sangramsinh P Gaekwad v. Shantidevi P Gaekwad* has recognized and approved the bifurcation of Division or Unit among different division/segment of larger Joint Family Company.

PUBLIC LIMITED WIDELY HELD COMPANY

An interesting question may now arise as to whether the principle of quasi-partnership could be applied to a widely held public limited company in which members of the general public are also interested – in other words a widely held public limited company. In a latest judgment in the case of *Sanjay Kapur & others v. Vikram Kapur & others* (2015) 225 Delhi Law Times, 633, the Delhi High Court made an analysis of the law on this point.

Facts of the case

The 1999 MOU recorded the agreement that the division of the three lots should be made in such a manner that one bicycle unit falls in the share of each of the three groups such that the production facility including machinery, painting and plating plants, etc., and that of services including tool room, maintenance, electrical, generators, research and development, heat treatment, etc. of each bicycle unit is more or less equally divided. It envisaged that the market areas for sales in India and exports for each separate unit “shall be clearly identified, demarcated and equated.” In case any benefit was to be given to any group/groups, it could be given in the form of net worth/assets.

Before going into the judgement of the Delhi High Court in this case, it would be beneficial to know few other relevant judgments on this point.

In *Reliance Natural Resource Limited v. Reliance Industries Ltd.*, IV (2010) STL 705;(2010)7 SCC 1, the Supreme Court held that an internal family arrangement and an MoU signed between family members were not legally binding on the company. It was

observed by the majority:

“The MoU was signed as a private family arrangement or understanding between the two brothers, Mukesh and Anil Ambani, and their mother. Contents of the MoU were not made public, and even in the present proceedings, they were revealed in parts. Clearly, the MoU does not fall under the corporate domain – it was neither approved by the shareholders, nor was it attached to the scheme. Therefore, technically, the MoU is not legally binding.”

In a concurring opinion of Sudershan Reddy J., it was observed:

“It is absolutely clear that the MoU was executed in the private domain, with the help and aid of a lawyer and then marked confidential. Further, the individuals, from all indications have only executed it in their individual capacity and it was not purported to be in exercise of their positions in RIL or any other company of the Reliance Group. It is also very clear that the MoU itself recognizes that the reorganization that the promoters sought would have to be routed through the Board.....”

Inasmuch as the terms and conditions of gas supply, as specified in the MoU, were not specifically informed to all the shareholders and stakeholders, including in this case the Gol (as a party to the PSC), we simply fail to see how the MoU can be read into the Scheme itself. It does not matter whether one calls MoU the guiding light or a tool for interpretation or a foundation – the sheer fact that the terms of gas supply contained in the MoU were withheld from the shareholders implies that it cannot now be imported into the Scheme.”





➤ Any decision taken consequent to an agreement arrived at in the form of an MoU between shareholders cannot be straightway given effect to unless it has received the imprimatur of the shareholders in an Extraordinary General Meeting apart from the approval of other interested parties including the Creditors- both secured and unsecured.

In *Vodafone International Holdings BV v. Union of India*, (2012) (1) SLT 547;(2012) 6 SCC 613, it was held as under:

“64. Shareholders can enter into any agreement in the best interest of the company, but the only thing is that the provisions in the SHA shall not go contrary to the Articles of Association. The essential purpose of the SHA is to make provisions for proper and effective internal management of the Company. It can visualize the best interest of the company on diverse issues and can also find different ways not only for the best interest of the shareholders, but also for the company as a whole. In *S.P.Jain v. Kalinga Cables Ltd.*, (1965) 2 SCR 720, this Court held that agreements between non-members and members of the Company will not bind the company, but there is nothing unlawful in entering into agreement for transferring of shares. Of course, the manner in which such agreements are to be enforced in the case of breach is given in the general law between the company and the shareholders. A breach of SHA which does not breach the Articles of Association is valid corporate action but, as we have already indicated, the parties aggrieved can get remedies under the general law of the land for any breach of that agreement.”

The Delhi High Court in the case of *Sanjay Kapur & others v. Vikram Kapur & others* (supra) has observed that what is relevant for the purposes of the present case is that any scheme of restructuring of the company will necessarily have to abide by the provisions of the Companies Act. Sections 390 to 396A of Chapter V of Part VI of the Companies Act, 1956 contained provisions relating to compromises, arrangements and reconstructions. The court further observed that in the Companies Act, 2013, these provisions find place in Chapter XV which is titled “Compromises, Arrangements and Amalgamations”. It includes Sections 230 to 240.

The procedure involved in giving effect to any scheme of restructuring or arrangement requires applying to the Company Court, and under the Companies Act, 2013, to the National Company Law Tribunal. Specific directions have to be sought for the holding of meetings of different interested groups including the shareholders, the financial institutions and seek their approval to the scheme of arrangement. In other words, any decision

taken consequent to an agreement arrived at in the form of an MoU between shareholders cannot be straightway given effect to unless it has received the imprimatur of the shareholders in an Extraordinary General Meeting apart from the approval of other interested parties including the Creditors- both secured and unsecured.

These provisions require proposals for arrangements, reconstruction or amalgamations to be placed before the shareholders and creditors. The provisions mandate the minimum percentage of such groups of interested persons to approve the scheme of compromise, arrangement, reconstruction, etc. The Regional Director/Registrar of Companies and/or the Official Liquidator, as the case may be, can object to the scheme. The Central Government can file an application that the scheme for amalgamation should be reconsidered. The Court observed that the decision to reconstruct the Company which is a public limited company and majority of shares in which are held by the public cannot be left to be determined by a private arrangement between certain group of shareholders.

The court further observed : “there cannot be any estoppels against law”. The restructuring of a company has to happen mandatorily in accordance with the provisions of the Companies Act. It is not open to any of the parties to insist that irrespective of the above stated settled legal position, the MoUs or any other “family arrangements” entered into between them must be given effect to.

The Court was of the view that the learned Arbitrator wholly overlooked the above legal position (The Arbitrator was a retired Chief Justice of India).

It is not possible to anticipate what could be the outcome of proceedings, as and when initiated, under the Companies Act by any or all of the groups pursuant to the MOUs and the BoD resolution of 31st August, 2003. That stage is yet to be reached.





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The learned Arbitrator, therefore, could not have pre-empted the decision in such proceedings by putting a seal of approval on the division of lots as set out by Mr. Vikram Kapur in para 14 of his application in so far as it involved the assets of Atlas Cycles (Haryana) Limited or for that matter any other company to which the Companies Act applies. In the proceedings under the Companies Act, 2013 it would be open to any group to contend that members of other groups are bound by the 1999 or the 2003 MoUs and cannot resile from it. Even that would not prevent the Court or the tribunal from coming to a conclusion as to whether the arrangement or restructuring agreed upon by the members of different groups of Kapur family is in the best interests of the Company.

It has been viewed by the court that from any angle, these were matters entirely outside the scope and ambit of the arbitration proceedings. It was impermissible in law for the learned Arbitrator to take upon himself a task which could be done only in accordance with the Companies Act and only by the authorities entrusted with such powers. The parties to the 1999 MoU could not have conferred a jurisdiction upon the learned Arbitrator which he did not have to begin with. Therefore, a patent error was committed by the learned Arbitrator in not dealing with the application of Mr. Arun Kapur wherein he has questioned the jurisdiction of the Arbitrator to order division of the assets of the Company into baskets or lots.

The Supreme Court in the case of *Kilpest Pvt. Ltd. and Ors. v. Shekhar Mehra* MANU/SC/1673/1996 : 1996 (10) SCC 696 has observed as under:-

"11. The promoters of a company, whether or not they were hitherto partners, elect to avail of the advantages of forming a limited company. They voluntarily and knowingly bind themselves by the provisions of the Companies Act. The submission that a limited company should be treated as a quasi-partnership should, therefore, not be easily accepted. Having regard to the wide powers under Section 402, very rarely would it be necessary to wind up any company in a petition filed under Sections 397 and 398.

The Division Bench of the Bombay High Court in the case of *Maharashtra Power Development Corporation Ltd v. Dabhol Power Co* MANU/MH/0125/2004 ; 2004(120) Comp. Cas. 560 (Bom.) has observed as under:-

It is true that the principles enunciated in Ebrahimi's case (supra) as noticed above have been held by the Supreme Court to be sound principles but it has been stated in unambiguous terms that the limited company should be treated as quasi-partnership should not be easily accepted. If the apparent structure of the company is not the real structure and on lifting the veil, it is found that in reality it is the partnership, the principles of dissolution of partnership may apply but that is not the case here.

Consequently, the Delhi High Court has held that the directions issued by the Learned Arbitrator as regards the division of the assets and management and control of Atlas Cycles (Haryana)

Ltd., is opposed to fundamental policy of Indian Law and, therefore, cannot be sustained under Section 34(2)(b) (ii) of the Arbitration & Conciliation Act, 1996.

To summarise, it is discernible that (i) private limited companies and (ii) closely held public limited companies could be the subject matter of partition amongst the various segments of the Joint Family and each unit or division could be transferred/vested in one segment of the large Joint Family. However, if a company is widely held public limited company, then there cannot be any partition, division except, of course, by way of a Scheme of Arrangement under Section 390 to 396A of the Companies Act, 1956 being sanctioned by the Company Court of High Court concerned. [CS](#)

Appointment



**ARKRAY
HEALTHCARE
PRIVATE LIMITED**

Requirement of Company Secretary

ARKRAY Healthcare Private Limited, India, is an Indian Affiliate of Japanese Company Arkray Inc, engaged in the business of In-vitro Diagnostics. It wishes to recruit a Company Secretary (Member of ICSI).

Credential

- Qualified Company Secretary with minimum 2 years of hands on experience in discharging secretarial duties and legal matters with a knowledge of FEMA. CS with Degree in Law preferred.
- Excellent written and communications skills with exposure to regulatory environment
- Thorough knowledge, understanding and insight of all changes in Corporate Laws, SEBI, FEMA, RBI Guidelines & Regulations etc.

Remuneration will not be a constraint for the right candidate. Interested candidates should apply to:

Mr. Rahul J Khakhra

Sr. Manager – Finance & Accounts
173-B New Industrial Estate Road no 6-G, Udhna
Surat – 394 210

Email: rahul.khakhra@arkray.co.in

Direct: 0261-2277211 Ext 161

ARKRAY HEALTHCARE PRIVATE LIMITED

701/702, Opulence, TPS – III, 06th Road, Santacruz (East),
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Landmark Judgement: Supreme Court Directs RBI to Disclose Information to Applicants under the RTI Act, 2005

- The Supreme Court has come down strongly on the RBI and banks and has held that denying disclosure of vital information regarding banking activities to the public/ RTI Activists on the frivolous ground of "fiduciary relationship" is totally misconceived and that by not providing the information sought for, the Banks are actually covering up their underhand actions. The RBI, as per the Supreme Court's Judgement, is duty bound to comply with the provisions of the RTI Act and disclose information sought thereunder.

India has, in recent past, witnessed many scams, like the 2G spectrum scam causing the Government exchequer losses of Rs.1.76 lakh crores and almost Rs.1.86 lakh crores, in the "Coalgate" scam. All these were brought to the notice of the Supreme Court through public interest litigations by public interest activists and NGOs like Common Cause and the Centre for Public Interest Litigation (CPIL) and despite the strenuous efforts made by the Government to hide from the public the file noting on decision making processes, the vital information could be fished out by activists by using the Right to Information Act, 2005 ("RTI Act"). However, another important area of concern is frauds and irregularities committed in the Banking sector in opening of Bank Accounts for siphoning off money from India to foreign tax-free havens. Adding to this, there is laxity shown in recovering loans and outstanding from the defaulters and non-remedial action on host of other irregularities and illegalities which plague the



banking sector. However, the Reserve Bank of India ('RBI') and other banks have been denying disclosure of all these vital and basic information to information seekers/activists under the garb of the veil of secrecy



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Landmark Judgement: Supreme Court Directs Rbi to Disclose Information to Applicants under the Rti Act, 2005

on the plea that the disclosure of such information does not serve any public interest and that, it would, instead adversely impact public interest and confidence in the banking sector, thereby posing very severe implications and prejudicial impact on the financial and economic stability of the country. More particularly, the RBI argued that the information obtained/provided by the Banks inspected, was “fiduciary” in nature and those were shared on the principle of “trust and confidence” and hence such information could not be shared with the information seekers under the RTI Act.

Given this backdrop, a landmark judgement has been delivered on 16th December, 2015 by the Supreme Court of India in Transferred Cases (Civil) Nos.91 to 101 of 2015 (hereinafter referred to as the “RTI Judgement”) which will have a far-reaching impact on the accountability and responsible behaviour of Banks, and more particularly, the RBI. The moot question in the RTI Judgement was: whether the information sought for under the RTI Act can be denied by RBI and other Banks to the public at large on the ground of economic interest, commercial confidence, fiduciary relationship with other Banks on the one hand and the public interest on the other?

On their RTI Applications being denied by the respective Banks, the RTI Activists filed appeals before the Central Information Commission (CIC), which allowed the petitions and directed the Banks to furnish information to the petitioners. Writ petitions were filed by RBI and other banks against these decisions before the High Courts at Bombay and Delhi. At the same time, RBI also filed a petition in the Supreme Court of India to transfer the pending cases to the Supreme Court and this resulted in the common hearing in the aforesaid RTI Judgement.

The information sought for by public interest activists from the RBI and other Banks included, *inter alia*, the following:-

- i) The procedure, rules and regulations of inspection being carried out on Co-operative Banks by the RBI and the copies of inspection and audit reports in respect of Makarpura Industrial Estate Co-op Bank and report on all Co-operative Banks gone into liquidation and action taken against all Directors and Managers for recovery of public funds and powers utilized by RBI and analysis and procedure adopted; and the names of remaining co-operative banks and RBI’s observations against irregularities and action taken reports.
- ii) Based on the written statement made by the Finance Minister on the floor of the Parliament that some Banks like SBI, ICICI Bank, Bank of Baroda, Dena Bank, HSBC Bank etc. were issued “letter of displeasure” for violating FEMA guidelines for opening of accounts, whereupon some other Banks were even fined Rs.1 crore for such violations, the RTI activist sought the names of the Banks with details of violations committed by them. The Activist also sought for “Advisory Note” issued to the ICICI Bank for accounts opened by some fraudsters at the Patna Branch and information sought was about the exact nature of irregularities committed by the Bank under FEMA, and details of other offences committed by the IBL through various branches in India and abroad, along with action taken by the Regulator, including the names and designations of the officials; branch name; type of offence committed and the punishment awarded by the concerned Authority etc. While the RBI stated that “Supervisory actions were taken based on scrutiny conducted under Section 35 of the Banking Regulation (BR) Act”, the information in the scrutiny report is denied citing the ground of fiduciary capacity.
- iii) In another application, the Activist sought from National Bank for Agriculture and Rural Development (NABARD) copies of all correspondence with Maharashtra State Government/RBI/ any other Agency of the State/Central Co-operative Bank from January, 2010 onwards and to provide confirmed/draft minutes of meetings of Governing Boards/Board of Directors/ Committee of Directors of NABARD from April, 2007 till date of the application.
- iv) With regard to RBI uploading the entire list of Bank defaulters on the Bank’s website, the RBI replied that pursuant to Finance Minister’s speech made in Parliament on 28.2.1994, “in order to alert the Banks and FIs and put them on guard against the defaulters to other lending institutions, the RBI has put in place scheme to collect details about borrowers of banks and FIs with outstanding aggregating Rs.1 crore and above, which are classified as “doubtful” or “loss” or where suits are filed, as on 31st March and 30th September each year. In February, 1999, RBI had also introduced a scheme for collection and dissemination of information on cases of wilful default of borrowers with outstanding balance of Rs.25 lakhs and above. At present, RBI disseminates list of above said non-suit filed “doubtful” and “loss” borrowed accounts of Rs.1 crore and above on half-yearly basis (i.e. as on March 31st and September 30th) to Banks and FIs for their confidential use. The list of non-suit filed accounts of wilful defaulters of Rs.25 lakh and above is also disseminated on quarterly basis to Banks and FIs for their confidential use. Section 45-E of the RBI Act, 1934 prohibits the RBI from disclosing “credit information” except in the manner provided therein.”
- v) Yet, in another application based on newspaper reports, the Activist sought for details from the RBI on the criterion adopted in deciding fine and penalties imposed on the Banks for contravention of various directions and instructions, such as, failure to carry out proper due diligence on user appropriateness and suitability of products, selling derivative products to users not having risk management policies; not verifying the underlying/adequacy of underlying and eligible limits under past-performance route, issued by RBI in respect of derivate transactions. In reply, the RBI stated that for violations, the Banks were issued with Show-cause Notices



➤ The RBI denied providing any information sought for by citing the ground that the concerned information was received by the RBI in a fiduciary capacity and the disclosure of such information would prejudicially affect the economic interests of the State and harm the Bank's competitive position and hence such information are exempt from disclosure in terms of the provisions of Section 8(1)(a) (d) and (e) of the RTI Act, 2005.

and denied the information.

- vi) In another application, an RTI Activist sought for details from RBI about the total market-to-market losses suffered on account of currency derivatives to the tune of Rs.32,000 crores and wanted the Bank-wise breakup of the MTM losses. In reply, the RBI sought exemption under Section 8(1)(a) and (e) of the RTI Act, 2005 as, under 8(1)(a) the disclosure of information sought would prejudicially affect the sovereignty and integrity of India and the security, strategic scientific or economic interests of the State, in relation with foreign State or lead to incitement of an offence.
- vii) Yet, in reply to another RTI application seeking information regarding accusations against SCB for non-compliances of RBI instructions on "derivatives", the RBI stated that complaints are received by the RBI and they constitute the "third party information" and as such it could not be disclosed in terms of Section 8(1)(d) of the RTI Act, 2005. As regards, the details sought from RBI regarding all the written replies/correspondence made by SCB with RBI and the RBI recordings on oral submissions made by SCB, the RBI stated that "action has been taken against the Bank based on the findings of Annual Financial Inspection (AFI) of the Bank, which is conducted under the provisions of Section 35 of the BR Act, 1949 and that the findings of the inspection are confidential in nature intended specifically for the supervised entities and for corrective action by them.
- viii) Another RTI Activist sought for information from RBI about the basis of classification of Banks into various grades.

In all of the above cases, the RBI denied providing any information sought for by citing the ground that the concerned information was received by the RBI in a fiduciary capacity and the disclosure of such information would prejudicially affect the economic interests of the State and harm the Bank's competitive position and hence such

information are exempt from disclosure in terms of the provisions of Section 8(1)(a) (d) and (e) of the RTI Act, 2005.

Thus, during the course of arguments before the Supreme Court, the RBI submitted that the impugned orders passed by the CIC under the RTI Act were illegal and without jurisdiction and referred to various provisions of the RBI Act, 1934; the Banking Regulation (BR) Act, 1949 and the Credit Information Companies (Regulation) ("CICR") Act, 2005 and submitted that the RBI being the statutory authority has been constituted under the RBI Act, 1934 for the purpose of regulating and controlling the money supply in the country. The powers, role and duties of the RBI were reiterated before the Supreme Court, including RBI's powers to determine "Banking Policy" in the interest of banking system, monetary stability and sound economic growth. The RBI submitted that it exercises powers conferred under Section 35 of the BR Act, 1949 and conducts inspection of the Banks in the country and in its capacity as the regulator and supervisor of the banking system of the country, RBI has access to various information collected and kept by the Banks and such information accessed by the inspecting officers of the RBI would be confidential. RBI also submitted that its role is to safeguard the economic and financial stability of the country and it has large contingent of expert advisors relating to matters deciding the economy of the entire country and nobody can doubt the bona-fide of the RBI. Referring to the decision of the AP High Court in B. Suryanarayana v. TheKolluru Parvathi Co-op Bank Ltd AIR 1986 (AP) 244), the RBI submitted that the Court will be highly chary to enter into and interfere with the decision of the RBI and also referring to another Supreme Court decision in Peerless General Finance and Investment Company Limited & Another v. RBI (1992) 2 SCC-343 and contended that the Courts are not to interfere with the economic policy which is a function of the experts. The RBI also submitted that it is empowered to supervise and monitor the Banks under its jurisdiction through on-site inspection conducted on annual basis under the statutory powers derived by it under section 35 of the BR Act, 1949, off-site returns on key financial parameters and engaging banks in dialogue through periodical meetings and RBI takes supervisory actions where warranted for violations of its guidelines/directives, depending on the seriousness of the offence, its systematic implications and penal action may range from imposition of penalty, issuance of strictures or letters of warning. RBI further submitted that while RBI recognizes and promotes enhanced transparency in bank's disclosures to the public, as transparency strengthens market discipline, a bank may not be able to disclose all data that may be relevant to assess its risk profile, due to the inherent need to preserve confidentiality in relation to its customers. Further, as per RBI policy, the reports of the annual financial inspections, scrutiny of all banks/financial institutions are confidential documents and cannot be disclosed as its disclosure would create misunderstanding/misinterpretation in the minds of the public and that may prove significantly counter-productive and would not serve the public interest, as it might adversely impact public confidence on the Banks and would have serious implication



Article

Landmark Judgement: Supreme Court Directs Rbi to Disclose Information to Applicants under the Rti Act, 2005

for financial stability and would adversely affect the economic interest of the State and would not serve the larger public interest.

The RBI also argued that the CIC also erred in holding that even if the information sought for is “exempted” under Section 8(1)(a), (d) or (e) of the RTI Act, still Section 8(2) of the RTI Act would mandate the disclosure of the information and questioned whether the RTI Act, 2005 over-rides various provisions of special statutes, which confer confidentiality in the information obtained by the RBI and if the RTI Applicants were right in their contention, the various provisions of the BR Act; RBI Act and CICR Act would be repealed or over-ruled by the RTI Act, 2005. Further RBI contended that under Section 34A of the BR Act, 1949, production of documents of confidential nature cannot be compelled and that its inspection report on other Banks u/s 35(5) can only be disclosed, if the Central Government orders the publishing of such report. The RBI Counsel also pointed out that other statutory provisions of privacy are contained in the SBI Act, 1955; the SBI(subsidiary Banks) Act, 1959 and Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and hence, it was argued that the RTI Act, 2005 cannot override the provisions for confidentiality conferred on the RBI by the earlier statutes referred to hereinabove.

RBI also referred to certain exemptions carved out in the RTI Act to harmonise the conflicting interests and in that context referred to the Supreme Court’s decision in *CBSE & Another v. Aditya Bandopadhyay & Others* (2011) 8 SCC 497 .

On behalf of the RTI Activists, it was argued that it is the people who have created legislatures, executives and the judiciary to exercise such duties and functions as laid down in the Constitution itself and that the right to information regarding the functioning of public institutions is a fundamental right as enshrined in Article 19 of the Constitution of India. They reiterated observations of the Supreme Court in the case of *S.P. Gupta v. President of India and Ors* (AIR 1982 SC 149) regarding the right to information in the following paragraph:-

“There is also in every democracy, a certain amount of public suspicion and distrust of Government, varying of course, from time to time, according to its performance, which prompts people to insist upon maximum exposure of its functioning. It is axiomatic that every section of the Government must be actuated by public interest, but even so, we find cases, though not many, where Governmental action is taken not for public good, but for personal gain or other extraneous considerations. Sometimes Governmental action is influenced by political and other motivations and pressures and at times, there are also instances of misuse or abuse of authority on the part of the executive. Now, if secrecy were to be observed in the functioning of the Government and the processes of Government were to be kept hidden from public scrutiny, it would tend to promote and encourage oppression, corruption and misuse or abuse of authority, for it would all be shrouded in the veil of secrecy, without any public accountability. But, if there is an open Government with means of information available to the public,

there would be greater exposure of the functioning of Government and it would help to assure the people a better and more efficient administration. There can be little doubt that exposure to public gaze and scrutiny is one of the surest means of achieving a clean and healthy administration. It has been truly said that an open Government is clean Government and a powerful safeguard against political and administration aberration and inefficiency.”

The RTI Activist’s counsel also referred to para 56 of the Supreme Court’s judgement in *Union of India v. Association for Democratic Reforms* AIR (2002) SC 2112 that “the right to get information in a democracy is recognized all throughout and is a natural right flowing from the concept of democracy.” Further submission was made that the RTI Act, 2005, as noted in its very preamble, does not create any new right, but only provides machinery to effectuate the fundamental right to information and that the institution of the CIC and the SICs are part of that machinery.

In its aforesaid RTI Judgement, the Supreme Court noted that one of the RTI Activists had asked about the details of the loans taken by industrialists that have not been repaid and he had asked about the names of the top defaulters who have not repaid their loans to public sector banks. The RBI resisted the disclosure of the information claiming exemption under Section 8(1)(a) and 8(1)(e) of the RTI Act on the ground that disclosure would affect the economic interest of the country, and that the information has been received by the RBI from the Banks in fiduciary capacity. The CIC found these arguments made by RBI to be totally misconceived in facts and in law, and held that the disclosure would be in public interest. While tracing the origin of passing of the RTI Bill by the Parliament, the Supreme Court observed that the right to information has been held as inherent in Article 19 of our Constitution, thereby, elevating it to a fundamental right of the citizen. Therefore, a citizen has to merely make a request to the concerned Public Information Officer specifying the particulars of the information sought by him and he is not required to give any reason for seeking information, or any other personal details, except those necessary for contacting him. The RTI Bill also stated that the categories of information exempted from disclosure are a bare minimum and are contained in clause 8 of the Bill and that even these exemptions are not absolute and access can be allowed to them in public interest, if disclosure of the information outweighs the harm to the public authorities. The information exempted from disclosure are those which would prejudicially affect the sovereignty and integrity of India; which has been expressly forbidden, which may result in a breach of privileges of Parliament or the Legislature; and also information pertaining to defence matters and these are listed in Section 8(1) (a) to (g) and that there are exceptions to this clause.

With regard to the contention of the RBI about “fiduciary relationship”, the Supreme Court referred to its own decision in *CBSE & Anr v. Aditya Bandopadhyay & Ors.* where, after referring to various authorities to ascertain the meaning of the term “fiduciary relation” the Court had observed thus :-



➤ By attaching an additional “fiduciary” label to the statutory duty, the Regulatory authorities have intentionally or unintentionally created an *in terrorem* effect. The Supreme Court also observed that the RBI is supposed to uphold public interest and not the interest of individual banks. RBI is clearly not in any fiduciary relationship with any bank. RBI has no legal duty to maximize the benefit of any public sector or private sector bank, and thus there is no relationship of ‘trust’ between them. RBI has a statutory duty to uphold the interest of the public at large, the depositors, the country’s economy and the banking sector.

“ A relationship in which one person is under a duty to act for the benefit of the other on matters within the scope of the relationship. Fiduciary relationships – such as trustee-beneficiary, guardian-ward, agent-principal, and attorney-client – require the highest duty of care. Fiduciary relationships usually arise in one of four situations : (1) when one person places trust in the faithful integrity of another, who as a result gains superiority or influence over the first, (2) when one person assumes control and responsibility over another, (3) when one person has a duty to act for or give advice to another on matters falling within the scope of the relationship, or (4) when there is a specific relationship that has traditionally been recognized as involving fiduciary duties, as with a lawyer and a client or a stockbroker and a customer.”

The Supreme Court held that the RBI does not place itself in a fiduciary relationship with the financial institutions (though, in word it puts itself to be in that position) because, the reports of the inspections, statements of the bank, information related to the business obtained by the RBI are not under the pretext of confidence or trust. In this case neither the RBI nor the Banks act in the interest of each other. By attaching an additional “fiduciary” label to the statutory duty, the Regulatory authorities have intentionally or unintentionally created an *in terrorem* effect. The Supreme Court also observed that the RBI is supposed to uphold public interest and not the interest of individual banks. RBI is clearly not in any fiduciary relationship with any bank. RBI has no legal duty to maximize the benefit of any public sector or private sector bank, and thus there is no relationship of ‘trust’ between them. RBI has a statutory duty to uphold the interest of the public at large, the

depositors, the country’s economy and the banking sector. Thus, RBI ought to act with transparency and not hide information that might embarrass individual banks. It is duty bound to comply with the provisions of the RTI Act and disclose the information sought by the respondents herein.

The Supreme Court observed that the baseless and unsubstantiated argument of the RBI that the disclosure would hurt the economic interest of the country is totally misconceived. In the impugned order, the CIC has given several reasons to state why the disclosure of the information sought by the respondents would hugely serve public interest, and non-disclosure would be significantly detrimental to public interest and not in the economic interest of India. RBI’s argument that if people, who are sovereign, are made aware of the irregularities being committed by the banks then the country’s economic security would be endangered, is not only absurd but is equally misconceived and baseless.

The Supreme Court also observed that the Financial Institutions have an obligation to provide all the information to the RBI and such an information shared under an obligation/duty, cannot be considered to come under the purview of being shared in “fiduciary relationship” and that one of the main characteristic of a “fiduciary relationship” is “trust and confidence”, something that RBI and the Banks lack between them.

The Supreme Court also referred to section 2(f) of the RTI Act which defines “information” to mean, inter-alia “information relating to any private body which can be accessed by a public authority under any other law for the time being in force”. The Supreme Court therefore held that the RBI is liable to provide information regarding inspection report and other documents to the general public and that by not making them accessible to the public under the guise of “fiduciary relationship”, reveals that the Banks are trying to cover up their underhand actions and hence they are even more liable to be subjected to public scrutiny, especially when many FIs have resorted to such acts, which are neither clean nor transparent, and the RBI in association with them has been trying to cover up their acts from public scrutiny and thus the Supreme Court observed that it is the responsibility of the RBI to take rigid action against those Banks which have been practising disreputable business practices. The Supreme Court also rejected the argument of the RBI that disclosure of information sought for will also go against the economic interest of the nation and held that argument to be “wholly misconceived”. Making the information available to the people is actually economic empowerment of its citizens so that they can evaluate the actions of the legislature and executives, which is very important in a participative democracy and this will serve the Nation’s interest better, including its economic interests.

This landmark decision of the Supreme Court would hopefully bring in the desired positive changes in the banking industry which is having non-performing assets worth Rs.2.78 lakh crores as in 2014-15, besides addressing numerous violations plaguing the banking sector.

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Comparative Analysis of the Listing Agreement and Chapters III & IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- The new Listing Regulations notified by the SEBI consolidate and streamline the provisions of existing listing agreement for different segments of the capital market. The provisions of the Listing Regulations have also been aligned with the Companies Act, 2013. Presented hereunder is a consolidated comparative table of the requirements stipulated in the listing requirements and those specified in the new listing regulations.

PREAMBLE

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 2 September, 2015 which shall come into force on the 90th Day from date of notification i.e., 1 December, 2015.

SEBI has also notified the Format of Uniform Listing Agreement on 13 October, 2015 which all the listed entities shall execute within 6 months from the date of notification of the Regulations.

The Listing Regulations consolidate and streamline the provisions of the existing listing agreement for different segments of the capital market. The provisions of the Listing Regulations have been aligned with the Companies Act, 2013.

The Listing Regulations have been sub-divided into two parts viz.,





(a) substantive provisions incorporated in the main body of Regulations; (b) procedural requirements in the form of Schedules to the Regulations.

Changes notified with immediate effect: (i) Passing of ordinary resolution instead of special resolution in case of all material related party transactions and (ii) re-classification of promoters as public shareholders under various circumstances.

Various terms used in the regulations are defined in Chapter-I of the regulations and the listed entity shall make all the disclosures and abide by its obligations in accordance with the principles specified in Chapter II of the regulations.

COMPARATIVE ANALYSIS BETWEEN LISTING AGREEMENT AND LISTING REGULATIONS, 2015

Old Clause	New Regulation	PARTICULARS		Changes
		Old listing agreement	New listing regulation	
3(c)	39(2)	To issue certificates <i>within fifteen days</i> of the date of lodgment for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies.	To issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable <i>within a period of thirty days from the date of such lodgement</i> .	Fifteen days and Six Weeks respectively have been changed to 30 days from the date of such lodgement. However, there is no change for time limit for issue of shares on transfer.
3(e)	39(2)	To issue new certificates in replacement of those which are lost <i>within six weeks</i> of notification of loss and receipt of proper indemnity.	The listed entity shall register transfers of its securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of transfers; or issue any valid objection or intimation to the transferee or transferor, as the case may be, within a period of fifteen days from the date of such receipt of request for transfer.	
16	42(1) (2)&(4)	Company to give notice of closure of transfer books/record date at least seven working days in advance to stock exchanges.	The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date/ date of closure of closure of transfer books) to stock exchange(s) specifying the purpose of the record date/closure.	<i>Seven working days has been changed to seven clear working days.</i>
19 (a) & (b)	29(1) (b)&(e)(f)	To give prior intimation to the Exchange about the Board Meeting at which proposal for Buy Back of Securities, declaration /recommendation of Dividend or Rights or issue of convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend or the issue of right is due to be considered at least 2 working days in advance; To give notice simultaneously to the Stock Exchanges in case the proposal for declaration of bonus is communicated to the Board of Directors of the company as part of the agenda papers. (No prior intimation to the Exchange is required about the Board Meeting in case the declaration of Bonus by the Company is not on the agenda of the Board Meeting)	Give prior intimation of BM at least two working days in advance, excluding the date of the intimation and date of the meeting. Additionally, Company shall also intimate 2 clear working days in advance to stock exchanges before the Board Meeting to be held for considering proposal for voluntary delisting.	Two working days has been changed to Two clear working days. Intimation for Voluntary delisting was earlier required under Clause 36 of the Listing Agreement which did not mention the specific timelines for intimation.



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Comparative Analysis of the Listing Agreement and Chapters III & IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

20(a)&(c)	Regulation 30(6) Schedule III, Part A, Para A (4) (a)&(c)	Intimate to the SE within <i>15 minutes of the closure of the BM</i> : (a) all dividends and/or cash bonuses recommended or declared or the decision to pass any dividend or interest payment and date on which dividend shall be paid/dispatched; (c) decision on Buyback of Securities.	Disclose to the SE, <i>within 30 minutes of the closure of the BM</i> : (a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/ dispatched; (c) decision on buyback of securities.	Disclosure to be made <i>within 30 minutes</i> of the BM.
22(a)to(c)	Regulation 30(6) Schedule III, Part A, Para A (4) (e)to(g)	Intimate to the SE within 15 minutes of the closure of the BM: (a) short particulars of any increase of capital whether by issue of bonus shares through capitalization, or by way of right shares to be offered to the shareholders or debenture holders, or in any other way; (b) short particulars of the reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to; (c) short particulars of any other alterations of capital, including calls;	Disclose to the SE, within 30 minutes of the closure of the BM: (e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/ dispatched; (f) re-issue of forfeited shares or securities, or issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to; (g) short particulars of any other alterations of capital, including calls.	Disclosure to be made <i>within 30 minutes</i> of the BM.
24 (a)	28(1)	In-principle approval of stock exchange for further issue of securities.	In-principle approval of stock exchange for further issue of securities.	No change
24(f)	37	The company agrees that it shall file any scheme/petition proposed to be filed before any Court or Tribunal under sections 391,394 and 101 of the Companies Act, 1956, with the stock exchange, for approval, at least a month before it is presented to the Court or Tribunal.	The listed entity shall not file any scheme of arrangement under sections 391-394 and 101 of the Companies Act, 1956 or under Sections 230-234 and Section 66 of Companies Act, 2013 ,whichever applicable, with any Court or Tribunal unless it has obtained observation letter or <i>No-objection letter</i> from the stock exchange(s). The listed entity shall place the Observation letter or No-objection letter of the stock exchange(s) before the Court or Tribunal at the time of seeking approval of the scheme of arrangement. The validity of the 'Observation Letter' or No-objection letter of stock exchanges shall be 6 months from the date of issuance, within which the draft scheme of arrangement shall be submitted to the Court or Tribunal	<i>No-objection letter</i> to be obtained from the stock exchange(s). Validity of the letter is 6 months from the date of issuance.



25	Regulation 30 Para B of Part A of Schedule III	In event of granting of any options to purchase any shares of the Company, the Company will promptly notify the Exchange (a) of the number of shares covered by such options, of the terms thereof and of the time within which they may be exercised; (b) of any subsequent changes or cancellation or exercise of such options	The Company shall intimate the stock exchanges about options to purchase securities (upon application of guidelines of materiality) within 24 hours of occurrence of event or information. There are various details to be provided along with the disclosure to stock exchanges.	Earlier it was 'promptly' - now it is within 24 hours.
30	Regulation 30(6) Schedule III, Part A, Para A (7)	Promptly notify the SE (a) of any change in the Company's directorate by death, resignation, removal or otherwise; (b) of any change of Managing Director, Managing Agents or Secretaries and Treasurers; (c) of any change of Auditors appointed to audit the books and accounts of the Company.	Disclose to the SE change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer within 24 hours.	Time limit of 24 hours is specified now
31(a)	34(1) 33(3)(d)	Forward to the SE promptly six copies of the Statutory and Directors' Annual Reports along with Form A or Form B, as applicable, Balance Sheets and Profit and Loss Accounts and of all periodical and special reports as soon as they are issued and one copy each to all the recognized stock exchanges in India.	Submit the annual report to the SE within 21 working days of it being approved and adopted in the AGM as per the provisions of the Companies Act, 2013. <i>Form A or Form B has to be submitted to the Stock Exchanges along with the Audited Financial Results</i>	No need to send 6 copies of annual report in advance. Annual report is required to be given within 21 working days of its approval and adopted in the AGM. Form A or B has to be submitted with Financial Results and not with Annual Report.
31(d)	Schedule III, Part A, Para A (13)	Forward to the SE promptly the proceedings of the Annual and Extraordinary General Meetings of the Company.	Disclose to the SE Proceedings of Annual and extraordinary general meetings within 24 hours.	Time limit of 24 hours is provided in place of prompt notification.
35(b)	31(1)(b)	Submit to the Stock Exchange shareholding pattern on a quarterly basis, within 21 days from the end of each quarter.	Submission of shareholding pattern to stock exchanges.	Format of Shareholding Pattern has changed and also the PAN Number of the promoters and promoter group shall be disclosed.
35A	44(3)	Submit voting results to the Stock Exchange within 48 hours of conclusion of its General Meeting.	Submission of voting results of general meeting	No change
35B	44(1) & 44(2)	E-Voting facility for the shareholders to be provided as specified in Companies Act, 2013	E-Voting facility for shareholders.	No change



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Comparative Analysis of the Listing Agreement and Chapters III & IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

36	30	Disclosure to the stock exchange of material events immediately on the occurrence of the event and also on the closure of the event.	Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material and the event which are deemed to be material as specified in Para A of Part A of Schedule III. The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality. The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website. The board of directors of the listed entity shall authorize one or more KMP for the purpose of determining materiality of an event or information and making disclosures to stock exchange(s) and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the website. [Refer note below]	Policy for determination of materiality. Disclosure of events to SE deemed to be material or considered as material after application of guidelines of materiality.
41(I)(c)	33(3)(a)	Submit audited or unaudited quarterly and year to date financial results along with the limited review report to the SE within 45 days of end of each quarter, other than the last quarter.	Submit quarterly and year-to-date financial results along with limited review report to the SE within 45 days of end of each quarter, other than the last quarter.	No change
41(I)(d)	33(3)(d)	Submit audited financial results along with the audit report for the entire financial year to the SE, within 60 days of the end of the financial year.	Submit audited standalone financial results along with the audit report for the financial year to the SE, within 60 days from the end of the financial year. Form A or Form B has to be submitted to the Stock Exchanges along with the Audited Financial Results	Form A or B has to be submitted with Financial Results and not with Annual Report.
41(I)(f)	Schedule III, Part A, Para A (4) (h)	The financial results shall be submitted to the SE within 15 minutes of conclusion of the meeting of the Board in which they were approved.	Submission of Financial Results to the SE, within 30 minutes of the closure of BM.	Disclosure to be given within 30 minutes of the BM
41(III)(a)	29(1)(a) & proviso to 29(2)	Give prior intimation to SE of the date and purpose of meetings of the Board or Committee in which the financial results will be considered at least 7 clear calendar days prior to the meeting (excluding the date of the intimation and date of the meeting).	Give prior intimation to SE about the BM in which financial results viz. quarterly, half yearly, or annual, as the case may be, is due to be considered at least 5 days in advance (excluding the date of the intimation and date of the meeting).	Five clear days notice is required instead of 7 clear calendar days.
41(III)(b)	47(1)(a)	Publish notice in newspaper simultaneously with the submission of the same to the SE.	Publish notice in newspaper simultaneously with the submission of the same to the SE.	Atleast 5 days before the board meeting instead of 7 days
41(VI)(a)	47(1)(b)	Within 48 hours of conclusion of the Board meeting at which the financial results were approved, publish a copy of the financial results which were submitted to the SE in newspaper.	Within 48 hours of conclusion of the BM at which the financial results were approved, publish a copy of the financial results which were submitted to the SE in newspaper.	No change



47(c)	40(9)&(10)	Ensure that the RTA and/or the In-house Share Transfer facility, as the case may be, produces a certificate from a PCS within 1 month of the end of each half of the financial year, certifying that all certificates have been issued within 15 days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies and a copy of the same shall be made available to the SE within 24 hours of the receipt of the certificate by the Company.	Ensure that the share transfer agent and/or the in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within 1 month of the end of each half of the financial year, certifying that all certificates have been issued within 30 days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies and ensure that certificate be filed with the SE simultaneously.	Certificate has to be issued within 30 days instead of 15 days. Earlier certificate was to be filed within 24 hours of its receipt, now it is to be filed immediately.
49 I (A)	4(2)	The Rights of Shareholders	The Rights of Shareholders	No Change
49 I (B)	4(2)	Role of stakeholders in Corporate Governance	Role of stakeholders in Corporate Governance	No Change except the mechanism for employee participation has been deleted.
49 I (C)	4(2)	Disclosure and Transparency	Disclosure and Transparency	No Change
49 I (D)	4(2)	Responsibilities of the Board	Responsibilities of the Board	No Change
49 II (A)	17(1)	Composition of Board	Board of Directors	No Change
49 II (B)(1)	16(b)	Independent Directors	Independent Directors	No Change
49 II (B)(2)	25(1)	Limit on number of Directorships	Limit on number of Directorships	No Change
49 II (B)(3)	25(2)	Maximum Tenure of Independent Directors	Maximum Tenure of Independent Directors	No Change
49 II (B)(4)	46	Formal Letter of appointment to Independent Directors and disclosure on the website	Terms and conditions to be disclosed on website.	The requirement of issuance of formal letter of appointment to Independent Directors has been dispensed with in the new Regulations. However, the Companies Act, 2013 still requires the issue of appointment letter to independent directors.
49 II (B)(5)	17(10)	Performance evaluation of Independent Directors	Performance evaluation of Independent Directors	No Change
49 II (B)(6)	25(3) & 25(4)	Separate meeting of independent directors	Separate meeting of independent directors	No Change
49 II (B)(7)	25(7) & 46(2)(i)	Familiarization programme for Independent Directors	Familiarization programme for Independent Directors	No Change
49 II (C)	17(6)	Non-executive Directors' compensation and disclosures	Non-executive Directors' compensation and disclosures	No Change
49 II (D)	17(2)(3)(4)(7), 26(1) & 25(6)	Other provisions as to Board and Committees	Other provisions as to Board and Committees	No Change



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49 II (E)	17(5), 25(5), 26(3) & 16(d)	Code of Conduct	Code of Conduct	No Change
49 II (F)	22 & 46(2)(e)	Whistle Blower Policy and its disclosure on website	Whistle Blower Policy and its disclosure on website	No Change
49 III (A)	18(1)	Qualified and Independent Audit Committee	Qualified and Independent Audit Committee	No Change
49 III (B)	18(2)(a) & 18(2)(b)	The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings.	The audit committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings	Instead of 4 months, the term used is Not more than 120 days shall elapse between two meetings.
49 III (C)	18(2)(c)	Powers of Audit Committee	Powers of Audit Committee	No Change
49 III (D)	18(3)	Role of Audit Committee	Role of Audit Committee	No Change
49 III (E)	18(3)	Review of information by Audit Committee	Review of information by Audit Committee	No Change
49 IV	19	Nomination and Remuneration Committee	Nomination and Remuneration Committee	No Change
49 V	24 & 16(1)(c)	Subsidiary Companies	Corporate governance requirements with respect to subsidiary entity	No Change
49 VI	17(9) & 21	Risk Management	Risk Management Committee	No Change
49 VII	2(1)(zc) & 23	Related Party Transactions	Related Party Transactions	Material related party transactions requiring special resolution of members under the listing agreement now requires only ordinary resolution which is in line with the Companies (Amendment) Act, 2015 All existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.
49 VIII (A)	27(1)(b) & 46(2)(g)	Disclosures relating to Related Party Transactions along with corporate governance report and website	Disclosures relating to Related Party Transactions along with corporate governance report and website	No Change
49 VIII (B)	34(3) & Schedule V	Disclosure of Accounting Treatment in Financial Statements	Disclosure of Accounting Treatment in Financial Statements	No Change
49 VIII (C)	34(3) & Schedule V	Remuneration of Directors	Remuneration of Directors	No Change
49 VIII (D) (1)	34(3) & Schedule V	Management Discussion and Analysis report	Management Discussion and Analysis Report	No Change



49 VIII (D) (2)	26(5)	Senior management shall make disclosures to the board relating to all material financial and commercial transactions where they have personal interest, that may have a potential conflict with the interest of the company at large.	Obligations of Directors and Senior Management	No Change
49 VIII (E) (4)	20	Stakeholders Relationship Committee	Stakeholders Relationship Committee	No Change
49(IX)	17(8)	The CEO or the MD or manager or in their absence, a WTD appointed in terms of Companies Act, 2013 and the CFO shall provide the compliance certificate to the BoDs.	CEO and CFO shall provide the compliance certificate to the Board of Directors.	“MD or manager or in their absence, a WTD” have been deleted

49(X)	27(1)(2) & Part E of Schedule II	Report on Corporate Governance	Report on Corporate Governance	<p>The Company has to submit quarterly, half-yearly and yearly corporate governance report in the format as specified by SEBI through its circular dated 24 Sep, 2015.</p> <p>The CGR has undergone drastic change requiring the following information to be submitted to stock exchange:</p> <ul style="list-style-type: none"> • Composition of Board. • Names of the Directors, Category, PAN No, Date of appointment, tenure, no of Directorships/ memberships/ chairmanships in committees of listed entities. • Composition of Audit Committee (mandatory) and other committees (optional). • Dates of Board meetings and committee meetings. • Whether prior approval of audit committee/ shareholders for related party transactions has been taken, if applicable. • Whether RPT's entered pursuant to omnibus approval have been reviewed by the Audit Committee. • Certain affirmations that the composition of Board, committees, their roles and responsibilities, their meetings were in accordance with the regulations.
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NEW INSERTIONS

New regulation	Particulars
5	The listed entity shall ensure that KMP, directors, promoters or any other person dealing with the listed entity, complies with their responsibilities or obligations under these regulations
7(1)	Appointment of RTA: The Companies having in-house share transfer facility shall either register with the Board as a Category II share transfer agent or appoint Registrar to an issue and share transfer agent, if the total number of security holders exceeds one lakh.
7(3)	Submit a compliance certificate to the stock exchange signed by both the compliance officer and the authorised representative of the share transfer agent, wherever applicable, within 1 month of end of half year, certifying that all activities in relation to both physical and electronic share transfer facility are maintained either in house or by Registrar to an issue and share transfer agent registered with the Board.



Article

Comparative Analysis of the Listing Agreement and Chapters III & IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

7(4)	In case of any change or appointment of a new share transfer agent, the listed entity shall enter into a tripartite agreement between the existing share transfer agent, the new share transfer agent and the listed entity, in the manner as specified by the Board and shall intimate Stock Exchange within 7 days of entering into the agreement. The agreement shall also be placed in the subsequent board meeting.
9	The listed entity shall have a policy for preservation of documents, approved by its board of directors, classifying them in at least two categories as follows- a) documents whose preservation shall be permanent in nature. b) documents with preservation period of not less than eight years after completion of the relevant transactions. Provided that the listed entity may keep documents specified in clauses (a) and (b) in electronic mode.
12	The listed entity shall use electronic mode of payment approved by RBI for dividends, interests, redemption or repayment of amounts. In case, the required bank details are not available or electronic payment is not possible, 'payable-at-par' warrants/cheques may be issued to the investor and shall be sent by speed post in case the amount exceeds Rs 1500. While printing warrants/cheques, the listed entity shall mandatorily print the bank account details of the investor on such payment instruments and in case where the bank details are not available, the listed entity shall mandatorily print the address of the investor on such payment instructions.
13(3)	The listed entity shall file with the recognised stock exchange(s) within 21 days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter and the same shall also be placed before the Board. <i>[This requirement was there in Clause 41 of the Listing Agreement and it was part of quarterly financial results. However, in Listing Regulations 2015, it is a separate quarterly compliance.]</i>
16	Definition of Control: The term 'Control' shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
29(3)	The listed entity shall give intimation to the stock exchange(s) at least 11 working days before the board meeting considered for any alteration in the form/nature of any of its listed securities or in the rights/privileges of the holders thereof and any alteration in the date on which the interest on debentures or bonds or the redemption amount shall be payable.
30(8)	The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website. Hence, the Company is required to draft an archival policy and disclose the same on the website of the Company.
35	Submit to the SE an Annual Information Memorandum in the manner specified by the Board from time to time. <i>[The format, information required and timeline is yet to be prescribed by SEBI]</i>
40	The regulations have specified the procedure for transfer, transmission and transposition of securities along with the timelines.
46(2)	Enhanced disclosures on website details of its business; composition of various committees of board of directors criteria of making payments to non-executive directors, if the same has not been disclosed in annual report; details of familiarization programmes imparted to independent directors including the following details:- (i) number of programmes attended by independent directors (during the year and on a cumulative basis till date), (ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and (iii) other relevant details notice of meeting of the board of directors where financial results shall be discussed notices given to shareholders by advertisement. details of agreements entered into with the media companies and/or their associates, etc; schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange;
46(3)(b)	Update any change in the content of its website within two working days from the date of such change in content.



OBLIGATIONS WITH RESPECT TO DIRECTORS AND SENIOR MANAGEMENT

26. (1) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

(a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;

(b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

It seems to be a drafting mistake as in Regulation 26 (1), it is mentioned that a Director shall not act as chairperson of more than 5 committees across all listed entities in which he is a director ' however while mentioning about how it is going to get determined in sub clause (a) hereinabove, it is mentioned that the limit of the committees on which a director may service in all public limited companies whether listed or not. In fact, it is creating confusion/ interpretation issues and the SEBI may kindly clarify this by way of circular.

NOTE ON THE DISCLOSURE OF EVENTS OR INFORMATION

- The listed entity shall disclose to stock exchanges all events specified in Part A of Schedule III within 24 hrs from the occurrence of event or information. Some of the important events are given below:

- Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
- Appointment or discontinuation of share transfer agent.
- Corporate debt restructuring.
- One time settlement with a bank.
- Reference to BIFR and winding-up petition filed by any party /creditors.
- Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.
- The listed entity with respect to the disclosures specified aforesaid shall also make further disclosures updating material developments on a regular basis till such event is resolved/ closed with relevant explanations.
- The listed entity shall disclose to the Exchange(s), within 30 minutes of conclusion of the meeting the decision on voluntary delisting by the listed entity from stock exchange(s).

SEBI vide its circular dated September 9, 2015 has specified detailed information to be provided while disclosing events or information specified in Regulation 30.

CONCLUSION

Company Secretaries are required to take note of the above changes and accordingly modify the check list of compliances. Besides, as per the above Listing Regulations, the following Policies are required to be framed by the Company:

- Policy for Preservation of Documents.
- Archival Policy for website.
- Policy for determination of Materiality

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Scope of Protection to Three-Dimensional Shapes as Trademarks in India and Abroad

- The present trend of using shape trademarks by manufacturers/producers as an effective merchandising technique, is gaining ground gradually in India also. This article presents some highly constructive and discerning information, in addition to the basic stock of relevant knowledge, about the types and benefits of the shape trademarks, the general rigorous requirements to be met for getting a shape trademark registered in India and abroad, and some shape marks favouring easy registration worldwide.

INTRODUCTION

Owing to intense and constantly growing competition in the businesses of various economic sectors, both at the national and international levels, companies are now increasingly becoming motivated for devising new measures for attracting and enticing customers, in order to survive and grow in the concerned sectors. One such measure is the use of non-conventional trademarks by companies and firms world over. This concise article offers useful and fertile information only about one of the most used categories of these non-conventional trademarks, the shape trademarks, inevitably including the necessary conditions for registration of the shape trademarks in India and abroad.

The non-conventional trademarks are those trademarks which use marks, signs, or indicators other than the traditional set of marks consisting of any word or device marks or images. The broad gamut of such non-traditional trademarks covers marks based on shape, sound, smell, taste, or texture, etc., and therefore, these can be both visible and non-visible. The most common examples of the visible non-conventional trademarks are three-dimensional

shapes, colours, static or moving images, holograms, and so on; while the most prominent examples of the non-visible trademarks are sounds, scents, tastes, textures, etc. Some of the famous





- The international treaties/legislations and associations which favour registration and protection to the 3D shapes of goods and packaging are the European Union's Harmonization Directive; the TRIPS Agreement of WTO; the Madrid Protocol; the International Trademark Association (INTA); the North American Free Trade Agreement (NAFTA); the Trademark Law Treaty; etc.

examples of the non-conventional trademarks registered in India and abroad are --- the shape of the Coca-Cola contour bottle; the three-dimensional triangular shape of the Toblerone chocolate box; shape or design of Apple's iPod; the shape of Zippo lighters; the 3D shape of the Super Cub Scooter of Honda; the shape of the 'Gorbatschow' branded vodka bottle; 3-D rectangular shape of Duracell; Yahoo's sound mark Yodel!; the magenta colour label of Telekom AG; etc. Obviously, among these non-conventional trademarks, the three-dimensional shapes are most common. One of the paramount conditions for being recognized and registered as a trademark, a non-conventional mark or sign must fulfil the compulsory function of identifying unambiguously the commercial origin of the concerned product or service in the associated jurisdictional marketplace. Hence, naturally, registering a 3D shape or any other non-traditional mark as trademark, is often difficult.

The three-dimensional shapes may be the physical shapes of products or goods, containers of these, or even the wrapping covers of these products or goods. Cartoon characters, figurines, or statues, can also be classified under 3D shapes for registration as trademarks. The three-dimensional trademarks or shape trademarks are based on the conception that, the very physical shape of a product or its container or packaging can also play the role of unmistakable source identifier, even without the support of any trade name displayed on the product/container/packaging. An outstanding example of such a shape is the shape or design of the Coca-Cola bottle, which contained unique and distinguishing shape features, particularly its concave and convex parts, and concave spots around the bottle.

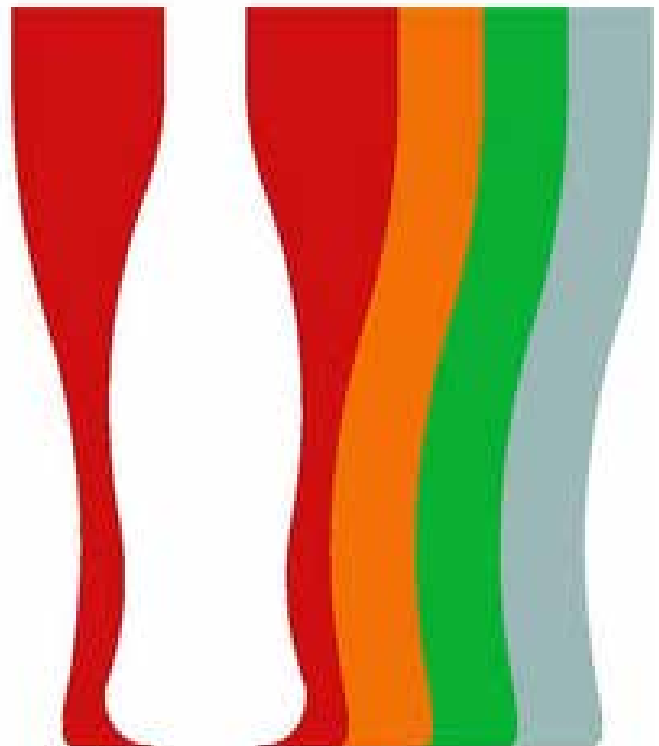
SALIENT FEATURES AND BENEFITS OF SHAPE TRADEMARKS

The shape trademarks differ from the industrial designs on grounds of functionality, purpose, and novelty. In this connection, the following basic and critical observation is noteworthy in light of the clarification presented by the Delhi High Court in the case

of *Corning Inc. & Ors. v. Raj Kumar Garg & Ors.*, 2004 (28) PTC 257: " Besides being readily striking and appealing to the eyes, a shape trademark also serves as the source or identity of the producer/manufacturer of the concerned article; whereas, an industrial design can just be unique and aesthetically or otherwise impressive to the eyes/mind of the purchaser, and may not serve as the source identifier. The trademark law gives protection to the specific shape of an article, while the design law offers protection to the (functionality) features of such a shape/configuration."

The following are some of the highly impressive benefits obtainable from using the shape trademarks: ---

- A unique shape will readily attract the attention of customers/ consumers, offering a competitive edge over the competitors.
- The great facility to visualize an article three-dimensionally gives better understanding of the quality and aesthetics of the article.
- For certain categories of the goods and products, the shape trademarks are superior to the traditional trademarks, such as automotive designs/models, designs/models of buildings, etc.
- For ensuring (additional) protection to the scintillating shape of your product or its packaging.
- For making a striking entry into the business of any sector.





STATUS OF PROTECTION TO SHAPE MARKS IN COUNTRIES WORLDWIDE

Although there are some inherent arguments and conflicts against the doctrine of providing recognition and protection to the three-dimensional shapes as trademarks in countries worldwide, the majority of the nations of the world have been offering protection to the shape trademarks, after rigorous scrutiny. The crux of these arguments and conflicts is the fact that the three-dimensional shapes have traditionally been getting exclusive registration and protection under the law of Industrial Designs or the Copyright law. Some of the countries extending protection to the shape marks as trademarks, are USA, the most of the countries of Europe, Canada, Japan, India, China, Australia, Thailand, Mexico, Vietnam, etc. However, till now, there is no unanimous International Consensus on whether the 3-D shapes are protectable as trademarks. Again, the standard of distinctiveness (whether inherent or acquired through long-term popularity) necessary for achieving protection as trademarks varies from country to country; and certain aspects of the relevant jurisdictional trademark law in this area remain unclear. Hence, there is an imperative need to devise appropriate legislature in each jurisdiction to determine the complete and impeccable provisions for judging the suitability of the 3-D marks for trademark protection, and also to reduce the difference in the standards of distinctiveness used in countries worldwide.

The international treaties/legislations and associations which favour registration and protection to the 3D shapes of goods and packaging are the European Union's Harmonization Directive; the TRIPS Agreement of WTO; the Madrid Protocol; the International Trademark Association (INTA); the North American Free Trade Agreement (NAFTA); the Trademark Law Treaty; etc. These international legislations and bodies, and the above-mentioned countries support trademark protection to three-dimensional shapes under the strict conditions that, the shapes are fully capable of being represented graphically; are inherently distinctive from the shapes commonly used in the industries concerned; are non-descriptive and preferably non-functional; and are fully capable of functioning as source identifiers in respective fields.

REGISTRATION OF SHAPE TRADEMARKS IN INDIA

The conception of recognizing the three-dimensional shapes (and other non-conventional marks) as trademarks gained grounds in India in 1996; and the new Trade Marks Act of 1999 prudently expanded the term "mark" described under its Section-2, to include the wording "shape of goods, their packaging, combination of colours, and any combination thereof". So far, the most famous non-conventional trademarks registered in India include the shape mark of Zippo lighters in Class 34; Yahoo's sound mark Yodell; sound marks of Nokia, ICICI, etc.; and the single colour

marks of Telekom AG and Victronix. Zippo is a globally eminent manufacturer of windproof lighters, whose shape mark has also been registered in US, prior to getting registration in India in 2006. As The Republic of India, one of the big four BRIC countries, has a vast, varied, and fast thriving economy, the requirement for using the non-traditional trademarks by its business entities is also gaining momentum, though gradually. Hence, in coming years, the field of shape trademarks is almost certain to get developed, as the Indian manufacturers, producers, and advertisers will like and strive to stand out from the general crowd through using new and innovative merchandising techniques, including the usage of shape trademarks and other non-conventional trademarks.

The definition of a "Trade Mark" stipulated in the Section-2(1)(zb) of the Trade Marks Act of 1999, not only includes the shape marks, but also dictates the fundamental requirement to be met by a shape mark for being registered as a trademark, like the capability of being represented graphically and possessing the exclusive ability to serve as a clear and unmistakable source identifier. In general, Sections 9 and 11 contain the absolute and relative grounds for refusal of registration to the traditional and the shape marks in India, and thus provide conditions for judging the inherent eligibility and distinctiveness of the same. In connection with the shape marks, the most relevant scrutinizing criteria are given in the Section 9(3), which are as follows:

A mark shall not be registered as a trade mark if it consists exclusively of-

- (a) the shape of goods which results from the nature of the goods themselves; or
- (b) the shape of goods which is necessary to obtain a technical result; or
- (c) the shape which gives substantial value to the goods.

Clarifying explanations on each of these criteria are separately provided under the sub-heading just below. Again, the procedure for making application for registration of a shape trademark in India, is exclusively described under the Rule-25 (12) and Rule-29 [especially the rule 29(3) and 29(4)] of the Trade Marks Rules of 2002.

Rule 25(12) of the Indian Trade Marks Rules of 2002 necessitates that for seeking trademark registration of a shape mark, the applicant must make a specific statement in the application that the mark proposed for registration is actually a 3D shape mark, so as to distinguish it from the two-dimensional marks. Information about the first usage of the 3D mark for conducting business and advertising is also to be furnished. An illustrating description by words of the proposed shape mark will be highly appreciated. Lastly, if the shape mark bears a colour combination, then do mention the relevance of the chosen colours, along with the names of the colours.



➤ Broadly, to be fully and readily suitable for registration, a shape mark must be unique, non-descriptive, and strikingly distinctive. In other words, this shape mark of a product, its container, or its packaging, must be conspicuously different from the shape commonly used in the concerned industry, and original and unique enough to distinguish its lawful trader in the marketplace concerned.

Rule 29(3) and Rule 29(4) dictate that to register a shape mark, the applicant is required to submit two-dimensional graphic or photographic representation of the proposed shape of the product or its packaging, showing at least three to five or more different views, and eventually a specimen of the product or packaging, if need be. An explicit description of the shape mark by words is also demanded.

REQUISITES FOR SMOOTH REGISTRABILITY

In order to ensure smooth registrability (the quality or state of getting registered properly), any three-dimensional shape of a product, its container, or its packaging, must qualify all conditions necessary for functioning as a trademark, including the following special scrutinizing criteria for the three-dimensional shapes. These conditions are almost same or identical in countries worldwide, including India, which is a reputed signatory to the most of the major and magnificent International Treaties and Conventions related with registration, regulation, and protection of trademarks, including the Madrid Protocol.

Broadly, to be fully and readily suitable for registration, a shape mark must be unique, non-descriptive, and strikingly distinctive. In other words, this shape mark of a product, its container, or its packaging, must be conspicuously different from the shape commonly used in the concerned industry, and original and unique enough to distinguish its lawful trader in the marketplace concerned. A shape mark can become distinctive in the following two ways:

1. Through possessing inherent distinctiveness, and
2. By acquiring distinctiveness through prolonged popularity and publicity

In addition to satisfying the conditions prescribed for the conventional trademarks in India and abroad, the three-

dimensional shapes must qualify the following most significant scrutinizing criteria devised for testing the inherent distinctiveness possessed by these (3-D shapes):

The shapes should not result merely from the nature of the goods themselves

The three-dimensional shape of a product or its packaging must clearly be totally different from the usual shapes related with the products or packages of the same category, in order to achieve the maximal distinctiveness required for its registration as a trademark. The nature of the goods generally signifies the essential or usual qualities or innate characteristics of the concerned goods. Again, the term “the goods” refers to the specific category of the goods, products, or services, the proposed shape mark is related with. Some examples of the shapes of products ineligible for trademark registration are --- the shape of a light bulb in relation to the light bulbs; the shape of a tyre in relation to tyres; the shape of a buckle in relation to buckles; the shape of a banana or a mark showing a bunch of bananas, in relation to bananas; a picture of a lemon, or lemons on the branch, or a silhouette of a lemon, in relation to lemons; etc. Such shapes of the goods or packages are termed as Inevitable Shapes, and therefore, lack the necessary distinctiveness for being registered as shape trademarks (because an inevitable shape is commonly used in the concerned industry, and other traders active in the same industry have a legitimate necessity to use the shape of product or packaging in the very course of trade). Examples of the most prominent shape trademarks which qualified the scrutiny of this criterion, are --- the shape of Coca-Cola contour bottle; and, the triangle-shaped Toblerone chocolate box.

In general, the following things are considered by the Registrar to assess whether a shape qualified this criterion: -

- ✓ The extent to which the proposed shape is similar to the “normal” or “uniform” shape or characteristics of the concerned product
- ✓ The extent to which the shape is different from the traditionally or normally used shapes in the concerned industry
- ✓ Where the products come naturally in a range of shapes, then, whether the proposed shape is discrete from those all shapes

Here, it is quite noteworthy that according to the Manual of the Office for Harmonisation in the Internal Market (OHIM), as a liquid





can have no fixed shape, the shape of a container for any of the liquids, is an exception to the shapes resulting from the nature of the goods themselves. Consequently, perfume bottles coming in a wide range of distinct shapes/designs, have been registered as shape trademarks in many countries.

Shapes should not be characterized by functional features for achieving certain technical results

In general, three-dimensional shapes with predominantly functional features are rather difficult to register as trademarks. It is because, the functional shapes are commonly considered to lack the requisite distinctiveness to readily distinguish the product of one trader from the same sort of products of the other traders in the concerned market. Few examples of such functional shapes are the wearing surface on tyres, the pegs on a plug, the shape of a switchboard determined by its technical function, etc. Therefore, almost all functional shapes are generally excluded from trademark registration, regardless of their certain distinctive features. For reference in this connection, the famous Australian case of *Koninklijke Philips Electronics NV v. Remington Products Australia Pty Ltd.*, [2000] FCA 876, may be taken, in which Burchett J pointed out that, "a shape that goods possessed because of their nature or because of the need for a particular technical result could not function as a trademark because such a shape could not distinguish the trade source." Experts advise that products with any technical or functional features should better be registered and protected under the law of industrial designs. Moreover, the plea that there are (or could be) many substitutes to the shape for achieving the same technical result, will also not receive cognizance.

Shapes should not give substantial value to the goods

The shapes which give substantial value to the goods, in comparison to the source identification function, are not fit for registration as trademarks. For example, if any specific design of a knife handle adds substantial value to the knife, more than the distinguishing features of the knife itself in the market, then, the shape of the overall knife, is not suitable for registration as trademark. This substantial value may lie in the specific design or appearance of the goods concerned. The degree of substantial value is examined through making a meticulous comparison between the shapes proposed for registration and the usual shapes of the equivalent articles. Any plea extended in support of the objected substantial value of a product (based on the ability to offer greater comfort, better quality materials used, longer durability, etc.), is not entertained by the trademark examiners. However, this rigorous criterion for judging distinctiveness is quite lenient to 'Aesthetic-type Shapes', i.e. the shapes of jewellery items, novelty soaps, toys, ornaments, (decorative) figurines, and so on. In this connection, the remarks of the UK Court of Appeal in *Philips v. Remington* (Case No. 299/99), may be referred to.

Prominence and distinctiveness of the shape of any product in the associated marketplace could be achieved through years of widespread and massive use of the product, or through very striking and convincing advertising. The ultimate evidence of such distinction is the fact that the general public/customers in the concerned marketplace perceive the shape of the product as the sole distinguishing factor and the broad indicator of the source of origin of the product. The evidence of this fact may be shown by the applicant in forms of the statements of sales turnovers, investments in advertising, market research studies and surveys, publications in the trade magazines and industry specific publications, number of items sold, consumer surveys, etc. One shining example of shape trademark approved recently by dint of distinctiveness through prolonged use, is the shape of the Super Cub Scooter of the internationally famous Honda Motor Company of Japan. This Super Cub was introduced in 1958, and had become a source identifier boosted by huge and lasting popularity.

3D SHAPES OFFERING EASY REGISTRABILITY

The following three-dimensional shapes generally possess inherent distinctiveness, and are therefore, potentially eligible for hassle-free registration as trademarks in India and countries worldwide: -

- Characters used in advertising
- Three-dimensional features of buildings
- Containers of liquids, and other dimensionally unstable goods
- Three-dimensional signboards
- Shapes of service articles like cutlery, or attire of personnel, etc.
- The unique shape of any part of a product, such as the cap of a bottle, or clip of a pen
- And, strikingly different shapes of products or goods or packaging (from the usual shapes of these in the industries concerned) embellished with some distinctive words, colours, or graphical elements.

Here, it may be noted that the commonplace and very simple shapes are generally not approved for registration as trademarks, such as spheres, cylinders, cubicles, or just a three-dimensional renderings of single letters or numbers. Again, a three-dimensional shape which is deemed to be lacking distinctiveness, can be made distinct if a three-dimensional element is supplemented to it. For instance, although the screw-top of a bottle (containing any liquid) is essentially rounded, any three-dimensional element like a peculiar rim, unique grooves, or scintillatingly specific proportions, etc., added to it can make the bottle quite distinctive. Also, any distinguishing traditional mark comprising of any letter, figure, colour, or a combination of these, may also be used on the product or packaging to make the shape of the same unique; an example of this, is the "Heineken Beer Can".

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Arbitration & Conciliation: Pillars of ADR Mechanism

- How in India the process of Conciliation / Mediation has the potential to resolve disputes in a much more efficient, amicable and cost effective manner as compared to the much celebrated route of arbitration is what has been explained here. Doubtlessly this analysis will lead to a conclusion that Conciliation much less arbitration, is the best option and Litigation is no option at all.

WHY LITIGATION IN INDIA IS THE MOST AVOIDABLE OPTION

It goes without saying that conflict is inevitable in a society and business, but combat is optional, being self destructive. Litigation is exactly this kind of combat, which should never be opted for, particularly in a country like India. In the words of Benjamin Franklin “In some countries the course of courts is so tedious and expensive that the remedy – ‘justice’ is worse than the malady”. Let us look at some amazing (or rather shocking!) facts that confront our judicial system today.

If we apply the maxim “justice delayed is justice denied” to the Indian context, we would invariably come to a conclusion (from a common man’s perspective) that justice is most of the times denied. If a typical case in a court (from initiation to final appeal) takes almost 15- 20 years to be decided , then either we re-define the term ‘delay’ to suit our requirements and boast of our system or we accept the fact that as a country we have almost failed to deliver justice to the common man. In India case disposals are excruciatingly time consuming .This agonizing delay has rendered the common man’s knock on the doors of courts a highly frustrating experience. Doing litigation in India may

*(views expressed herein are strictly personal).

be an unending process, frustrating the entire purpose of litigation. Indian Judicial System is marred with exceptional judicial delays and slow process. In India the facts of the case delude crystallization for years. Denials, adjournments, alibis, half truths, technical flaws, and red herrings across the trail halt the progress of criminal cases for





Article

Arbitration & Conciliation: Pillars of ADR mechanism

years. Recently when the Supreme Court pronounced that in high profile phone tapping case only one witness has been examined in the last four years, because of repeated adjournments, the Bench of Justices G S Songhai and A K Ganguly observed with anguish: "This case should have been over in three months. Adjournments have become a cancer to the institutions the system has already become sick. What can be the expectation of the common man for speedy justice?"

India should ideally take the number of judges up to 15 for every 10-lakh population, for a better functioning of the courts. As per a Parliamentary panel report India has just 13 judges for every ten lakh people as against 35-40 in other developing nations and 50 in a developed country. In India we have seen delays in cases resulting from the explosion of litigation and the inadequate number of judges. Although India has an excellent court system which is independent of the executive, there are infrastructural inadequacies and a shortage of judges. In the words of Justice Kalyan Jyoti Sengupta of the Calcutta High Court Legal Service Committee "India has failed to maintain a standard 'judge-population ratio' and is even behind Bangladesh in it".

As per the findings of a Committee on Empowerment of Women in its report on 'Victims of sexual abuse and trafficking and their rehabilitation' India has 18,000 positions of judges at the subordinate Judiciary level but 3,000 are yet to be filled ; Of the 18,000 positions of judges, about 15,000 are presiding the courts and there is a proposal to add another 15,000 positions in the next five years which will take the number to 30,000. The Committee was of the view that even that augmentation of resources will be inadequate.

- At any given time, between 25-30 per cent of the posts of Judges lie vacant .
- The Supreme Court has time and again held that "An independent and efficient judicial system is one of the basic structures of our Constitution. If sufficient number of judges is not appointed, justice would not be available to the people, thereby undermining the basic structure. The root cause for delay in dispensation of justice in our country is poor judge-population ratio."
- The present sad scenario of Indian courts can be understood from the data derived from the website of the Supreme Court of India pertaining to the pendency of cases in various Indian Courts. A glimpse at the data given hereinafter of the pending cases in the Indian courts is grave enough to pose caution. According to reliable sources there are 65,000 cases pending in the Supreme Court, a total of 42 lakh cases in high courts and a staggering 2.9 crore in trial courts.
- Although mediation and conciliation at a pre-litigation stage have taken off well in India, arbitration, which has legal sanction, has not reached the expected levels. Unfortunately there are many legal professionals (mostly into practice) who feel threatened by the progress of the ADR mechanism in India. This is obviously

a very naïve and short sighted approach.

- Absolute Independent Judiciary is still a distant dream in India due to interference by vested interests, mostly Politicians. Budgetary allocation for judiciary in most of the states is less than 1% towards judiciary and this is disturbing .
- It is commonly said that the Indian Legal system is such that children often grow up while their parents wait to hear which one of them will get custody, siblings fighting over inheritances often die before getting a ruling, men and women can't remarry for years because their divorce has not come through, and parents often go to their graves without getting justice for their murdered children .
- In 2009, the High Court in New Delhi said it was so behind in its work that it could take up to 466 years to clear the backlog. A Parliamentary report of 2002 looking into the judicial delays cited cases that went back to the 1950s.
- A couple of years ago Bloomberg Businessweek calculated that if India 's Judges worked nonstop , without sleep or break and cleared 100 cases every hour, it would still take 35 years to catch up .
- Perhaps after Pakistan India is the only country where vintage typewriters (actually fit to be consigned to museums) still can be heard in the court vicinities. The term 'computerization ' which was famous in the early eighties when computers were first introduced, is still being touted as being done proudly with near obsolete desktops and stenos working on the same in most of the High Courts .
- The worst affected are the poor, who cannot afford long trials and inflated legal costs, which is why most poor Indians don't even bother to register a crime unless it is very serious. An alarming corollary of these delays is that the law fails to deter criminals. Knowing them you can be out on bail and then lead a normal life while the case meanders for decades are almost an incitement to commit a crime.
- Celebrities and film stars who are behind bars for serious crimes make a mockery of the system by availing of parole during their judicial custody, all with a *hand in glove relationship* with the Jail authorities and money power. Parole is available to a convict only in exceptional circumstances while undergoing punishment. However, the discretion to grant parole vests in the Jail warden who makes hay while the sun shines. Unfortunately media power is also fast coming up as a support mechanism for such celebrities who can spend any amount on self image building. More often than not, the celebrity centered media (including newspapers, TV channels, web sites and social networking etc) would pass judgements on the innocence of such persons and build up strong public opinions supporting such convicts. Money plays its role everywhere since there are many poor (and possibly innocent) undertrials languishing in Jails without breathing fresh air, just because they don't have money to procure bail



➤ "The way in which the proceedings under the Act are conducted and without an exception challenged in Courts, has made lawyers laugh and legal philosophers weep", said the Supreme Court in 1981 for the Arbitration Act 1940. And so, to better the cause of arbitration, the Indian Parliament passed the Arbitration & Conciliation Act, 1996.

or engage a lawyer to defend their case.

HOW DOES ARBITRATION SCORE OVER LITIGATION IN CIVIL DISPUTES?

Arbitration is an ADR (alternative dispute resolution) method whereby the disputing parties present their disagreement to one arbitrator or a panel of private, independent and qualified third party "arbitrators." The arbitrator(s) determine the outcome of the case. The difference between a court proceeding and arbitration is that arbitration takes less time and typically costs less. The arbitration process is streamlined and not subject to delays and continuances that occur in the court system. One school of thought believes that arbitration process typically costs less because it is faster and less complicated. Also, some parties do not feel the need to use an advocate in arbitration.

Studies also show that arbitration is faster, less expensive and less disruptive. Fifty-nine percent of respondents to a survey conducted in the US selected arbitration over litigation as the preferred method of resolving claims over money. That percentage grew to 83% when respondents were informed that arbitration could save three-quarters of the cost of litigation.

It would not be out of place to cite the views of Abraham Lincoln to buttress the case against litigation: "*Discourage litigation. Persuade your neighbours to compromise whenever you can . . . the nominal winner is often a real loser in fees, in expenses, and waste of time.*"

HAS THE ENTRY OF A REFORMED ARBITRATION LAW IN 1996 REALLY GALVANISED AND /OR SIMPLIFIED DISPUTE RESOLUTION IN INDIA?

Evolution of a modern arbitration law in India

The United Nations Commission on International Trade Law

(UNCITRAL) produced the final draft of a Model Law on international commercial arbitration in 1985. This law was recommended by the General Assembly of the UN on December 11, 1985, to all member states.

India, in furtherance of this recommendation, enacted The Arbitration and Conciliation Act, 1996, and repealed the then existing law on arbitration, The Arbitration Act, 1940. The 1996 Act is a comprehensive piece of legislation modelled on the lines of the UNCITRAL Model Law. This Act repealed all the three previous statutes (the 1937 Act, the 1961 Act and the 1940 Act). Its primary purpose was to encourage arbitration as a cost-effective and quick mechanism for the settlement of commercial disputes. The Act covers both domestic arbitration and international commercial arbitration. Thus, up till the enactment of this Act, arbitration was the only recognized exception to traditional court litigation. Conciliation, mediation or any other alternative dispute resolution procedures were not permissible for settling civil disputes between parties. The way in which the proceedings under the Act are conducted and without an exception challenged in Courts, has made lawyers laugh and legal philosophers weep, said the Supreme Court in 1981 for the Arbitration Act 1940. And so, to better the cause of arbitration, the Indian Parliament passed the Arbitration & Conciliation Act, 1996.

ADR is now an integral segment of modern practice in India. In order to accord statutory recognition to ADR including mediation, the Law Commission in its 129th Report made recommendation for making it obligatory for the Court to refer the dispute to ADR including mediation for settlement.

In 2002, the CPC was amended to make ADR an integral part of the judicial process. In terms of the newly inserted section 89 of CPC, if it appears to the court that there exist elements, which may be acceptable to the parties, the court may formulate the terms of a possible settlement and refer the same for arbitration, conciliation, mediation or judicial settlement.

The ADR framework in India finds statutory recognition in a two-fold manner:

- (i) Under the Arbitration and Conciliation Act 1996 and
- (ii) Under Section 89 of Code of Civil Procedure 1908 read with Order X, Rules 1A, 1B and 1C.

As a part of the scheme under Section 89 of the Code various High Courts in India framed their own rules with respect to mediation and conciliation. The mediations and/or conciliations happening under the aegis of the respective High Courts resort to the said rules for proper implementation of the ADR methods.

As can be seen from the two statutes, the Act covers (a) arbitration and (b) conciliation whereas the Code is wider in its scope and covers five kinds of ADR mechanisms one adjudicatory – arbitration and four non-adjudicatory - (a) conciliation, (b) judicial settlement, (c) settlement through Lok Adalat and (d) mediation.



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Arbitration & Conciliation: Pillars of ADR mechanism

WHAT IS THE SUCCESS RATE OF ARBITRATION AS A DISPUTE RESOLUTION PROCESS IN INDIA AND WHAT HAVE BEEN THE PRIME HINDRANCES

Though expectations of success of arbitration as an ADR mechanism were very high, unfortunately due to various factors, this mechanism at one point of time became synonymous with litigation and confidence of business/ trade and Industry became wavering. Some of these factors have been explained hereunder.

The primary factors were excessive judicial interference, ambiguous interpretation of some of the core provisions and finally conflicting judgements of none other than the Apex Court. This confusion, conflict and ambiguity revolved around the following aspects:

S.No	Core Issue relating to arbitration	Conflicting decisions of the Apex Court
1	Power of the Chief Justice under section 11 of the Act for appointment of arbitrators	<p>A Constitution Bench of SC in Konkan Railway Corporation Ltd. and Anr. v. Mehul Construction Co AIR 2000 SC 2821 and in Konkan Railway Corpn. Ltd. and Ors. v.Rani Construction Pvt Ltd [2002]1SCR728 had taken the view that it is purely an administrative function.</p> <p>In SBP v. Patel Engineering [2005 (8) SCC 618] the Supreme Court held that the appointing function in Section 11 is a judicial function where the Chief Justice should examine certain jurisdictional questions like the existence and validity of the arbitration agreement.</p> <p>In Shree Ram Mills Ltd. v. Utility Premises (P) Ltd., (2007) 4 SCC 599, the Supreme Court had suggested that the second category of cases, involving the decision of whether the claim is a live claim or not, has to be decided by the court as it is only by deciding this limitation issue that the court can decide whether to constitute a tribunal or not.</p> <p>In National Insurance Company Ltd. v. Boghara Polyfab Pvt. Ltd., (2009) 1 SCC 267, a two-judge bench of the Supreme Court held that the Chief Justice, in exercising his powers under Section 11, does not have to decide all the preliminary questions set out in Patel Engineering. The Court segregated the preliminary issues into three categories, that is, "(i) issues which the Chief Justice or his designate is bound to decide; (ii) issues which he can also decide, that is, issues which he may choose to decide; and (iii) issues which should be left to the Arbitral Tribunal to decide;</p>

		<p>In Chloro Controls India Private Ltd v. Severn Trent Water Purification Inc., (2013) 1 SCC 641, a three-judge bench of the Supreme Court said that there is no variance between the Shree Ram Mills Ltd. and Boghara Polyfab Private Limited judgments; both judgments were in line with the law declared in the Patel Engineering Case.</p> <p>In Arasmeta Captive Power Company Private Limited v. Lafarge India Private Limited, CIVIL APPEAL No.11003 of 2013 Arising out of SLP (Civil) No. 29651 of 2013) and Decided on 12/12/2013 the Supreme Court , reiterated another aspect of the Patel Engineering decision, namely that the Chief Justice should not decide on whether the claim in question is one which comes within the purview of the arbitration clause or not. The Supreme Court categorically stated that the question fell to be determined by the arbitral tribunal and not the courts.</p>
2	Jurisdiction of Indian Courts where the seat of arbitration is outside India	<p>In Bhatia International v. Bulk Trading SA ('Bhatia') 2002) 4 SCC 105 and Venture Global Engineering v. Satyam Computer Services Ltd ('Venture Global'). 2008) 4 SCC 190. that Indian courts had jurisdiction with respect to foreign-seated arbitrations involving an Indian party under Part I of the 1996 Act, regardless of the governing law of the contract. In Bharat Aluminium Co v, Kaiser Aluminium Technical Services Inc (2012)9 SCC 552 the Apex Court unequivocally overruled Bhatia and Venture Global on the basis that Part I of the 1996 Act does not apply to foreign-seated arbitrations.</p>
3	Challenge of domestic arbitration award on the ground of "Public Policy" under Section 34 of the Act	<p>Associate Builders v. Delhi Development Authority, 25 November 2014 [2014 (4) ARBLR 307(SC)]</p> <p>The Apex Court found that the Delhi High Court had overstepped its powers and wrongly set aside a domestic arbitration award. In the process, the Supreme Court has clarified the scope of the "public policy ground" to set aside awards under Section 34(b) (ii) of the Arbitration and Conciliation Act . The Supreme Court was critical of the Delhi High Court re-opening an arbitrator's award on merits by reviewing evidence considered by the arbitrator and even considering evidence above and beyond that which the arbitrator had the opportunity to consider. The Supreme Court advocated giving due weight and recognition to a determination by arbitration – especially on issues of fact. The court recognized that an award could only be set aside on grounds of public policy in very limited circumstances, such as where an award was arbitrary, capricious or such that it would shock the conscience of the court.</p>
4	Slight ambiguity in drafting of the Arbitration clause , which nullified the arbitration and compelled the parties to go for litigation	<p>In Wellington Associates versus Kirit Mehta AIR 2000 SC 1379 the Apex Court faced the issue of interpreting the dispute resolution clause. The agreement in dispute contained two separate clauses of which one referred to resolution of disputes by submitting to the exclusive jurisdiction of the Courts in Mumbai whereas the other clause spoke about referring disputes to arbitration.</p> <p>The Apex Court held that the matter should be subjected to litigation since in such a case it was not possible to understand the real intention of the parties and hence the parties were at liberty to invoke arbitration or not. These contradictory provisions in the contract nullified the existence of any dispute resolution clause and the parties were back to square one with protracted litigation staring at them.</p>



5	Interpretation of the arbitration clause viz whether it existed or not.	<p>In Enercon (India) versus Enercon GmbH [Civil Appeals 2086 & 2087 of 2014; judgment dated February 14, 2014] besides the original business dispute, there was a dispute between the parties regarding the dispute resolution clause itself. The Apex Court held that when the parties had decided to enter into business agreement in 1994, they had since been decided that the dispute shall be resolved through arbitration in London. And, therefore, the absence of a concluded contract after ten years of the initial contract – in 2004 – would not cast a shadow on the applicability of the dispute resolution clause agreed by the parties in the very beginning.</p> <p>In Karnataka Power Transmission Corporation Limited v M/s Deepak Cables (India) Limited the Apex Court considered the clause in the instant case and held that though it provides for the parties to amicably settle any disputes or differences arising in connection with the contract, also provides that the dispute is to be referred to and settled by the engineer and also a stipulation that his decision in respect of every matter so referred to shall be final and binding upon the parties until the completion of works. However, the clause nowhere provides that the engineer is required to act judicially as an adjudicator by following the principles of natural justice and also the decision of the engineer is only binding until the completion of the works. The Court held that the said clause has been engrafted to avoid delay and stoppage of work and for the purpose of smooth carrying on of the works. The emphasis is on the performance of the contract and the language of the clause does not spell out the intention of the parties to get the disputes adjudicated through arbitration. The Court further held that reading of the respective clauses clearly showed that the intention of the parties was to resolve the disputes and differences by the competent civil court and not by arbitration.</p>
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SIGNIFICANT IMPROVEMENT ON THE STATE OF ARBITRATION PROCESS IN INDIA WITNESSED IN THE LAST FEW YEARS:-SILVER LINING!

During the last two years, international arbitration community has witnessed significant judicial maturity on the part of Indian Courts. In narrowing the scope of intervention of the Indian Courts in execution of foreign awards, by limiting the scope of public policy of India applicable to foreign awards, significant attempt has been made by the Supreme Court to bring India back on map as pro-arbitration jurisdiction rather than an arbitration-unfriendly jurisdiction. The aim and intent of the Act was to limit the scope of judicial review and judicial intervention in the arbitral process. The last two years have been eventful and a way forward. The current approach is making headway towards speedy mechanism of enforcement of foreign awards. Henceforth, enforcement of foreign awards would not be declined routinely. The Supreme Court in BALCO has now unequivocally overruled Bhatia and Venture Global on the basis that Part I of the 1996 Act does not apply to foreign-seated arbitrations. The court considered that an

acceptance of the statutory construction of the 1996 Act espoused in the Bhatia and Venture Global decisions was tantamount to giving extra-territorial application to the 1996 Act, which was not the intention of the Indian Parliament when it enacted this law. The SC has also minimised judicial interference in arbitration in the case of Associate Builders v Delhi Development Authority, which is an encouraging trend.

PROPOSED CHANGES TO THE ARBITRATION LAW -DAWN OF A NEW ERA

Far-reaching changes to India's Arbitration and Conciliation Act are expected to be passed by the Indian Government in the next few months. The proposed amendments are based on the recommendations of the Law Commission of India in its Report No. 246 (led by Justice A.P Shah).

We can look to the contents of the Law Commission report to shed some light on what we can expect to see in the amended Act. The Report's key proposals focus on the following:

- **Institutional arbitration:** The Report highlights the need to actively encourage institutional arbitration throughout India and proposes setting up a specific body tasked with this role. There has been a surge in activity by international arbitral institutions with both the LCIA and the SIAC opening offices in India recently.
- **Pre-arbitral judicial intervention:** The Report recommends reducing the scope for early judicial intervention to situations where the court finds that the arbitration agreement does not exist or is null and void. Where the court is prima facie satisfied that there is a valid arbitration agreement, it is required to refer the dispute to arbitration and leave the existence and validity of the arbitration agreement to be finally determined by the tribunal.
- **Delays in court:** The Report recommends that specialized and dedicated arbitration benches are set up within the courts, to circumvent the delays and other problems associated with court applications. It has been reported in the Indian press that new legislation will be enacted shortly on the establishment of commercial benches in high courts, together with a national litigation policy. The Report also proposes that arbitrator appointments can be delegated by the courts to specialized, external persons or institutions to speed up the appointment process and that a one-year time limit is imposed for challenges to arbitration awards. In a move aimed at appeasing foreign investors, the more commercially oriented High Court will be given the power to determine disputes arising out of an arbitration agreement where foreign parties are involved.
- **Enforcement:** The Report recommends a narrower interpretation of 'public policy' when used as a ground for



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resisting the recognition and enforcement of foreign arbitral awards. This is in line with a string of Supreme Court decisions such as *Shri Lal Mahal v Progetto Grano Spa* [2013] and *Associate Builders v Delhi Development Authority* [2015]. It also proposes a specific provision for setting aside domestic awards for patent illegality.

- **Foreign-seated arbitrations:** The Report proposes amendments which seek to strike a balance between reducing judicial intervention in foreign arbitrations and ensuring that redress is available to a party seeking protection of assets located in India.
- **Costs and fees:** The Report provides a general 'loser pays the winners' reasonable costs' rule to be included in the Act, as well as a regime for calculating costs. Arbitrators will also be able to issue cost orders against parties bringing frivolous claims. The Report also proposes the introduction of a model schedule of fees for domestic ad hoc arbitrations, with the intention of reducing expensive arbitrator costs.
- **Neutrality of arbitrators and availability:** Arbitrators will be required to disclose circumstances that may give rise to justifiable doubts as to his or her independence or impartiality. Arbitrators will also be required to disclose circumstances likely to affect his or her ability to devote sufficient time to the arbitration and complete it within 24 months, with the award delivered three months thereafter.
- **Other amendments:** The Report makes other significant recommendations, including changes aimed at discouraging the practice of frequent adjournments in arbitration and making interim orders made by arbitral tribunals in domestic arbitrations more effective. The Report imposes conditions to stays ordered during applications to set aside awards; confirms that allegations of fraud and corruption may be arbitrated; expands the definition of 'party'; and provides a more flexible market-based approach for awarding interest on sums awarded.

HOW THE PROCESS OF CONCILIATION IS STILL A BETTER OPTION OVER ARBITRATION

It has been aptly remarked by some jurists that Arbitration is less formal than litigation, and Conciliation is even less formal

than arbitration. Conciliation is a voluntary process whereby the conciliator, a trained and qualified neutral, facilitates negotiations between disputing parties and assists them in understanding their conflicts at issue and their interests in order to arrive at a mutually acceptable agreement. Conciliation is as old as the Indian history. In Mahabharata when both parties were determined to resolve the conflict in battle fields, Lord Krishna made efforts to resolve the conflict. Even in the present day context the village panchayat system works in the villages. The Indian system places a lot of importance on resolution of disputes by negotiation which is purely conciliatory. Conciliation is essentially a consensual process.

The Conciliator does not decide for the parties, but strives to support them in generating options in order to find a solution that is compatible to both parties. The process is risk free and not binding on the parties till they arrive at and sign the agreement. Once a solution is reached between the disputing parties before a conciliator, the agreement had the effect of an arbitration award and is legally tenable in any court in the country.

In India, with the enactment of the Arbitration and Conciliation Act, 1996, the Parliament has given recognition to alternative forms of dispute resolution. A settlement reached through mediation or "conciliation" as it is termed in the Act has the same status and effect as an arbitration award, and thus is enforceable as if it were a decree of court. The Act also protects the confidentiality of the proceedings.

'CONCILIATION' UNDER THE ARBITRATION & CONCILIATION ACT, 1996

The Act for the first time statutorily recognized Conciliation by providing elaborate rules of engagement. Conciliation is statutorily regulated by the Arbitration and Conciliation Act, 1996 but not defined by that statute. Section 67(1) of the Act however impliedly defines "conciliation" as assistance rendered by a conciliator or parties to a dispute, in an independent and impartial manner, in their attempt to reach an amicable settlement of their dispute.

The Process

Section 61 of the Arbitration and Conciliation Act of 1996 provides for the Application and Scope of Conciliation. Section 61 points out that the process of conciliation extends, in the first place, to disputes, whether contractual or not. But the disputes must arise out of the legal relationship. It means that the dispute must be such as to give one party the right to sue and to the other party the liability to be sued. The process of conciliation extends, in the second place, to all proceedings relating to it. But Part III of the Act does not apply to such disputes as cannot be submitted to conciliation by virtue of any law for the time being in force.

Section 62: Commencement of the conciliation proceedings:

The conciliation proceeding are initiated by one party sending a written invitation to the other party to conciliate. The invitation should



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identify the subject of the dispute. Conciliation proceedings are commenced when the other party accepts the invitation to conciliate in writing. If the other party rejects the invitation, there will be no conciliation proceedings. If the party inviting conciliation does not receive a reply within thirty days of the date he sends the invitation or within such period of time as is specified in the invitation, he may elect to treat this as rejection of the invitation to conciliate. If he so elects he should inform the other party in writing accordingly.

Section 65 Submission of Statement to Conciliator:

The conciliator may request each party to submit to him a brief written statement. The statement should describe the general nature of the dispute and the points at issue. Each party should send a copy of such statement to the other party. The conciliator may require each party to submit to him further written statement of his position and the facts and grounds in its support. It may be supplemented by appropriate documents and evidence. The party should send the copy of such statements, documents and evidence to the other party. At any stage of the conciliation proceedings, the conciliator may request a party to submit to him any additional information which he may deem appropriate.

Conduct of Conciliation Proceedings [Section 69(1), 67(3):

The conciliator may invite the parties to meet him. He may communicate with the parties orally or in writing. He may meet or communicate with the parties together or separately. In the conduct of the conciliation proceedings, the conciliator has some freedom. He may conduct them in such manner as he may consider appropriate. But he should take in account the circumstances of the case, the express wishes of the parties, a party's request to be heard orally and the need of speedy settlement of the dispute.

Section 63 fixes the number of conciliators: There shall be one conciliator. But the parties may by their agreement provide for two or three conciliators. Where the number of conciliator is more than one, they should as general rule act jointly.

Section 64 deals with the appointment of the conciliators:

When the invitation to the conciliation is accepted by the other party, the parties have to agree on the composition of the conciliation tribunal. In the absence of any agreement to the contrary, there shall be only one conciliator. The conciliation proceeding may be conducted by a sole conciliator to be appointed with the consent of both the parties, failing which the same may be conducted by two conciliators (maximum limit is three), then each party appoints own conciliator, and the third conciliator is appointed unanimously by both the parties. The third conciliator so appointed shall be the presiding conciliator. The parties to the arbitration agreement instead of appointing the conciliator themselves may enlist the assistance of an institution or person of their choice for appointment of conciliators. But the institution or the person should keep in view during appointment that, the conciliator is independent and impartial.

Section 67 (1)] - The conciliator should be independent and impartial. He should assist the parties in an independent and impartial manner while he is attempting to reach an amicable settlement of their dispute.

Section 67 (2) - the conciliator should be guided by the principles of fairness and justice. He should take into consideration, among other things, the rights and obligations of the parties, the usages of the trade concerned, and the circumstances surrounding the dispute, including any previous business practices between the parties.

Section 70 - The conciliator and the parties are duly bound to keep confidential all matters relating to conciliation proceedings. Similarly when a party gives information to the conciliator on the condition that it is kept confidential, the conciliator should not disclose that information to the other party.

When the conciliator receives information about any fact relating to the dispute from a party, he should disclose the substance of that information to the other party. The purpose of this provision is to enable the other party to present an explanation which he might consider appropriate.

Section 71 - The parties should in good faith cooperate with the conciliator. They should submit the written materials, provide evidence and attend meetings when the conciliator requests them for this purpose.

Section 73 - Settlement agreement

1. When it appears to the conciliator that there exist elements of a settlement which may be acceptable to the parties, he shall formulate the terms of a possible settlement and submit them to the parties for their observations. After receiving the observations of the parties, the conciliator may reformulate the terms of a possible settlement in the light of such observations.
2. if the parties reach agreement on a settlement of the dispute, they may draw up and sign a written settlement agreement. If requested by the parties, the conciliator may draw up, or assist the parties in drawing up, the settlement agreement.



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3. When the parties sign the settlement agreement, it shall be, final and binding on the parties and persons claiming under them respectively.
4. The conciliator shall authenticate the settlement agreement and furnish a copy thereof to each of the parties.

Section 74. Status and effect of settlement agreement

The settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal under section 30

Section 75. Confidentiality

Notwithstanding anything contained in any other law for the time being in force, the conciliator and the parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement, except where its disclosure is necessary for purposes of implementation and enforcement.

SECTION 77. Resort to arbitral or judicial proceedings

The parties shall not initiate, during the conciliation proceedings, any arbitral or judicial proceedings in respect of a dispute that is the subject-matter of the conciliation proceedings except that a party may initiate arbitral or judicial proceedings where, in his opinion, such proceedings are necessary for preserving his rights.

WHAT IS MEDIATION?

Section 89 of the Code of Civil Procedure, 1908 (“the CPC”), inserted by CPC (Amendment) Act 1999, and brought into effect on 1st July, 2002, is an attempt to blend the judicial and non-judicial dispute resolution mechanism in order to envisage the equal rights of every person in the eyes of law. Section 89, C.P.C. embraces the provision for settlement of dispute outside the court. All the cases which are filed in court need not necessarily be decided by the court itself. Keeping in mind the laws delay and the limited number of Judges which are available, it has now become imperative to resort to Alternative Dispute Resolution Mechanism with a view to end litigation between the parties at an early date. The Alternative Dispute Resolution (ADR) mechanism as contemplated by Section 89 is arbitration or conciliation or judicial settlement including settlement through Lok Adalat or Mediation.

The interpretation accorded by the Supreme Court to Section 89 makes mediation a non-binding, non-adjudicatory dispute resolution process, where a neutral third party renders assistance to the parties in conflict to arrive at a mutually agreeable solution. To put it differently, it refers to a voluntary and flexible negotiated conflict resolution process with the assistance of experts. It involves a structured negotiation where the mediator listens to the parties, ascertains the facts and circumstances as also the nature of the grievance, conflict or dispute, encourages the parties to open up to identify the causes therefor, creates a conducive atmosphere

to enable the parties to explore various alternatives and ultimately facilitates the parties to find a solution or reach a settlement. In short, it is a professionally and scientifically managed negotiation process.

WHAT IS THE BASIC DIFFERENCE BETWEEN CONCILIATION AND MEDIATION?

Although ‘mediation’ and ‘conciliation’ may seem fairly similar to each other a key distinction lies with respect to recognition and enforceability of the settlement arrived at through the two- methods. The distinction was explained by the Apex Court in the case of:

Afcons Infrastructure Ltd. and Anr. v. Cherian Varkey Construction Co. (P) Ltd. and Ors.

“.....When a matter is settled through conciliation, the Settlement Agreement is enforceable as if it is a decree of the court having regard to Section 74 read with Section 30 of the Arbitration and Conciliation Act. Similarly, when a settlement takes place before the Lok Adalat, the Lok Adalat award is also deemed to be a decree of the civil court and executable as such under Section 21 of the Legal Services Authorities Act, 1987. Though the settlement agreement in a conciliation or a settlement award of a Lok Adalat may not require the seal of approval of the court for its enforcement when they are made in a direct reference by parties without the intervention of court, the position will be different if they are made on a reference by a court in a pending suit/proceedings. As the court continues to retain control and jurisdiction over the cases which it refers to conciliations, or Lok Adalats, the settlement agreement in conciliation or the Lok Adalat award will have to be placed before the court for recording it and disposal in its terms. Where the reference is to a neutral third party ('mediation' as defined above) on a court reference, though it will be deemed to be reference to Lok Adalat, as court retains its control and jurisdiction over the matter, the mediation settlement will have to be placed before the court for recording the settlement and disposal. Where the matter is referred to another Judge and settlement is arrived at before him, such settlement agreement will also have to be placed before the court which referred the matter and that court will make a decree in terms of it.”

ADVANTAGES OF CONCILIATION OVER ARBITRATION

- Conciliation offers a more flexible alternative to arbitration as well as litigation, for resolution of disputes in the widest range of contractual relationships, as it is an entirely voluntary process.
- In conciliation proceedings, the parties are free to withdraw from conciliation, without prejudice to their legal position, at any stage of the proceedings.
- The matter is settled at the threshold of the dispute, avoiding protracted litigation efforts at the courts. As conciliation can be scheduled at an early stage in the dispute, a settlement can



- be reached much more quickly than in litigation.
- Parties are directly engaged in negotiating a settlement.
 - The conciliator, as a neutral third party, can view the dispute objectively and can assist the parties in exploring alternatives which they might not have considered on their own.
 - Parties generally save money by cutting back on unproductive costs such as travelling to court, legal costs of retaining counsels and litigation and staff time.
 - Conciliators may be carefully chosen by the parties for their knowledge and experience.
 - Conciliation enhances the likelihood of the parties continuing their amicable business relationship during and after the proceedings.
 - Creative solutions to special needs of the parties can become a part of the settlement.
 - Confidentiality is maintained throughout the proceedings with respect to information exchanged, the offers and counter offers of solutions made and the settlement arrived at. Also, information disclosed at a conciliation meeting may not be divulged as evidence in any arbitral, judicial or other proceeding

the Supreme Court held : "It is quite obvious that the reason why section 89 has been inserted is to try and see that all cases which are filed in court need not necessarily be decided by the court itself. Keeping in mind the law's delays and the limited number of judges which are available, it has now become imperative that resort should be had to alternative dispute resolution mechanism with a view to bring to end litigation between the parties at an early date."

In Afcons Infrastructure Ltd. and Anr. v. Cherian Varkey Construction Co. (P) Ltd. and Ors, it was held that if parties are not agreeable for arbitration and conciliation, which is likely to happen in most of the cases for want of consensus, the court should, keeping in view the preferences/options of parties, refer the matter to any one of the other three other ADR processes: (a) Lok Adalat; (b) mediation by a neutral third party facilitator or mediator; and (c) a judicial settlement, where a judge assists the parties to arrive at a settlement.

In Haresh Dayaram Thakur v. State of Maharashtra and Ors. while dealing with the provisions of Sections 73 and 74 of the Arbitration and Conciliation Act of 1996 in paragraph 19 of the judgment as expressed thus the court held that-"From the statutory provisions noted above the position is manifest that a conciliator is a person who is to assist the parties to settle the disputes between them amicably. For this purpose the conciliator is vested with wide powers to decide the procedure to be followed by him untrammelled by the procedural law like the Code of Civil Procedure or the Indian Evidence Act, 1872. When the parties are able to resolve the dispute between them by mutual agreement and it appears to the conciliator that their exists an element of settlement which may be acceptable to the parties he is to proceed in accordance with the procedure laid down in Section 73, formulate the terms of a settlement and make it over to the parties for their observations; and the ultimate step to be taken by a conciliator is to draw up a settlement in the light of the observations made by the parties to the terms formulated by him. The settlement takes shape only when the parties draw up the settlement agreement or request the conciliator to prepare the same and affix their signatures to it. Under Sub-section (3) of Section 73 the settlement agreement signed by the parties is final and binding on the parties and persons claiming under them. It follows therefore that a successful conciliation proceedings comes to end only when the settlement agreement signed by the parties comes into existence. It is such an agreement which has the status and effect of legal sanctity of an arbitral award under Section 74".

VARIOUS DISPUTE RESOLUTION METHODS IN INDIA: - A BIRD'E EYE VIEW

S.no	Procedure	Arbitration	Conciliation	Litigation
1.	Process/methodology	Simple and flexible	Simple and flexible	Extremely tardy and protracted
2.	Right to chose the neutral person who would the dispute decide/do justice	Allowed	Allowed	No question
3	Confidentiality of proceedings	Possible	Possible	Not allowed
4.	Further challenge/Appeal	Restricted availability	Not applicable since the parties themselves arrive at a settlement	Available

SOME LEADING CASE LAWS ON MEDIATION & CONCILIATION

In Moti Ram v. Ashok Kumar (2011) 1 SCC 466 the Apex Court observed that in the event the mediation is successful the mediator should only send the agreement executed between the parties to the Court and not mention what actually transpired in the proceedings. However, if the mediation is unsuccessful, the mediator is expected to send only a statement to the court conveying the failure of the mediation proceedings.

In Salem Advocate Bar Association v. Union of India AIR 2003 SC 189 discussing the intent behind introducing Section 89 in the Code,

CONCLUSION

Arbitration needs to be freed from judicial interference and intervention, to succeed in India. The business community as well as the legal fraternity has time and again hinted at the need for the courts to re-look at the way arbitration is perceived to make it an effective alternative remedy. It is therefore very encouraging to see the recent developments by way of the Apex Court decisions, which would go a long way to support and encourage mediation and conciliation. CS



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Role of Information Technology in Corporate Governance

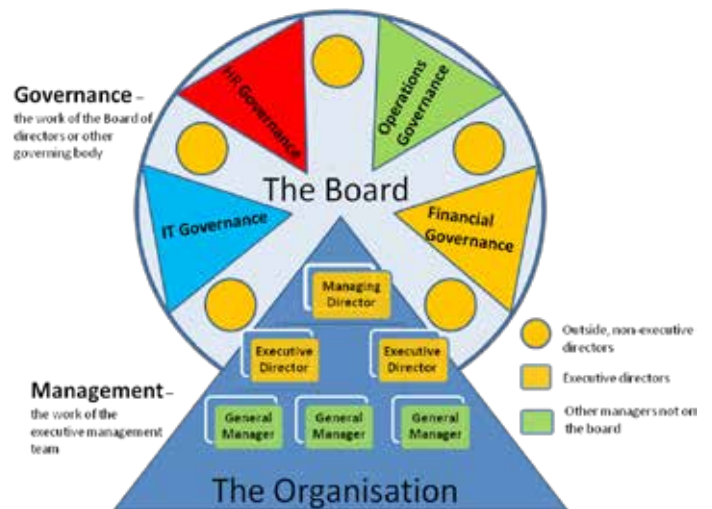
➤ Good governance is result oriented and value focused. It helps an enterprise to realize its goals and to derive business benefits. It also supports to mitigate risk and improve team performance by enabling effective assessment, control and cause good communication. This article attempts to show the relationship between Corporate Governance & IT Governance And the evolution stages of IT Governance in an organization.

Corporate governance is the set of responsibilities discharged and practices followed by the board and executive management with the aim of providing a strategic direction, ensuring that objectives are accomplished, verifying that risks are managed judiciously and verifying that the enterprise's resources are used responsibly.

While governance advancement have primarily been driven by the need for clarity of enterprise risks and the protection of shareholder value, the inescapable use of technology has created a critical dependency on IT that calls for a specific focus on IT governance.



To Achieve this strategic fit IT Governance need to maintain a standard Framework of IT governance, which ultimately helps to create a linkage between Business strategy and IT Strategy.



Picture: 1- The Organisation



➤ Information Technology (IT) has been serving the business as a technology provider serving the businesses to perform more effectively and to expand into new directions since its early stages. Over the years, IT has become the backbone of businesses to the mark where it would be impossible for many to function without it. IT is no longer a separate entity from but is an essential element of the enterprise. As a result of its increasing role in the enterprise, the IT functions is also changing.

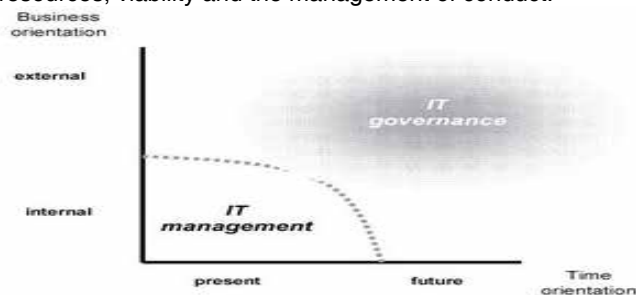
Governance is the act of Governing . It consists of either a distinct process or part of decision making or leadership process.

Governance can be said to be representing the owners, or the interest group of people, who represent a firm, company or any institution. The governing body, on the other hand, appoints management personnel.

Good governance is result oriented and value focused. It helps an enterprise to realize its goals and to derive business benefits. It also supports to mitigate risk and improve team performance by enabling effective assessment, control and cause good communication.

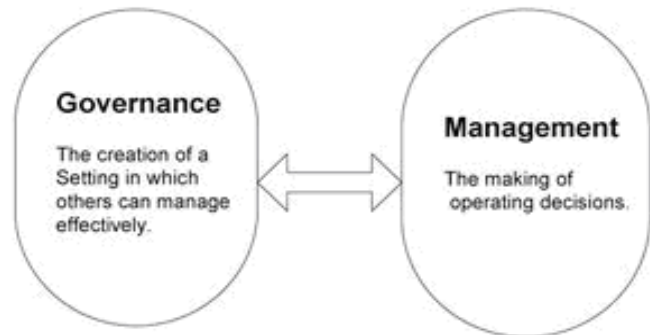
IT governance program working mechanism consists of decision-making structures, principles, policies, standards, and procedures and to make sure that transparent and well-informed decisions are rendered and relevant actions are taken.

IT governance is top management's competence to direct, measure and check the use of an enterprise's IT resources in support of the accomplishment of the organization's strategic goals. Leadership, organizational structure and processes are used to clout IT resources to produce the information required and drive the alignment, value delivery, risk management, optimal use of resources, viability and the management of conduct.



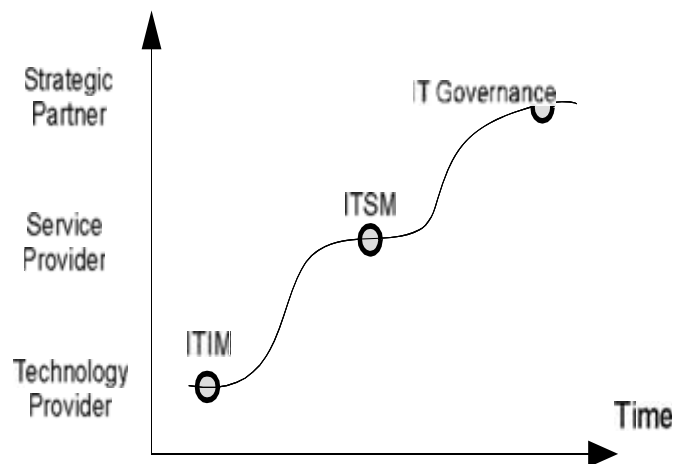
Picture: 2- Evolution of IT governance

Management is all about making the decisions needed to implement a policy. While governance relates to the vision of an organization, and translating the vision into policy.



Picture 3: Relationship between Governance & Management

Information Technology (IT) has been serving the business as a technology provider serving the businesses to perform more effectively and to expand into new directions since its early stages. Over the years, IT has become the backbone of businesses to the mark where it would be impossible for many to function without it. IT is no longer a separate entity from but is an essential element of the enterprise. As a result of its increasing role in the enterprise, the IT functions is also changing.



Picture 4: Transformation stages of IT Governance

While evolving from technology providers into strategic partners, IT Division of an organization typically follow a three-stage path as illustrated in above figure(Picture 4).

The evolutionary phase begins with IT infrastructure management (ITIM). During this phase, the IT organizations focus on improving the management of the business infrastructure. Competent infrastructure management means maximizing return on computing



Article

Role of Information Technology in Corporate Governance

assets and taking management of the infrastructure, the devices it contains and the data it generates. The next phase, IT service management (ITSM), deals with selecting the services for its customers need and focusing on planning and delivering those services to appropriate the availability, performance, and security requirements. In addition, IT is guiding service-level agreements, both internally and externally, to appropriate the agreed-upon quality and cost targets. Ultimately, when IT organizations emerge to IT business value management (IT Governance), they are transformed into perfect business partners enabling new business opportunities. In that stage, IT processes are fully integrated with the entire lifecycle of business processes improving service quality and business agility.

IT GOVERNANCE FRAMEWORK SCOPE

IT Governance, it is necessary to understand its most crucial elements. The IT Governance Institute suggests that “Fundamentally, IT Governance is concerned about two areas : that “IT delivers value to the business and that IT risks are mitigated”. This leads to the four main focus areas of the IT Governance, all driven by stakeholder value.

Two of them are outcomes - value delivery and risk mitigation.

Two of them are stimulators : Strategic alignment and Performance measurements.

While value delivery concentrate on the creation of business value, risk management is focused on safeguarding of the business value.

CONTROL OBJECTIVES FOR INFORMATION AND RELATED TECHNOLOGY (COBIT)

CobiT is designed to accomplish as an IT governance aid to management in their understanding and managing of the risks



and benefits associated with information and allied technology. CobiT is independent of the technical IT platforms maintained in an organization, it is an open standard for control over information technology, developed and promoted by the IT Governance Institute.

The IT Governance Institute (ITGI) exists to help enterprise leaders understand why IT goals must align with those of the business, how IT delivers value, and how its performance is measured, its resources properly allocated and its risks mitigated.

CobiT creates the relationships between the business objectives of an entity and the specific IT management tasks *via* statements about the Control Objectives.

CobiT is designed to help three distinct audiences:

Managers, who need to balance risk and control investment in an often unpredictable IT environment.

Users, who need to gain assurance on the security and controls of the IT services upon which they depend to deliver their products and services to internal and external customers.

Auditors, who can use it to corroborate their opinions and/or provide advice to management on internal controls.

IT GOVERNANCE AND IT SERVICE MANAGEMENT

IT governance

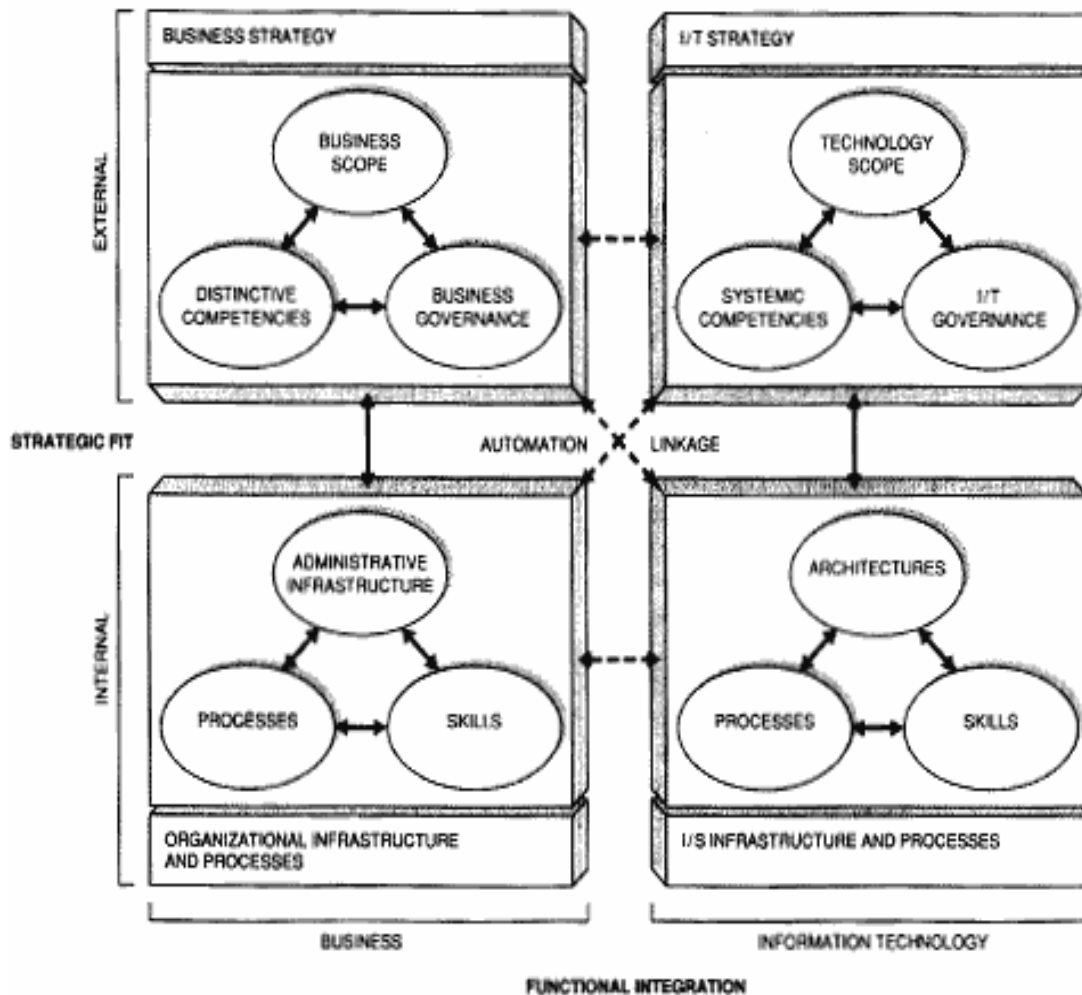
- Primarily concerned with facilitating (strategic) decision making
- Organization specific and cannot be delegated to the market

IT service management

- More focused on the operational excellence of the IT function
- Focused on the effective and efficient internal supply of IT services and products
- Focused on the management of present IT operations
- Elements can be commissioned to an external provider.

IT governance also helps the CIO(Chief Information Officer) to meet service-level agreements and control costs, while helping to expedite the innovation and spur business growth — all essential elements when it comes to establishing governance with the business operations you support.

Given the pervasiveness of IT as a business facilitator and its expanding weight as a cost of doing business, industry experts now consider IT governance a key subset of any organization's governance-policy.



Picture 5 : Linkage between IT Strategy & Business Strategy

CONCLUSION

IT governance is the duty of the board and executive management” and that IT governance “should be an integral part of enterprise governance. IT governance comprises a set of formal and informal rules and processes that determine how IT decisions are made, how empowerment is exercised, and how IT decision makers are held responsible for serving the corporate interest.

IT governance is all about conducting business honestly and ethically in the IT environment.

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- www.itgi.org > Home > ITGI
- www.valuebasedmanagement.net/methods_venkatraman_strategic



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Limits under the Companies Act, 2013

➤ The various monetary limits specified by the Companies Act, 2013 and the exemptions granted by the Government from the applicability of certain restrictions have been presented in a comprehensive table for ready reference.

Under the Companies Act, 2013 (the Act) certain provisions are applicable to companies with specified amount of paid-up capital/reserves/net worth / turnover / borrowings / profits as specified in the relevant sections and the Rules made thereunder. These may be by way of compliance with certain provisions of the Act or exemptions therefrom based on the criteria.

The terms paid-up capital/reserves/net worth / turnover / borrowings / profits are in turn defined under the Act / the relevant Rules made thereunder. It is to be noted that in certain sections / rules the meaning to these terms may be different from the one given under definition.

The following Table lists out the aforesaid terms in various sections / rules and the comments for such items where the provisions are not specific and thus offer scope for different interpretation.

S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
1	Section 2 (43) – definition of free reserves	<p>“Free reserves” means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend:</p> <p>Provided that—</p> <p>(i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or</p> <p>(ii) any change in carrying amount of an asset or of a liability recognised in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves;</p>	<p>The term used in this definition is free reserves which are available for distribution as dividend. Therefore Securities premium cannot be used for distribution as dividend.</p> <p>However, in terms of the Explanation II to Section 68 on Buyback of shares - for the purpose of that section, “free reserves” includes securities premium account.</p>



S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
2	Section 2 (57) – definition of net worth	“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;	
3	Section 2 (64) – definition of paid-up share capital	“paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;	In this definition it is not specified that the paid-up share capital shall be as per the latest Audited Balance sheet while Section 2 (57) on net worth, which includes paid-up capital specify that net worth is as per the latest audited balance sheet. Therefore the effect is that the amount of paid up capital as on the date of any event under consideration may have to be considered for this purpose. Paid-up capital will include whether as Equity, Redeemable Preference shares, Convertible Preference shares or shares with differential voting rights.
4	Schedule V – Definition of Effective capital - Explanation to Section II Part II	Explanation I.— For the purposes of Section II of this Part, “effective capital” means the aggregate of the paid-up share capital (excluding share application money or advances against shares); amount, if any, for the time being standing to the credit of share premium account; reserves and surplus (excluding revaluation reserve); long-term loans and deposits repayable after one year (excluding working capital loans, over drafts, interest due on loans unless funded, bank guarantee, etc., and other short-term arrangements) as reduced by the aggregate of any investments (except in case of investment by an investment company whose principal business is acquisition of shares, stock, debentures or other securities), accumulated losses and preliminary expenses not written off. Explanation II.— (a) Where the appointment of the managerial person is made in the year in which company has been incorporated, the effective capital shall be calculated as on the date of such appointment; (b) In any other case the effective capital shall be calculated as on the last date of the financial year preceding the financial year in which the appointment of the managerial person is made.	Although the Explanation I uses the words “for the time being standing to the credit of the share premium account”, on a combined reading of Explanation II (b) it may be calculated as on the last date of the financial year preceding the financial year in which the appointment of Managerial Personnel is made. It is not specified that the figures shall be as per the audited balance sheet. However, since the accumulated losses and preliminary expenses not written off can be determined only in the audited accounts. It would be prudent to consider audited figures for this purpose. In respect of Explanation II (a) relating to appointment of managerial personnel in the year of incorporation the figures may have to be calculated on the basis of unaudited accounts prepared for the purpose.



Article

Limits under the Companies Act, 2013

S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
5	Section 2 (85) – small company	<p>“Small company” means a company, other than a public company,—</p> <p>(i) paid-up share capital of which does not exceed fifty lakh rupees or such higher amount as may be prescribed which shall not be more than five crore rupees; or</p> <p>(ii) turnover of which as per its last profit and loss account does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than twenty crore rupees.</p>	<p>While the turnover is specified as “ as per its last profit and loss account“ similar specification is not made for the paid up capital which may mean that the paid up capital as on the current date will be the criterion.</p> <p>Also, since it is not specified that the profit and loss account should be as per the audited accounts, it appears that even unaudited profit and loss account shall be considered.</p>
6	Section 2 (87) – Subsidiary Company - Rule 2 (1) (r) of the Companies (Specification of Definitions Details) Rules, 2014	<p>“Subsidiary company” or “subsidiary”, in relation to any other company (that is to say the holding company), means a company in which the holding company—</p> <p>(i) controls the composition of the Board of Directors; or</p> <p>(ii) exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies:</p> <p>“Total Share Capital”, for the purposes of clause (6) and clause (87) of section 2, means the aggregate of the -</p> <p>(a) paid-up equity share capital; and</p> <p>(b) convertible preference share capital;</p>	<p>It may be noted that the term “total capital” is defined / referred to only with respect to clause (6) of section 2 on definition of Associate Company and clause (87) of section 2 on definition of Subsidiary Company. It may also be noted that the term “total capital” includes only paid-up Equity and Convertible preference share capital. Thus the redeemable preference share capital if any, shall not be considered.</p> <p>The amount of total share capital “exercised or controlled” either at its own or together with one or more of its subsidiary companies as on the date of any event under consideration may have to be considered for this purpose.</p>
7	Section 2 (91) – turnover	<p>“Turnover” means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year;</p>	<p>Since it is not specified that the turnover should be as per the audited accounts (words used being “during a financial year”), it appears that even unaudited turnover may be considered.</p>
8	Section 18 - Voluntary conversion of One person company (OPC) - Rule 3 (7) of The Companies (Incorporation) Rules, 2014	<p>OPC cannot voluntarily convert into any kind of company unless two years is expired from the date of its incorporation. However, when the threshold limit (paid up share capital) is increased beyond fifty lakh rupees or its average annual turnover during the relevant period exceeds two crore rupees voluntary conversion into other type of company is permitted, subject to the compliance with the conditions specified.</p>	<p>OPC is permitted to convert itself into any other type of company after a period of 2 years from the date of its incorporation. However, where the paid-up capital is increased to beyond Rs. 50 Lakhs, it can voluntarily convert itself into any other type of Company even within the period of 2 years as mentioned above. Where the conversion is based on the turnover, it can seek voluntary conversion after increase in its average annual turnover during the period of immediately preceding 3 consecutive financial years to beyond Rs. 2 Crores.</p>



S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
			<p>Note a). The “relevant period” for this rule has not been specified. However, the Explanation to Rule 6 which defines the term for that rule is assumed as applicable to this rule also.</p> <p>Note b). It is not specified whether the average annual turnover should be as per the audited accounts. However, a combined reading of this rule with the Form INC 6 makes it appear that average annual turnover is to be computed based on the audited accounts as the term used in the form is “Latest Financial Statement” as one of the mandatory attachments. Section 129 on “Financial Statement” refers to Schedule III which deals with Financial statement in the Form detailed in Schedule III (Balance Sheet and Profit & Loss Account).</p>
9	Section 18 - Cessation of the status of OPC and consequences - Rule 6 of The Companies (Incorporation) Rules, 2014	<p>(1) Where the paid up share capital of an OPC exceeds fifty lakh rupees AND its average annual turnover during the relevant period (exceeds two crore rupees, it shall cease to be entitled to continue as a One Person Company</p> <p>(2) Such OPC shall be required to convert itself, within six months of the date on which its paid up share capital is increased beyond fifty lakh rupees or the last day of the relevant period during which its average annual turnover exceeds two crore rupees as the case may be, into either a private company or a public company subject to compliance with the conditions specified.</p> <p>As per explanation to this rule - ‘relevant period’ means the period of immediately preceding three consecutive financial years)</p>	As per this Rule, both the criteria namely, increase in paid-up capital and turnover have to be met. Also refer Note b) to comments in S. No. 8 above
10	Section 18 - Conversion of private Company into OPC - Rule 7 of The Companies (Incorporation) Rules, 2014	A private company other than a company registered under section 8 of the Act having paid up share capital of fifty lakhs rupees or less and average annual turnover during the relevant period is two crore rupees or less may convert itself into OPC subject to compliance with the conditions specified.	Same as in comment for S. No.8 above.
11	Section 43 – Kinds of Share capital - Rule 4 of the Companies (Share capital and Debentures) Rules, 2014	The share capital of a company may consist of shares with differential rights as to dividend, voting or otherwise subject to compliance with the conditions prescribed in Rule 4 including that the shares with differential rights shall not exceed twenty-six percent of the total post-issue paid up equity share capital including equity shares with differential rights issued at any point of time.	



Article

Limits under the Companies Act, 2013

S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
12	Section 55 – Issue and redemption of preference shares by company in infrastructural projects - Rule 10 of The Companies (Share Capital & Debentures) Rules, 2014	Rule 10 - A company engaged in the setting up of and dealing with infrastructural projects may issue preference shares for a period exceeding twenty years but not exceeding thirty years, subject to the redemption of a minimum ten percent of such preference shares per year from the twenty first year onwards or earlier, on proportionate basis, at the option of the preference shareholders.	This is an exemption given to companies engaged in infrastructural projects from the general rule that companies cannot issue preference shares redeemable beyond a period of 20 years.
13	Section 67 – Purchase by the company or giving loans by it for purchase of it shares - Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014	This section and the relevant rules restrict purchase by a Company or giving of loans by it for purchase of its shares. Rule 16 (1) (d) permits a company providing money for the purchase of or subscription for shares in the company or its holding company if such purchase of/ subscription for the shares by trustees is for the shares to be held by or for the benefit of the employees of the company, subject to compliance with specified conditions including the following condition, namely:- the value of shares to be purchased or subscribed in the aggregate together with the money provided by the company shall not exceed five per cent of the aggregate of paid up capital and free reserves of the company; Rule 16 (3) specifies restrictions on certain persons who shall not be appointed as a trustee to hold such shares, and the restrictions apply <i>inter alia</i> to a person who beneficially holds ten percent or more of the paid-up share capital of the company	Note A: It is not specified whether the paid-up share capital shall be as per the latest Audited Balance sheet. Since, “Free reserves” is defined under the Act to be calculated as per the latest audited Balance sheet, it is prudent for compliance purpose to consider paid-up capital also as per the latest audited balance sheet for this purpose. Note B: The shareholding may be reckoned as on the date of the appointment a person as a trustee.
14	Section 68 – Buyback of shares - Rule 17 of the Companies (Share Capital & Debentures) Rules, 2014	A Company is allowed to Buy back its Equity shares subject to compliance with the various requirements detailed in Section 68 read with the relevant rules made thereunder, including the consent of the shareholders by a special resolution. However, in terms of the proviso to section 68 (2) (b) - For Buyback upto 10% of the total paid up Equity capital and free reserves the shareholders’ approval is not required.	Same as in Note A to comment for S. No. 13 above.
15	Section 68 (2) (c) & (d)- Maximum amount allowed for Buy back	(c) The amount of buy - back shall not exceed twenty-five per cent. of the aggregate of paid-up capital and free reserves of the company. In terms of Explanation II to section 68 “free reserves” includes securities premium account. Provided that in respect of the buy-back of Equity shares in any financial year, the reference to twenty-five percent in this clause shall be construed with respect to its total paid-up Equity capital in that financial year. (d)The ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves. (The Central Government may by order notify a higher ratio of debt to capital and free reserves for a class or classes of companies).	Same as in Note A to comment for S. No. 13 above.



S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
16	Section 71 – Appointment of Debenture Trustees - Rule 18 (2) (c) (vi) of The Companies (Share Capital & Debentures) Rules, 2014	Rule 18 (2) (c) stipulates that certain persons shall not be appointed as Debenture trustee, and the restrictions apply inter alia to a person who has any pecuniary relationship with the company amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;	
17	Section 76 – Deposits - Rule 2 (1) (e) of The Companies (Acceptance of Deposits) Rules, 2014	This section prescribes the companies which are eligible for accepting deposits and prescribes the limit for the quantum of deposits that can be accepted. “Eligible company” means a public company as referred to in sub-section (1) of section 76, having a net worth of not less than one hundred crore rupees or a turnover of not less than five hundred crore rupees and which has obtained the prior consent of the company in general meeting by means of a special resolution and also filed the said resolution with the Registrar of Companies before making any invitation to the Public for acceptance of deposits.	The manner of calculating net worth and turnover is not mentioned in the section/rules, but in Item (7) of the Form DPT – 3 - Return of Deposits to be filed by the Company –the net worth is to be determined as per the latest audited Balance sheet preceding the date of the return. A combined reading of the section, rules and forms gives an inference that the net worth has to be determined as per the latest audited balance sheet preceding the date of the return. With respect to turnover, it would be prudent to consider audited figures for this purpose also.
18	Section 73 & 76 read with Rule 3 (1) (a), 3 (3) & 3 (4) of The Companies (Acceptance of Deposits) Rules, 2014	These sections read with the Rules specify the limit upto which a company may accept deposits from members and public. The limits are mentioned as a percentage of the aggregate of the paid up share capital and free reserves of the company.	The limit prescribed does not specify whether it is based on the audited figures or not. However, in view of the comments referred above,-S. No. 17 (excluding on turnover) it is prudent to adopt a uniform application to these rules that the paid-up capital and free reserves as per the latest audited Balance sheet shall be the basis.
19	Rule 3 (5) of The Companies (Acceptance of Deposits) Rules, 2014	No Government company eligible to accept deposits under section 76 shall accept or renew any deposit, if the amount of such deposits together with the amount of other deposits outstanding as on the date of acceptance or renewal exceeds thirty five per cent of the aggregate of its paid up share capital and free reserves of the company.	Same as in comment for S. No. 18 above.
20	Section 92 (2) – Annual Return - Rule 11 of The Companies (Management and Administration) Rules, 2014	The annual return, filed by a listed company or, by a company having paid-up share capital of ten crore rupees or more or turnover of fifty crore rupees or more, shall be certified by a company secretary in practice in Form No. MGT.8	It is not explicitly mentioned that the paid-up share capital or turnover should be as per the audited accounts. Although the section and rules are silent on this, it is prudent to consider the paid-up capital and turnover as per the latest audited accounts in respect of which the annual return is prepared.



Article

Limits under the Companies Act, 2013

S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
21	Section 100 – Calling of Extraordinary General Meeting	(2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company; or not less than one-tenth of the total voting power of all the members, as the case may be call an extraordinary general meeting.	
22	Section 102 (2) (b) – Statement to be annexed to the notice	In respect of any special business where any item to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.	In the absence of any specifications, paid-up capital for this purpose may be taken as on the date of the notice convening the meeting.
23	Section 109 – Demand for poll	A demand for poll as detailed in the section shall be ordered to be taken by the Chairman on a demand made in that behalf,— (a) in the case a company having a share capital, by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid-up; and (b) in the case of any other company, by any member or members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power.	In the absence of any specifications, paid-up capital for determining voting power for this purpose may be taken as on the date of the general meeting.
24	Section 115 – Resolutions requiring Special Notice Rule 23 of the Companies (Management & Administration) Rules, 2014	Where, by any provision contained in this Act or in the articles of a company, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the company by such number of members holding not less than one per cent of total voting power or holding shares on which an aggregate sum of not more than five lakh rupees, has been paid-up on the date of the notice and the company shall give its members notice of the resolution in such manner as may be prescribed.	
25	Section 123 – Declaration of Dividend - Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014	Rule 3 Declaration of Dividend out of reserves - In the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves subject to the fulfillment of the certain conditions, including that (2) The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement. (4) The balance of reserves after such withdrawal shall not fall below fifteen per cent of its paid up share capital as appearing in the latest audited financial statement.	



S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
26	Section 134 (3) (p) - Matters to be included in the Board's Report - Rule 8 (4) of The Companies (Accounts) Rules, 2014	A Listed company and other public company having paid-up share capital of Twenty five crore rupees or more calculated at the end of the preceding financial year shall include, in the report by its Board of Directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.	
27	Section 135 (1) – Corporate Social Responsibility - Rule 3 of The Companies (Corporate Social Responsibility Policy Rules), 2014	Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board as specified in the section. As per proviso to Rule 3 (1) net worth, turnover or net profit shall be computed in accordance with balance sheet and profit and loss account prepared in accordance with the provisions of section 198 and in the case of Foreign company under section 381 of the Act.	The Net profit for this purpose is defined in Rule 2 (f) of the relevant Rules. The proviso to Rule 3 (1) details the manner in which the net worth, turnover or net profit shall be determined. Since the section refers to net profits, it should be with reference to the audited balance sheet.
28	Section 136 (1) - Right of member to copies of Audited Financial Statements - Rule 11 of the Companies (Accounts) Rules, 2014	Proviso (2) to Section 136 (1) read with the Rules deals with the Manner of Circulation of Financial Statement in certain cases - Listed companies and public companies with a net worth of more than one crore rupees and turnover of more than ten crore rupees may send the financial statements in any of the modes specified in Rule 11.	
29	Section 138 (1) - Companies required to appoint internal auditor - Rule 13 of the Companies (Accounts) Rules, 2014	(1) The following class of companies shall be required to appoint an internal auditor or a firm of internal auditors, namely:- (a) every listed company; (b) every unlisted public company having- (i) paid up share capital of fifty crore rupees or more during the preceding financial year; or (ii) turnover of two hundred crore rupees or more during the preceding financial year; or (iii) outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year; or (iv) outstanding deposits of twenty five crore rupees or more at any point of time during the preceding financial year; and (c) every private company having- (i) turnover of two hundred crore rupees or more during the preceding financial year; or (ii) Outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year.	It is not specified whether the paid-up share capital / turn over shall be as per the Audited Financial Statement. Since the term “during the preceding financial year” is used, the latest audited financial statements may be considered for this purpose. In respect of Borrowings / Deposits even if the figures at the end of the Financial year are below the stipulated amount, the compliance would be required if the borrowings / deposits at any point of time during the preceding financial year exceeded the limits prescribed.



Article

Limits under the Companies Act, 2013

S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
30	Section 139 (2) – Appointment of Auditors - Rule 5 of The Companies (Audit and Auditors) Rules, 2014	This section and rule 5 of the relevant rules require rotation of auditors for the Listed companies and the following class of companies: (a) all unlisted public companies having paid up share capital of rupees ten crore or more; (b) all private limited companies having paid up share capital of rupees twenty crore or more; (c) all companies having paid up share capital of below threshold limit mentioned in (a) and (b) above, but having public borrowings from financial institutions, banks or public deposits of rupees fifty crores or more.	
31	Section 148 (1) – Cost records & Cost Audit - Rule 3 & 4 of The Companies (Cost records and Audit) Rules, 2014	This section and the relevant Rules (3 & 4) prescribe that the companies with a minimum Overall turnover/ Overall Annual Turnover / Aggregate turnover during the immediately preceding financial years to maintain cost records / and cost audit mandatory for certain class of companies as mentioned in the Rules.	In view of the term “during the immediately preceding financial year” used, it would be prudent to take the figures as per the audited financial statements.
32	Section 149 (1) proviso 2 - Woman director on the Board - Rule – 3 of the Companies (Appointment of Directors) Rules, 2014	Listed company / public Company having paid-up share capital of one hundred crore rupees or more; or turnover of three hundred crore rupees or more have to appoint at least one woman Director. Explanation.- For the purposes of this rule, it is hereby clarified that the paid up share capital or turnover, as the case may be, as on the last date of latest audited financial statements shall be taken into account.	
33	Section 149 (6) (d) – Criteria for independence	The requirements for a Director to be eligible to be appointed as an Independent Director requires that none of the relatives of such Director has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;	
34	Section 149 (6) (e) (ii) & (iii) Criteria for independence	A director shall be eligible to be considered as Independent Director if neither himself nor any of his relatives is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of— (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm; holds together with his relatives two per cent or more of the total voting power of the company;	For this purpose the shareholding as on the date of the appointment of the Director and on any date(s) when there is change subsequently may be considered.



S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
35	Section 177 & 178 - Audit Committee & Nomination & Remuneration Committee - Rule 6 of the Companies (Meetings of Boards and its powers) Rules, 2014	<p>The Board of directors of every listed company and the following classes of companies shall constitute an Audit Committee and a Nomination and Remuneration Committee of the Board-</p> <ul style="list-style-type: none"> (i) all public companies with a paid up capital of ten crore rupees or more; (ii) all public companies having turnover of one hundred crore rupees or more; (iii) all public companies, having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding fifty crore rupees or more. <p>Explanation.- The paid up share capital or turnover or outstanding loans, or borrowings or debentures or deposits, as the case may be, as existing on the date of last audited Financial Statements shall be taken into account for the purposes of this rule.</p>	
36	Section 177 - Vigil Mechanism - Rule 7 of the Companies (Meetings of Boards and its powers) Rules, 2014	<p>Every listed Company and the companies belonging to the following class or classes shall establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances –</p> <ul style="list-style-type: none"> - Companies which accept deposits from public; - Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees. 	<p>The provisions of section 177 relating to constitution of Audit committee are not applicable to Private companies. However, Private companies which have borrowings from banks and public financial institutions in excess of fifty crore rupees as on the date of last audited Financial Statements are not exempted from establishing vigil mechanism under section 177 (9).</p>
37	Section 180 – Restrictions on Powers of the Board	<p>(1) The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely:—</p> <ul style="list-style-type: none"> (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. <p>Explanation.—For the purposes of this clause,—</p> <ul style="list-style-type: none"> (i) “undertaking” shall mean an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the company during the previous financial year; (ii) the expression “substantially the whole of the undertaking” in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year; (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company’s bankers in the ordinary course of business. 	<p>Since explanation (i) and (ii) to sub clause (1) (a) refer to net worth as per the audited balance sheet of the preceding financial year, it is prudent to follow the same in respect of sub clause (1) (c) which refers to the aggregate of the paid-up capital and free reserves of the Company.</p>



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Limits under the Companies Act, 2013

S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
38	Section 181 - Contribution to bona fide and charitable funds, etc.	The Board of Directors of a company may contribute to bona fide charitable and other funds: Provided that prior permission of the company in general meeting shall be required for such contribution in case any amount the aggregate of which, in any financial year, exceed five per cent of its average net profits for the three immediately preceding financial years.	
39	Section 182 - Prohibitions and restrictions regarding political contributions	(1) A company, other than a Government company and a company which has been in existence for less than three financial years, may contribute any amount directly or indirectly to any political party: Provided that the amount referred to in sub-section (1) or, as the case may be, the aggregate of the amount which may be so contributed by the company in any financial year shall not exceed seven and a half per cent of its average net profits during the three immediately preceding financial years.	
40	Section 184 – Disclosure of interest by Director – Rule 9 of The Companies (Meetings of the Board and its Powers) Rules, 2014	184. (2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting. In terms of sub-section (5) the above provision shall not apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in the other company.	The shareholding of the Director in the other body corporate may be reckoned as on the date of the Board meeting at which the disclosure is made by that Director.
41	Section 186 (2) (c) – Loan and Investment by Company	No Company shall directly or indirectly - acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.	Same as in Note A to comment for S. No. 13 above.



S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
42	Section 188 – Related Party transactions - Rule 15 (3) of The Companies (Meetings of the Board and its Powers) second amendment Rules, 2014	<p>This section and the relevant Rules require the prior approval of the shareholders by way of special resolution for certain Related party transactions <i>inter alia</i> for sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, property of any kind, leasing of property of any kind, availing or rendering of any services in excess of the limits as detailed therein, and for remuneration for underwriting the subscription of any securities or derivatives thereof, as a percentage to turnover or net worth of the company.</p> <p>As per the explanation (1) to Rule 3 the Turnover or Net Worth for this purpose shall be computed on the basis of the Audited Financial Statement of the preceding Financial year.</p>	
43	Section 189 - Register of contracts or arrangements in which directors are interested. Rule 16 (1) of the Companies (Meetings of Boards and its powers) Rules, 2014	<p>Rule 16 (1) requires a company to maintain a register in Form MBP 4, entering the particulars of company or companies or bodies corporate, etc., in which any director has any concern or interest, as mentioned under sub-section (1) of section 184:</p> <p>In terms of the proviso to the aforesaid rule the particulars of the company or companies or bodies corporate in which a director himself together with any other director holds two percent or less of the paid-up share capital would not be required to be entered in the register.</p>	The amount of paid up capital as on the date of any event under consideration may be the basis for this purpose.
44	Section 197 – Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits	<p>(1) The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent. of the net profits of that company for that financial year computed in the manner laid down in section 198....</p> <p>Provided further that, except with the approval of the company in general meeting,—</p> <p>(i) the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together;</p> <p>(ii) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed,—</p> <p>(A) one per cent of the net profits of the company, if there is a managing or whole-time director or manager;</p> <p>(B) three per cent of the net profits in any other case.</p>	



Article

Limits under the Companies Act, 2013

S. No.	Section No., subject & Reference to Rules	Applicability/ eligible Limits/ exemptions	Comments
45	Section 203 - Appointment of Key Managerial Personnel - Rule 8 & 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Rule 8 - Every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have whole-time key managerial personnel as detailed in section 203. Rule 8A - A company other than a company covered under Rule 8 which has a paid up share capital of five crore rupees shall have a whole-time Company Secretary.	It is not specified that the paid-up share capital shall be as per the latest Audited Balance sheet. It is prudent to comply with these provisions when the paid-up share capital crosses the limit prescribed as a result of issue of shares subsequent to the date of the audited financial statements. Paid-up capital for this purpose should include paid-up Equity capital and any kind of preference capital.
46	Section 204 (1) – Secretarial Audit Report - Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Every listed company and every public company having a paid-up share capital of fifty crore rupees or more; or every public company having a turnover of two hundred fifty crore rupees or more. shall annex with its Board's report, a secretarial audit report, given by a company secretary in practice, in form No. MR. 3.	This is an annexure to the Board's Report. Since Board's report is prepared as on the year end date on which the audited financial statements are prepared, the paid-up capital and turnover should be based on such financial statements.
47	Section 214 - Security for payment of costs and expenses of investigation - Rule 5 of the Companies (Inspection, Investigation and inquiry) Rules, 2014	Security (1) The Central Government may before appointing an inspector under sub-section (3) of Section 210, require the applicant to give a security not exceeding twenty-five thousand rupees for payment of the costs and expenses of investigation based on the Turnover as per previous year balance sheet as detailed in the Rules.	
48	SCHEDULE III Section 129 – General instructions for preparation of balance sheet and statement of profit and loss of a Company	4. (i) Depending upon the turnover of the company, the figures appearing in the Financial Statements may be rounded off based on the turnover and in the manner as detailed in the Schedule.	Since this schedule deals with preparation of the financial statements, the turnover to be considered would be for the year for which the audited accounts are prepared.

The above Table may highlight the fact that the Act prescribes various parameters for applicability of certain provisions in the Act to companies, thus necessitating the reference to the Act frequently to ensure compliance with the Act. Unlike in the old Companies Act 1956, the new 2013 Act has introduced new factors viz., aggregate annual turnover, current paid up capital etc in addition to the other new provisions in Act. The Ministry may consider making required amendments in the Act/rules so that the provisions would become simpler from compliance point of view and thus would offer “ease of doing of business” for corporates.

It may be noted that certain special / additional compliance requirement for companies issuing prospectus / making Buyback, and the provisions on capitalisation of profits, etc., are not covered in this Table. Most of the limits listed out in the Table are prescribed in the various rules under the Act and are liable to be revised from time to time. CS



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Impact of Social Responsibility on Financial Performance & Tax Implications: Indian Scenario

INTRODUCTION

India is the first country to implement mandatory Corporate Social Responsibility (CSR) for certain class of companies which are required to shell out at least 2 per cent of their three year annual average net profit towards Corporate Social Responsibility activities under the Companies Act, 2013. CSR is about being giving back to society. In the increasingly conscience-focused market places of the 21st century, the demand for more ethical business processes and actions is increasing.

Caught between the requirements from the Government and the investors, companies need to undertake CSR activities in a strategic way, so that profits are also not compromised. By strategically integrating CSR into core business processes and stakeholder management, organization can achieve the ultimate goal of creating both social and corporate value.

There exists one overlying objective of a corporation, i.e. to maximize the value of shareholder's wealth. But, to merely state that a corporation is socially responsible and abides in ways to positively impact society is not sufficient—evidence of concrete CSR strategies is required. One example of a company that engages in a multidimensional CSR strategy is McDonald's, the world's largest chain of fast food restaurants. Specific CSR actions of the company includes sustainable supply chain strategies, environmental responsibility, consumer well-being, and corporate philanthropy. McDonald's creates a sustainable supply chain by "purchasing from suppliers that follow practices that ensure the health and safety of their employees and the welfare and humane treatment of animals." By doing so, the company chooses suppliers by standards more than what is supplied, but how the products are supplied. Second, McDonald's has partnered with the Environmental Defense Fund (EDF) since 1989 to improve the

company's environmental footprint which involves its one specific project named EDF helping McDonald's redesign its packaging, resulting in the elimination of "150,000 tons of packaging waste." Third, McDonald's impacts the well-being of their consumers by "listing calorie information on restaurant and drive-through menus nationwide," even when it is not yet required by the FDA. Lastly, McDonald's has been the largest corporate donor to Ronald McDonald House Charities, a not-for-profit organization that provides housing for families with critically ill or injured children who must travel to fulfill their medical needs. McDonald's raises money for RMHC by donating a portion of its profits, holding annual fundraisers, encouraging employees to volunteer, and donating all of its profits from its sales of USA.

CSR TRENDS IN INDIA

The United Nations Industrial Development Organisation (UNIDO) has defined corporate social responsibility (CSR) as "a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is a way in which companies achieve a balance of economic, environmental and social imperatives".

In India, large scale philanthropic activities were undertaken post-independence, which led to the setting up of some of the most prestigious institutions of professional education. Companies also contributed by making donations to non-governmental organisations (NGOs) and their own trusts, which were deductible under Section 80 G of the Income Tax (IT) Act. However, the donations were not transparent and lacked accountability.

CSR MADE MANDATORY

In order to streamline the philanthropic activities and ensure more accountability and transparency, the government of India made it



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Impact of Social Responsibility on Financial Performance & Tax Implications: Indian Scenario

mandatory for companies to undertake CSR activities under the Companies Act, 2013. The concept of CSR is defined in section 135 of the new Act, and it is applicable to companies which have an annual turnover of Rs 1,000 crore or more, or a net worth of Rs 500 crore or more, or a net profit of Rs 5 crore or more. Under this clause, these companies are supposed to set aside at least 2% of their average profit in the last three years for CSR activities. The law has listed out a wide spectrum of activities under CSR, which cover activities such as promotion of education, gender equity and women’s empowerment, combating HIV/AIDS, malaria and other diseases, eradication of extreme poverty, contribution to the Prime Minister’s National Relief Fund and other central funds, social business projects, reduction in child mortality, improving maternal health, environmental sustainability and employment enhancing vocational skills among others.

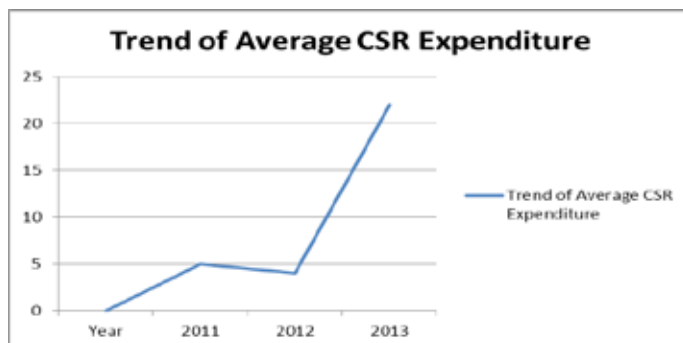
The trend of CSR expenditure incurred by the top firms in the country in the last three years and the changes that have occurred in the wake of the enactment of the new Act have been looked at.

DISCLOSURE OF CSR ACTIVITIES MADE COMPULSORY

Prior to 2012-13, many firms were voluntarily making donations and spending on community development and mitigation of environmental pollution. It is only since 2012-13 that firms have started allocating funds for CSR activities specifically. This was in response to the SEBI circular dated August 2012, which mandated all top 100 listed companies to include business responsibility report as a part of their annual report.

Therefore the year 2012-13 marked a turning point, where we can see a marked difference in the CSR initiatives adopted by the firms. We have compared the donations made and CSR expenditure incurred by firms in the last three years, using firm level data from Prowess (Centre for Monitoring Indian Economy). Even though it was not mandatory to spend on CSR initiatives in 2012-13, there was a marked increase in the average CSR expenditure by the firms in 2012-13 in response to the passage of the Act in August 2013, as compared to the previous year.

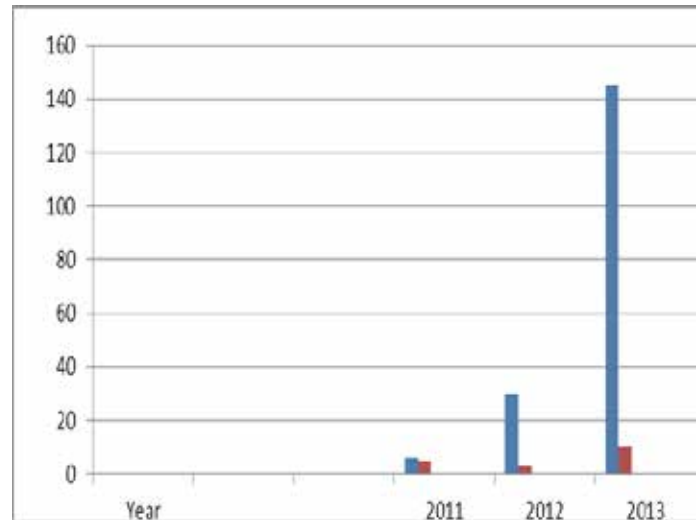
Figure 1: Average CSR Expenditure



Y-Axis: Average CSR expenditure of all firms (in million rupees)

X-Axis: Year

Figure 2: Trend of Average CSR Expenditure with Respect to Ownership

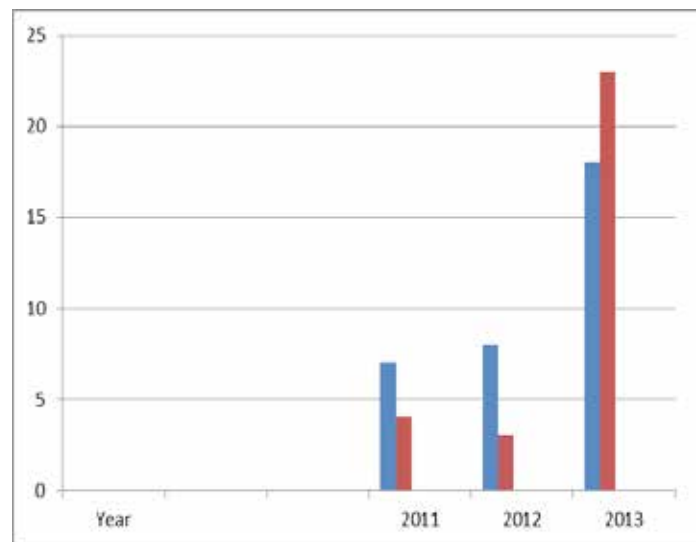


- CSR Exp. by Public Sector Firms
- CSR Exp. by Private Sector Firms

Y-Axis: Average CSR expenditure (in million rupees)

X-Axis: Year

Figure 3: Trend of Average CSR Expenditure with Respect to Foreign and Domestic Ownership





- CSR Exp. by Foreign Firms
- CSR Exp. by Domestic Firms

X-Axis: Year

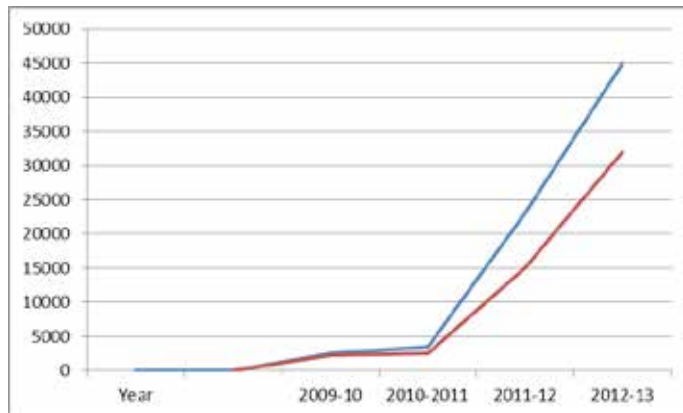
Y-Axis: Average CSR expenditure (in million rupees)

Firms which are owned by foreign parent companies have been classified as foreign.

There has also been a significant increase in the average CSR expenditure by domestic firms as compared to foreign firms. Average CSR expenditure by domestic and foreign firms was Rs 3.79 and 8.5 million respectively in 2011-12, but this increased to Rs 22.6 million and 19.5 million respectively in 2012-13. Foreign firms increased their expenditure, because they might have been driven by the need to protect their brand name. Anticipated future pressure from consumers, investors and NGOs may also have been the driving force for foreign firms to invest in socially responsible activities.

The passing of the Act also led to a steep rise in the number of firms disclosing their CSR expenditure. In 2010-11, 336 firms had disclosed their donations and expenditure on community and environment related activities. This number rose to 504 in 2011-12, and to 1,470 in 2012-13. There was an increase in environmental reporting by firms as well. In 2010-11, only 35 firms had complied with environmental reporting, while 52 had filed reports in 2011-12. But in 2012-13, there was an increase of 211.5%, with 162 firms disclosing their environmental performance information.

Figure 4: Required and Actual Expenditure by Firms Meeting the Threshold



Y Axis: Required and Actual Expenditure (in million rupees)

X Axis: Year

There has been a significant increase in the actual expenditure spent by companies on CSR in 2012-13.

OBJECTIVE OF THE RESEARCH STUDY

“A certain amount of corporate philanthropy is simply good business and works for the long-term benefit of the investors.”

– John Mackey (Chairman and CEO, Whole Foods Market)

This study, examines the relation between Corporate Social Responsibility programs and Corporate Financial Performance. Also, to study the tax benefits to companies on CSR expenditure.

I. To Study Relationship between CSR and NPAT

Research design

The study is descriptive in nature because the study is a comparative analysis of expected with actual expenditure incurred and an attempt has been made to explore the relation between CSR expenditure and financial performance. For the purpose of research 10 companies were considered and then relationship between their financial performance and expenditure on corporate social responsibility is measured. Data has been analysed by using correlation.

Analysis

It is being observed under various studies that there is a positive relationship between financial Performance and Social expenditure. To validate, the same has been applied on financial performance i.e, NPAT and Corporate social expenditure (CSRE).

TABLE 1: Expenditure by Indian Companies on CSR

S. No.	Company	Sector	Net Profit after Tax, NPAT (Rs. in crores) (2014-15)	CSR Exp. (Rs. in crores) (2014-15)
1.	Mahindra Finance	Financial	831.78	24.87
2.	TATA Chemicals	Science	637.97	10.20
3.	Steel Authority of India Limited (SAIL)	Steel Manufacturing	2093	35.04
4.	Infosys	Software	12164	243
5.	GMR Infrastructure Limited	Construction	(2959)	2.92
6.	Larsen & Toubro	Heavy Engineering	5056	76.54
7.	Wipro	Information Technology	8652.8	132.7
8.	Hindustan Cooper Limited	Metal	6759.84	7.26
9.	HDFC	Financial	5990	49.18
10.	ONGC	Oil & Gas	17733	495.23



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Correlation

(Rs. in cores)

S. No.	Company	NPAT (x)	CSE (y)	(xy)	x ²	y ²
1.	Mahindra Finance	831.78	24.87	20686.36	691857.96	618.51
2.	TATA Chemicals	637.97	10.20	6507.29	407005.72	104.04
3.	Steel Authority of India Limited (SAIL)	2093	35.04	73338.72	4380649	1227.80
4.	Infosys	12164	243	2955852	147962896	59049
5.	GMR Infrastructure Limited	(2959)	2.92	(8640.28)	8755681	8.5264
6.	Larsen & Toubro	5056	76.54	386986.24	25563136	5858.37
7.	Wipro	8652.8	132.7	1148226.56	74870947.8	17609.29
8.	Hindustan Cooper Limited	6759.84	7.26	49076.43	45695436.82	52.70
9.	HDFC	5990	49.18	294588.2	35880100	2418.67
10.	ONGC	17733	495.23	8781913.59	314459289	245252.75
Total		56959.39	1076.94	13708535.11	658666999.3	332199.65

Pearson Correlation Coefficient

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2][N\sum y^2 - (\sum y)^2]}}$$

$$\sqrt{[10 \times 658666999.3 - (56959.39)^2][10 \times 332199.65 - (1076.94)^2]}$$

Where,

N = No. of companies

$\sum xy$ = Sum of the products of NPAT & CSE

$\sum x$ = Sum of NPAT

$\sum y$ = Sum of CSE

$\sum x^2$ = Sum of squared NPAT

$\sum y^2$ = Sum of Squared CSE

Putting the values in the equation,

$$r = \frac{10 \times 13708535.11 - (56959.39 \times 1076.94)}{\sqrt{[10 \times 658666999.3 - (56959.39)^2][10 \times 332199.65 - (1076.94)^2]}}$$

$$r = \frac{137085351.1 - 61341845.46}{\sqrt{(658666999.3 - 3244372109.17)(3321996.5 - 1159799.76)}}$$

$$r = \frac{75743505.64}{\sqrt{3342297883.83}}$$

$$r = \frac{75743505.64}{57812.61}$$

$$r = 1310.15 \text{ crores.}$$

RESULT

By applying the Pearson Correlation Coefficient, it is found that the coefficient value is positive, and hence there is a positive correlation of relationship strength between the two variables. It means that Corporate Social Responsibility (CSR) programs positively affects the financial performance of the company.

Regression Analysis

An attempt has been made to find the dependency level of social expenditure on its annual profits (NPAT). For this purpose, the expenditure has been taken as dependent variable on Financial Performance as an Independent variable and Regression Model for analysis have been followed.

a) Values of x and y are

$$x = \frac{\sum x}{n} = \frac{56959.39}{10} = \text{Rs. } 5695.93 \text{ cr.}$$

$$y = \frac{\sum y}{n} = \frac{1076.94}{10} = \text{Rs. } 107.69 \text{ cr.}$$

b) Values of SS_{xy} , SS_{xx} , SS_{yy}

$$SS_{xy} = \sum xy - (\sum x)(\sum y)$$

n

$$= \frac{13708535.11 - 56959.39 \times 1076.94}{10}$$

10

$$= \frac{13708535.11 - 6134184.54}{10}$$

$$= \text{Rs. } 7574350.57 \text{ cr.}$$

$$SS_{xx} = \sum x^2 - (\sum x)^2$$

n

$$= \frac{658666999.3 - (56959.39)^2}{10}$$

10

$$= \frac{658666999.3 - 324437210.91}{10}$$

$$= \text{Rs. } 334229788.39 \text{ cr.}$$

$$SS_{yy} = \sum y^2 - (\sum y)^2$$

n

$$= \frac{332199.65 - (1076.94)^2}{10}$$

10

$$= \frac{332199.65 - 11624.49}{10}$$

$$= \text{Rs. } 320575.16 \text{ cr.}$$



c) For Regression analysis, we calculate values of a and b as follows:

$$b = \frac{SS_{xy}}{SS_{xx}}$$

$$b = \frac{7574350.57}{334229788.39} = 0.022$$

$$a = (y - bx) = 107.69 - (0.022)(5695.93) \\ = 107.69 - 125.310 \\ = -17.62 \text{ cr.}$$

Thus, $y = a + bx$
 $y = 0.022x - 17.62$

d) Value of R Square is calculated as follows:

$$r^2 = \frac{b \times SS_{xy}}{SS_{yy}} \\ = \frac{0.022 \times 7574350.57}{320575.16} \\ = 0.519$$

RESULT

The value of $R^2 = 0.51$ states that 51% of the total variation in Financial Performance is explained by CSR Expenditure and 49% is not. The low value of r^2 indicates that there may be many other important variables that contribute to the determination of Financial Performance. However, it shows a dependency of social expenditure on financial performance.

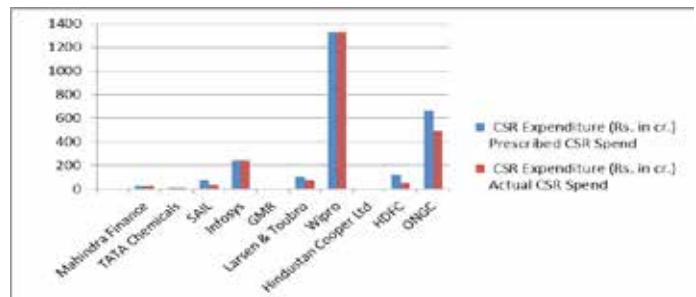
TABLE 2: CSR and Indian Corporates

S. No.	Companies	Sector	Prescribed CSR Exp. (2% of NPAT) (in crores.)	Actual Amt. spent (Rs. in crores)	Amt. spent in the Area
1.	Mahindra Finance	Financial	24.86	24.87	Healthcare, Gender Equality, Environment Sustainability, Rural Development
2.	TATA Chemicals	Science	11.66	10.2	Promotion & Dev., Poverty, Education, Healthcare, Innovation

3.	Steel Authority of India Limited (SAIL)	Steel Manufacturing	78	35.04	Healthcare, Sanitation, Education, Environment sustainability
4.	Infosys	Software	243	243	Education, Campus Connect, Rural Reach Program, Infosys Science Foundation
5.	GMR Infrastructure Limited	Construction	2.26	2.92	Education, Health & Hygiene, Empowerment & Livelihoods, Admin & HR
6.	Larsen & Toubro	Heavy Engineering	106.21	76.54	Water & Sanitation, Education, Health, Skill Building
7.	Wipro	Information Technology	1327	1327	Community Healthcare, Education for underprivileged, Rural Livelihood programs
8.	Hindustan Cooper Limited	Metal	6.44	7.26	Drinking water, health, Education, Gender Equality, Sports, Rural Dev.
9.	HDFC	Financial	122.61	49.18	Child welfare, Community Dev., Health, Sanitation, Sports
10.	ONGC	Oil & Gas	660.61	495.23	Healthcare, Education, Entrepreneurship, Water Management

REFERENCES:

- Annual Reports of the Companies
- Ministry of Corporate Affairs, Government of India



In the data shown above, almost all of the companies have complied with the new compliance requirements of CSR under the new companies Act, 2013. Certain companies, i.e. TATA chemicals, L&T, HDFC, ONGC have not spent the CSR amount as prescribed and have stated the reason in their CSR report for not spending the prescribed amount as “we have spent the



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Impact of Social Responsibility on Financial Performance & Tax Implications: Indian Scenario

prescribed amount but certain CSR activities are not covered in Schedule VII of the Act”.

II. TO STUDY TAX IMPLICATIONS ON CSR EXPENDITURE

The new company law de facto mandates companies with a net worth of more than Rs.500 crore or revenue of more than Rs.1,000 crore or net profit of more than Rs.5 crore to spend 2% of their average net profit over the three preceding years on CSR activities. While non-compliance will not be penalized, companies will be required to disclose reasons for this, effectively making such spending mandatory.

Tax benefits for expenditure on CSR

Firms spending money on Corporate Social Responsibility (CSR), which has been made mandatory under the new Companies Act, have more reasons to cheer. Though CSR provisions do not offer any great tax savings, companies can claim deductions specifically allowed under Sections 30 to 36 of the Income Tax (IT) Act, 1961.

1. Section 30 of the IT Act allows deductions against expenditure incurred on repairs and insurance in respect of machinery, plant and furniture used for CSR activities.
2. Rent, rates, taxes and repairs incurred on buildings or other assets taken on lease earmarked for CSR activity would also qualify for deductions.
3. Deduction towards depreciation on assets used for CSR purposes can be claimed.
4. Funds spent on Skill Development projects gives the assessee the benefit of claiming 150% deduction in their books.
5. Installing water filter in schools at various places allows to claim expenditure on repairs, maintenance, insurance, besides deduction towards depreciation if the asset is shown in its books of account.

These are enabling provisions to incentivise companies to spend on welfare activities.

The following chart tabulates the activities as prescribed under Schedule VII to the 2013 Act and the allowability of expenditure incurred on the said activities under the Act:

S No.	Specific CSR Activities referred under Schedule VII to the 2013 Act	Expenditure allowed under the relevant provisions of the Income-tax Act, 1961
1.	Activities concerning basic necessities of life - Eradication of poverty, hunger and malnutrition - Promoting Sanitation and health care and making available safe drinking water	- Section 35AC read with Rule 11K(i)(f). - Section 35AC r/w Rules 11k(i)(a),(f),(j)

2.	Activities concerning Education - Promoting Education, including special education and employment enhancing vocational skills especially among children, women and elderly and the differently-abled - Livelihood enhancement programs	- Section 35AC r/w 11K(i)(c),(i),(o),(p),(s) - Section 35AC r/w Rules 11K(i)(j),(s)
3.	Activities addressing inequality and gender discrimination - Promoting gender equality - Empowering women - Setting up of homes and hostels for women and orphans - Setting up old age homes, day care centre	Section 35AC r.w. Rule 11K(i)(n),(i) of the 1962 Rules
4.	Activities concerning Care for environment - Ensuring environmental sustainability and ecological balance - Preservation of flora and fauna, animal welfare, agro forestry - Conservation of natural resources and maintaining quality of soil, air and water	Section 35AC r/w Rules 11K(i)(d),(h),(l),(q),(r)
5.	Activities concerning protection of National Heritage, Art and Culture - Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art - Setting up public libraries - Promotion of traditional arts and handicrafts and its development	Section 35AC r/w Rule 11K
6.	Activities concerning benefit to Armed Forces, veterans, war widows and their dependants - Measures for the benefit of armed forces, veterans, war widows and their dependents	Section 80G(2)(a)(i) and 80G(2)(a)(iii)(h)(c)
7.	Activities concerning Sports - Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports	Section 35AC r/w Rule 11K(i)(g)



8.	Activities concerning national relief and welfare of Economically backward class of Society - Contribution to PM National relief fund or any other fund - Relief and welfare of the Schedules Casts, Schedules Tribes/Other backward castes, minorities and women	- Section 80G(2)(a) (iiia) - Section 35AC r/w Rules 11K(i)(b),(c) and 11K(ii).
9.	Activities concerning Technology incubators - Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government	Section 35(2AA)/80G(2) (iihi)
10.	Activities concerning Rural Development (Projects)	Section 35AC/35CCA

Explanation II to sub-section (1) of Section 37 of Income Tax Act, 1961 says that any expenditure incurred by an assessee on the activities relating to corporate social responsibility referred to under Section 135 of the Companies Act, 2013 shall not be deemed to be an expenditure incurred by the assessee for the purposes of the business or profession. This is effective from 1st April, 2015 and accordingly will apply to the assessment year (AY) 2015-16 and subsequent years. In this scenario, resulting percentage spent by companies on CSR activities would be higher than the required 2% of the average three years' net profits. It is understood that the aggregate corporate taxation is 33.9% (taking a surcharge of 10%). Since the CSR spend is not included while calculating the net profit, the actual CSR spending percentage can be derived from the following formula: $2\% / 1 - 33.9\%$. Thus the actual CSR spend of companies come to about 3.02% of the net profits, which is much higher than the required 2%.

It has been perceived by many industrialists that 2% of average net profit of the three preceding financial years is a huge spending for companies apart from other mandatory legal obligations. Corporates are already sharing the 30-35% of its net profit with government by corporate taxes as compared to the global average of 24%, so the government should not be diffident for allowing tax sops to CSR spending. If the present tax treatment of CSR continues, then it results in companies only inclined to give funds to those organizations under sections 35 or 80 where they get maximum tax benefit.

CONCLUSION

The above analysis reveals that there is a positive relationship between CSR and financial performance and the descriptive measures shows that Corporate social expenditure depends upon the financial performance of the Company. But at the sametime, we can conclude that some of the top Indian companies are not spending the prescribed amount on part of their social

responsibilities. 5 Out of 10 companies spent lesser amount on social projects than recommended, 3 companies spent more than the recommended budget. The country's top 75 companies spent more than Rs 4,000 crore towards corporate social responsibility in the last fiscal, i.e. the first year after the government mandated bigger companies to give away a part of their profits for social work. Big CSR spenders include Reliance Industries with Rs 760 crore, ONGC with Rs 495 crore, Infosys with Rs 239 crore, NTPC with Rs 205 crore and TCS with Rs 220 crore. Wipro, ITC, Mahindra & Mahindra and Hindustan Unilever are among the 28 companies that met the mandatory CSR spending norm of at least 2% of their annual average net profits for the preceding three years. As per the data, health, education and skill development are the sectors that seem to have attracted large chunks under CSR. In a bid to invite corporate funds for the flagship schemes, like Swachh Bharat and Clean Ganga initiatives, the Government has decided that corporate contributions towards these two key initiatives will now be counted as CSR spend. Mahindra Finance is an example which spent a part of 2% of its profits in Swachh Bharat Kosh. Tax deductibility of the CSR expenses is essential to encourage corporates to participate on a sustainable basis in government's social sector initiative through the CSR regulations. In order to enable corporates to participate fully in the philanthropy space, the participation must start with a more inclusive management of CSR policies where government and industry work side by side.

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Nature and Dimensions of Unorganized Sector

INTRODUCTION

In a developing and most populous country like India which suffers from lack of capital resources, unorganized sector consisting of units engaged in trading services is a main stay of employment and income generation. The nature of employment is predominantly self employment, unpaid family labour and occasionally casual paid labour.

Unorganized sector is not covered by the Indian statistical system like Organized. There is a growing link between invisible economy and formal economy in terms of credit, skills, technology, market and infrastructure. These are to be addressed for sustaining high levels of economic growth.

The objectives of this article are:

- i. To highlight the need for unorganized sector in the backdrop of its Indian socio economic conditions;
- ii. To enumerate the characteristics of unorganized sector vis-à-vis those of organized sector;
- iii. To cull out the operational definitions of unorganized sector widely used in the Indian statistical system;
- iv. To identify the factors contributing to the growth of unorganized sector in India;
- v. To enumerate structural features of employment operational characteristics and product and service features;
- vi. To focus on the government – unorganized sector relationships;
- vii. To study the varied impacts of unorganized sector on Indian economy.

The following are the hypotheses of the study:

- i. With the Indian unorganized sector own account enterprises outnumber the establishments;
- ii. There are no significant different differences between Own Account Enterprises and Establishments in terms of structural features and operational characteristics;

* Under the guidance of Dr.M. Munirami Reddy.

- iii. There is close nexus between the unorganized sector and organized sector for inputs and outputs;
- iv. There are no significant differences between the growth rates of organized and unorganized sectors.

2.0 Key features of Indian economy

2.1 Population

India has one sixth of world population i.e. approximately.130 crores.

2.2 Illiteracy

About 33.8 crore approx26% of population are illiterate. Literacy is an important input in overall development of individuals enabling them to comprehend their social, political, economic and cultural environment better and respond to it appropriately.

Overall literacy rate of India in 2011 is 74.04%. The male literacy rate is 82.14% and female literacy rate is 65.46% according to Census 2011. *(1)

*(1) From Indiafacts on March 17, 2013 in India Census 2011.

2.3 Below the poverty line

As per the survey conducted in 2011-2012, the percentage of persons below the Poverty Line has been estimated as 25.7% in rural areas, 13.7% in urban areas and 21.9% for the country as a whole. *(2)

2.4 Dependent on agriculture

About 70% of India's population is dependent on agriculture. India is the largest producer of livestock and poultry meat,wheat, rice and many cash crops such as coffee and cotton. *(3)

2.5 Disguised unemployment

India is a labour abundant economy. Supply of labour is more



than the demand, leading to disguised unemployment. Labour can be withdrawn without affecting production where marginal labour productivity is too low or zero.

*(2) As Per the 2010 FAO world agriculture statistics,

*(3) Government of India Press Information Bureau - Poverty Estimates for 2011-12, New Delhi: 22 July, 2013

2.5 Technological dualism

Technology means "Application of knowledge to the practical aims of human life or to changing and manipulating the human environment. People are using the same ways doing the activities. Capital is scarce and labour is surplus leads to coexistence of traditional and modern technologies.

2.6 Imports and Exports

Continuous growth of population, widening gap between the supply and demand and due to other reasons India forced to import from rest of the world. India's share in world's export is just one per cent.

2.7 Foreign exchange earnings

Our FOB value of exports(-) CIF value of imports = net foreign exchange earnings and it is negative for our country.

2.8 Capital formation

As the income of people (Y) is low and the expenditure © high savings (S) are very low. (Y-C=S). Consequently India's capital formation is very low.

2.9 Infrastructure

Infrastructure development in India is inadequate. Due to severe shortage of capital infrastructure is backward.

2.10 Inflation

High rate of Inflation hampered the growth. Continuous and constant rising of prices is a negative factor in development. It triggers vicious circle. (High prices-Low savings-low investment-low production.)

2.11 Unemployment

Unemployment rate is also high. Unemployment occurs when a person who is actively searching for employment is unable to find work. Unemployment is often used as a measure of the health of the economy.

Keynesian economics emphasizes the cyclical nature of unemployment and recommends government interventions in the economy that will reduce unemployment during recessions. This theory focuses on recurrent shocks that suddenly reduce aggregate demand for goods and services and thus reduce demand for workers. Keynesian models recommend government

interventions designed to increase demand for workers; these can include financial stimuli, publicly funded job creation, and expansionist monetary policies. John Maynard Keynes believed that the root cause of unemployment is the desire of investors to receive more money rather than produce more products, which is not possible without public bodies producing new money. (*4)

(*4) https://en.m.wikipedia.org/wiki/Unemployment_rate. Unemployment - Wikipedia, the free encyclopedia

3. Glimpses of the India's mixed economy

- 1, Food inflation is alarming.
2. Cost of production of agriculture products is on the continuous rise
3. Consistent fall of agriculture output and quality
4. Labour markets are highly strained resulting in higher unemployment.
5. Sluggish growth of Social infrastructure.
6. Climatic changes show up adverse impacts on the economic development.
7. Good governance is yet to shape up and corruption to be wiped out.
8. Poverty persists and disparities ever widening
9. Deforestation goes unchecked and eco system is yet to be improved. Effective steps to eradicate environmental degradation are gaining importance.
- 10 Increasing number of farmers' suicide is block spot on Indian society.
11. Problems like food and labour insecurity are unsolved.

4. Unorganized Sector definition

4.1 meaning and definition

Organized sector and unorganized sector do exist side by side. In India the formal (or organized) sector is unable to generate employment to absorb enormous supply of labour forcing the latter to get residually absorbed in the unorganized sector. Unorganized sector operates independently or in some synoptic relations with the organized sector.

As per the "NATIONAL COMMISSION ON ENTERPRISES IN UNORGANIZED SECTOR" (NCEUS) the informal sector of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers. In India quite often researchers and users have used the terms 'unorganized' and 'informal' interchangeably.

The unorganized sector is neither taxed, nor monitored by any form of government. Unlike the formal economy, activities in the informal economy are not included in the gross national product



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(GNP) and gross domestic product (GDP) of a country

Recently, the Minister of Commerce and Industry said India is among the few countries for which IMF has upgraded its growth outlook. IMF in October has projected India's GDP expansion at 5.6 per cent in 2014-15. The mid-year economic review of the government has projected that the economy has potential to grow at a much faster pace, she added.

According to the latest data released by IMF, India is the third largest economy in the world, just behind China and the US and ahead of Japan and Germany, in terms of the GDP size. However, not many realize that an overwhelming chunk of products and services that contribute to the Indian economy is produced by the 'informal' or 'unorganized' sector. It is a tough challenge to exactly define the informal sector. Though different arms of the government's statistical apparatus have examined features of the informal sector since independence, clarity has always eluded as to which class of workers constitute the informal sector. Also, clear variations in definitions of the informal sector have occurred depending upon how parameters such as such as technology, employment size and legal status have been applied while assessing the size of the sector.

4.1.1 Enterprise is an Undertaking

An enterprise is an undertaking, which is engaged in the production and/or distribution of some goods and/or services meant for the purpose of sale, whether fully or partly. An enterprise may be owned or operated by a single household or by several households jointly, or by an institutional body.

(5*)Report No. 433(51/2.2/1)Unorganized Manufacturing Sector in India Its Size, Employment and Some Key Estimates NSS Fifty-first round July 1994 - June 1995 National Sample Survey Organization Department of Statistics Government of India August 1998.

4.1.2 Own Account Enterprise

An enterprise which is run without any hired worker employed on a fairly regular basis is termed an own account enterprise. If such an enterprise is engaged in manufacturing and/or repairing activities, it is termed an own account manufacturing enterprise (OAME).

4.1.3 Establishment

An enterprise which is employing at least one hired worker on a fairly regular basis is termed establishment.

4.1.4 Directory establishment (DE)

A directory establishment is an establishment which has employed six or more workers (household and hired workers taken together). If such an establishment is engaged in manufacturing and/or repairing activities, it is termed directory manufacturing establishment (DME).

4.1.5 Non-directory establishment(NDE)

An establishment employing less than six workers (household and hired workers taken together) is termed non-directory establishment. If such an establishment is engaged in manufacturing and/or repairing activities, it is termed non-directory manufacturing establishment (NDME).

4.1.6 Unorganized worker (UW)

Unorganized worker means a home-based worker, self-employed worker or a wage worker in the unorganized sector and includes a worker in the organized sector who is not covered by any Acts mentioned in Schedule II of the Unorganized Workers Social Act 2008.

5.Varied names of unorganized sector

Foot path selling
Petty commodity production
Shadow Economy
Trade-Service Sector
Grey Economy
Casual Work
Black Market
Clandestine activities
Transient sector
Unreported Economy
Grey Market
Under the Table
Community of the Poor
Family-enterprise Sector
Hidden Sector
Informal Economy/sector /opportunities
Intermediate Sector
Invisible Sector
Irregular Sector
Lower-circuit of the Urban Economy
Non-Plan Activities
Non-Westernized Sector
One-Person Enterprise
Parallel economy
People's Economy
Underground Economy
Unobserved Economy
Unofficial Economy



Unorganized Sector
 Unrecorded Economic Activities
 Unremunerated Sector
 Unstructured Sector
 Urban Rural Subsistence Sector

6. Factors influencing the growth of unorganized sector and its continued sustainability

1. Concentration on self employment as there is no other avenue.
2. Surviving on hereditary activities (continuity)
3. knowing such kind of job only (skill deficiency)
4. Easy – access to entry (No entry barriers)
5. Autonomy to work in the desired way (Value)
6. Dependable resources needed on own (own and informal)
7. Simple technology is needed.
8. Own capital sufficient from family savings
9. Own labour members (self and family-unpaid)
10. Business secrets can be preserved (confidentiality of trade secrets)
11. Less government regulations (no governmental interference)
12. A strong desire to join family business (values)
13. Till better employment or other is available they work very sincerely (survival). Survival motive; transient sector.
14. It could be a permanent solution (tenure of business)
15. There will be a strong ambition to start own business activity (self aims)
16. A mentality for independent profession/work (strong behaviour)
17. To settle down in the native place (local demographic reasons)
18. In the present employment there is a problem or facing closure or closed (Losing employment)
19. Necessity to contribute additional income to family (in support of family)
20. Planned use of spare time or part time. (while working elsewhere)
21. For lively hood migration to city/ for employment (migration)
22. Interest to do a different job (due to monotony)
23. There are no exit barriers.
24. There is no severe competition.(like oligopolistic competition)
- 25.Proud to say ownership of fixed and other assets by self (recognition in society)
26. It is a perennial activity. (Livelyhood)
27. Absence of brand name. (Unbranded products)(Generic and regional products)
28. Not to depend on others. (Independent behaviour)
29. Less resources are needed. (Capital, Labour and inputs)
30. Capital may be supplemented by formal and informal sources. Such employment is with poor working conditions, remuneration and lack of basic labour standards. Unorganized sector is offering their services from dawn to dusk without social security. They are self styled entrepreneurs.

7. Broadly, the following can be treated as having informal employment

- (i) Own-account workers employed in their own informal sector enterprises;
- (ii) Employers employed in their own informal sector enterprises;
- (iii) Contributing family workers, irrespective of whether they work in formal or informal sector Enterprises
- (iv) Members of informal producers' cooperatives “
- (v) Employees holding informal jobs in formal sector enterprises, informal sector Enterprises, or as paid domestic workers employed by households;
- (vi) Own account workers engaged in the production of goods exclusively for own final use

8. Unorganized sector-marketing

Shopping in traditional India is very informal. Street vendors are an integral component of economy. Vendors may be stationary or mobile.

9. The major characteristics of the unorganized sector

1. The unorganized is overwhelming in terms of its number range and, therefore, it is omnipresent throughout India.
2. As the unorganized sector suffers from cycles of excessive seasonality of employment, majority of the unorganized workers do not have stable employment. Even those who appear to be visibly employed are not gainfully and substantially employed, indicating the existence of disguised unemployment.
3. The workplace is expanded in nook and corner.
4. There is no formal employer employee relationship
5. The unorganized workers are subject to exploitation significantly by the rest of the society.
6. Poor working conditions and low wages for comparable jobs labour where productivity is same.
7. Primitive technologies are rampant in the unorganized sector. Illiteracy and limited exposure to the outside world not encouraging higher technologies and resulting in poor absorption.
8. The unorganized workers do not receive sufficient attention from the trade unions.
9. Inadequate and ineffective labour laws and standards relating to the unorganized sector.
10. Low productivity compared to formal sector
11. Excessive seasonality of employment
12. Poor human capital base. (in terms of education, skill and training)
13. Any effective legal action against it is seen as a step of impairing this sector.



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10. Differences (Table-1)

Sl.No.	Characteristics	Organized	Unorganized
1.	Licence	Required	Not needed
2.	Registration	Required	Not needed
3.	Tax payers/persons	Liabe and identified	Not identified
4.	Stability	stable at one place	May not be. Foot-loose.
5.	Area	Own or rental	Pavements or own
6.	Employment	Organized manner	Unorganized
7.	Size of employment	May be 10 or more	May be nine or less
8.	Industry	Factory	Non factory or trading
9.	Foreign Exchange	Dependent Non dependent	
10	FDI	Can be considered	Indigenous
11	Export	Can be done	Remote possibility
12	Advertisement	Can be given	Not practical
13	Government control	Existent	Non-existent
14	Customer Loyalty Promoted Limited way		
15	Credit sale		On large scale More on Cash sale
16	Media role Key role played Not traced		
17.	Convenient location	In limited cases	In most cases
18.	Timings	Fixed	Flexible
19.	Labour	Outside labour	Family labour
20.	Choice of products	wide	Narrow
21.	Crime	Surveillance	No surveillance
22.	Employment security	As per labour laws	No job security
23.	Retirement benefits	Existent	Non-existent
24.	Minimum wages	Existent	Non-existent
25.	Leave with wages	Existent	Non-existent
26.	Accident compensation	Existent	Non-existent
27.	Closure	With prior approval	No constraints

11. Examples of unorganized sector

1. Manufacturing of small traditional items, dolls, idols etc.,
2. Trading and repair service
3. Hotels & restaurants
4. Transport, storage and facilities
5. Financial intermediation
6. Real estate, renting and business activities
7. Health and social work
8. Fancy items
9. Vendors goods
10. Readymade garment
11. Beeri making
12. Mechanics for various works
13. Watchman services
14. Servant maids
15. internet providers
16. Temple guides
17. Selling branded or unbranded goods
18. Trading activities
19. Laundry for washing
20. Mobile street vendors
21. Footwear manufacturers and repairers
22. Heterogeneous activities.
23. Sport goods
24. Furniture items
25. Fancy goods
26. Clothing
27. Catering for food items
28. Cooking utensils. etc.,

12. Dimensions of Unorganized sector

12.1 Included areas

- a. Activities in this sector are grouped
- b. Non agricultural activities
- c. Manufacturing activities
- d. Trading
- e. Other services

12.2 Excluded areas

- Agricultural activities
- Construction
- Plantation
- Crop production

12.3 Size of employment

One person and above but not more than nine persons. Section 2(m) in The Factories Act, 1948 says (m) "Factory" means any premises including the precincts thereof—

- (i) whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is



being carried on with the aid of power, or is ordinarily so carried on, or

- (ii) whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on, subject to exclusions.

Therefore, the number of people in a single unorganized activity cannot exceed nine. Now-a-days, it is far from truth, that electricity is not used. Therefore, taking 20 persons may not be there.

12.4 Who does the work ?

12.4.a Unpaid persons

Family members
Children after school/college hours
After office hours and holidays by husband/wife

12.5.b Paid persons

Part time/full time known persons

12.6 Terms of employment

Employment is based on unwritten or tacit agreement. No statutory benefits like leave, bonus, over time, provident fund, ESI, medical facilities, maternity leave, gratuity and superannuation.

12.7 Employees background

Unskilled people
Illiterate people or school dropouts

12.8 Quality of Employment

Under employment
Informal methods
Underprivileged

12.9 Gender

Both male and female including aged 15-18 years

12.10 Available work

Based on nature of activity
both Urban/rural areas

12.11 Economy

Approximately 25.7% population is below the poverty line
Higher level of unemployment
Using traditional technology
High rate of inflation
About 26% of population is illiterate.

12.12 Importance of unorganized sector

- The employment point of view
- Its contribution to and share in the economy
- For sustaining the livelihoods and wellbeing of people.

12.13 Multiple employments

Because of lower levels of income and there is no assurance of sufficient earnings people take up more than one employment. (Called Moon Lighting)

12.14 Status

The informal sector consists of all unincorporated private enterprises owned by individuals or households or partnership basis.

12.15 Activities

Since unorganized sector operate at small or marginal levels, carrying more than one activity is quite prevalent

- Religious and entertainment goods,
- Household goods and beautification items etc.,

12.16 Location of workplace is as follows

- *no fixed work place
- *work place located in own dwelling unit
- *structure attached to own dwelling unit
- *open area adjacent to own dwelling unit
- *detached structure adjacent to own dwelling unit
- *own enterprise/unit/office/shop but away from own dwelling
- *employer's dwelling unit
- *employer's enterprise/unit/office/shop
- *Street with fixed location.
- *Temple complex

12.17 Unorganized sector reflections on the Economy

12.17.1 High demand for currency

It is a practice in unorganized economy to transact in cash. Rising activity in this economy is pushing up the demand for currency.

12.17.2 Impact on Organized sector

There will be a decline in organized sector due to

- Wages and working hours will be increasing in the unorganized sector
- Consequently people work more hours in the hidden sector

12.17.3 Economic growth

As the unorganized economy grows, factors of production displacement may depress the organized economy growth rate.

12.17.4 Effects on economic growth

Unorganized economy will not increase tax revenues but



stimulating a rise in public spending. This leads to a rise in the overall economic growth rate.

Some may view that the unorganized sector is more competitive and efficient than the formal sector and an increase in the unorganized economy will stimulate overall economic growth.

12.17.5 Effects on public services

State revenues lower than they otherwise would be.

Reduce governments' ability to provide goods and services.

Governments may respond by raising individual and corporate tax rates.

Deterioration in the quality of public goods and administration.

Under investment in public infrastructure motivates firms and workers even more strongly to move into the invisible economy, perpetuating the cycle.

12.17.6 Social transfers

People receiving generous unemployment benefits have a major disincentive to work in the official economy. These transfers may significantly raise their overall income and do not prevent them from working in unorganized activities.

12.17.7 Contribution of Unorganized sector (*6)

1. Certainly empirical studies have shown that at least two thirds of the income earned in the unorganized economy is quickly spent in the official economy.
2. And in Germany and Austria, two thirds of the value added produced in the shadow economy would not be produced at all if the unorganized economy did not exist.
3. In the United Kingdom during 1960–84, earnings in the hidden economy significantly raised consumer spending, especially on durable goods and services.
4. The positive effects of such expenditures on economic growth and on revenues from indirect taxes certainly bear keeping in mind

12.17.8 As referred by Johnson et al (*7)

Several studies have found a direct correlation between a reduction of the level of corruption in a country and the extent of the shadow economy. All studies found that more corruption resulted in a larger shadow economy.

(*6) Hiding in the Shadows-The Growth of the Underground Economy=Friedrich Schneider with DominikEnste.© 2002 International Monetary Fund. March 2002

(*7) See Johnson, Simon; Daniel Kaufmann, and Pablo Zoido-Lobaton, "Regulatory Discretion and the Unofficial Economy," American Economic Review, Vol. 88, No. 2, 1998.

By contrast, a number of countries in Latin America and the former Soviet Union exhibit characteristics consistent with a bad equilibrium tax and regulatory discretion and burden on the firm is high, the rule of law is weak, and there is a high incidence of bribery and a relatively high share of activities in the unofficial economy.

13. Findings

- i. Unorganized sector is a permanent feature of Indian economy.
- ii. It operates both in manufacturing and trading sectors of Indian economy.
- iii. The participation of local entrepreneurs in unorganized sector is of higher magnitude.
- iv. This sector suits the socio-economic features of Indian economy.
- v. It operates without active support of the government and its agencies.
- vi. It is quite independent of and complementary sector to the organized sector.
- vii. Organized sector in India part takes most of the characteristics of unorganized sector.

14. Suggestions

14.a Role of Regulators

In depth studies of trading establishments which comprise own account enterprises and establishments, is the need of the hour for following reasons.

Since these establishments are informal, basic data regarding them are missing in compilation of national accounts. Hence, this segment is referred to as non observed economy. Non observance causes imbalance and consistency in national accounts.

Good quality national accounts are vital for national economic policy and research.

There is a lack of coverage for users both in terms of levels and trends. For example, when poverty is measured in terms of per capita, GDP, omission of this sector introduces downward bias.

14.b Role of chambers of Commerce

The employers' associations exist and operate at three levels in India

- (a) National associations
- (b) Regional cum Industry specific associations and
- (c) Chambers of Commerce at local level

Of which employers of manufacturing, trading, and service enterprises are members. Employers of unorganized trading enterprises are most often than not are left out. Hence, this sector is deprived of representation in local chambers of commerce. These trading units, though small on individual count, are critical mass in aggregation.



The problems of those operating in this sector need to be purposely represented to the concerned institutions through chambers of commerce. Since this sector is invisible, its levels and trends of operations are neither noticed nor appreciated by chambers of commerce.

14.c Role of Academicians

Most of the research in Indian is either theoretical or empirical. Research studies continuing sound theory and empiricism are few and far between empirical studies which use data generated as a part of administrative reports lack innovation. For this reason the findings of these studies are nothing but replica of facts already reported in administrative reports. There is utmost need to conduct local studies with innovative research design imparting comprehensiveness in the coverage of national economy and its operations.

14.d Role of Company Secretaries

High economic development can be ensured through "inclusive

growth policy". Professionals, who mingle with society more than academicians, are best suited to study them like the present one, unorganized marketing in pilgrim centres. They are well equipped with professional tools to measure and report the true dimensions of this sector. They will facilitate the growth of this sector and bring to light its true potential for growth.

15. Conclusion

- i. The vibrant growth of Indian future economy depends on identifying the needs of unorganized sector and forging complementary relationship between organized and unorganized sectors.
- ii. Since the sector is seed bed of local entrepreneurship, it needs to be supported by the government to ensure input supplies and market outlets for its goods and services.
- iii. The sector has more positive impact on employment and use of local resources as compared to the organized sector CS

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Corporate Laws

Landmark Judgement

CS: LMJ: 4/02/2016

GOKAK PATEL VOLKART LTD v. DUNDAYYA GURUSHIDDAIAH HIREMATH & ORS [SC]

Criminal Appeals No.97-101 of 1991

Saikia. K.N. & M.M. Punchhi, JJ. [Decided on 14/02/1991]

Equivalent citations: 1991 SCR (1) 396, 1991 SCC (2) 141; (1991) 71 Comp Cas 403; JT 1991 (1) 376; 1991 SCALE (1) 193

Section 630 of the Companies Act, 1956 read with sections 468, 472 & 473 of the Criminal Procedure Code, 1973 – directors after retirement refused to vacate the company's property- company filed complaint against them- the trial court dismissed the complaints on the ground that it was filed after the limitation period of 6 months- High court affirmed the same- Whether the lower courts were right – Held, No.

Brief facts:

The interesting law point decided in this case was that the offence committed under section 630 is a continuous offence.

The first respondent in each of these criminal appeals was appointed on 1.8.1942, 11.6.1945, 24.11.1939, 1.5.1939 and 23.1.1937, respectively in the service of the appellant company and they retired on 14.3.1984, 1.10.1983, 12.2.1984, 4.10.1983 and 27.1.1981, respectively, from the appellant company's service, where after each of them was required to vacate his company's quarter. Each having declined to vacate the company's quarter even more than six months after retirement, despite legal notice, the appellant company filed a private criminal complaint under s. 630(l)(b) of the Companies Act, 1956 and section 406 I.P.C. against each of them, before the Judicial Magistrate First Class, Gokak. The learned Judicial Magistrate, after prosecution had examined its witnesses, recorded

the statements of all the accused and despite finding that the accused in each case was allotted a quarter by the company for his use and occupation and each had no authority to retain possession of the same after he retired, and that the cause of action in each case arose when the accused failed to deliver possession of the quarter to the company, held that the documents produced by, the company did not disclose anything regarding the retirement of the accused from the service, but at the same time he recorded that during the course of evidence P.W. 1 had deposed that each of the accused retired from service and immediately after the retirement failed to redeliver possession of the company's quarter which attracted section 630(l)(b) of the Companies Act and which was punishable only with fine and the complaint, therefore, ought to have been filed within six months from the date of retirement of the accused, and as the complaint was filed only during the year 1985 it was clearly barred by limitation, wherefore, the complaint could not be taken into consideration, and consequently, the accused was to be acquitted. The Company's revision petition therefrom was dismissed by the High Court holding that the view taken by the trial Magistrate was plausible and reasonable. Against this the appellant company approached the Supreme Court.

Decision: Appeals allowed.

Reason:

The only question to be decided in these appeals, therefore, is whether the offence under section 630(l) (b) of the Companies Act is a continuing offence for the purpose of limitation.

What then is a continuing offence? According to the Blacks' Law Dictionary, Fifth Edition (Special Deluxe), 'Continuing means "enduring; not terminated by a single act or fact; subsisting for a definite period or intended to cover or apply to successive similar obligations or occurrences." Continuing offence means "type of crime which is committed over a span of time." As to period of statute of limitation in a continuing offence, the last act of the offence controls for commencement of the period. "A continuing offence, such that only the last act thereof within the period of the statute of limitations need be alleged in the indictment or information, is one which may consist of separate acts or a course of conduct but which arises from that singleness of thought, purpose or action which may be deemed a single impulse." So also a 'Continuous Crime' means "one consisting of a continuous series of acts, which endures after the period of consummation, as, the offence of carrying concealed weapons. In the case of instantaneous crimes, the statute of limitation begins to run with the consummation, while in the case of continuous crimes it only begins with the cessation of the criminal conduct or act."

Section 441 of the Indian Penal Code defines Criminal trespass as follows:

"Whoever enters into or upon property in the possession of another with intent to commit an offence or to intimidate, insult or annoy any person in possession of such property, or having lawfully entered into or upon such property, unlawfully remains there with intent thereby to intimidate, insult or annoy any such person, or with intent to commit an offence, is said to commit 'criminal trespass'."



House trespass is punishable under section 448 of the Indian Penal Code. It is significant that when entry into or upon property in possession of another is lawful then unlawfully remaining upon such property with the object of intimidating, insulting or annoying the person in possession of the property would be criminal trespass. The offence would be continuing so long as the trespass is not lifted or vacated and intimidation, insult or annoyance of the person legally in possession of the property is not stopped. The authors of the Code had the following words to say:

"We have given the name of trespass to every usurpation, however slight, of dominion over property. We do not propose to make trespass, as such, an offence, except when it is committed in order to the commission of some offence injurious to some person interested in the property on which the trespass is committed, or for the purpose of causing annoyance to such a person. Even then we propose to visit it with a light punishment, unless it be attended with aggravating circumstances.

Thus, both wrongfully obtaining and wrongfully withholding have been made offence punishable under sub-section (1). Under sub-section (2) knowingly misapplication has also been envisaged. The offence continues until the officer or employee delivers up or refunds any such property if ordered by the court to do so within a time fixed by the Court, and in default to suffer the prescribed imprisonment. The idea of a continuing offence is implied in sub-section (2).

As was reiterated in *Amrit Lal Chum v. Devoprasad Dutta. Roy and Anr. etc.*, reported in [1988] 2 SCR 783 that

"Section 630 of the Companies Act 1956 plainly makes it an offence if an officer or employee of a company who was permitted to use the property of the company during his employment, wrongfully retains or occupies the same after the termination of his employment. It is the wrongful withholding of such property, meaning the property of the company after the termination of the employment, which is an offence under section 630(1) of the Act." What then is the nature of this offence. The question then is whether it is a continuing offence. According to Black's Law Dictionary Revised Fourth Edition, continuing offence means a transaction or a series of acts set on foot by a single impulse, and operated by an unintermittent force, no matter how long a time it may occupy.

In *State of Bihar v. Deokaran Nenshi*, [1973] 1 SCR 1004, Shelat, J. for the court observed:

"A continuing offence is one which is susceptible of continuance and is distinguishable from the one which is committed once and for all. It is one of those offences which arises out of a failure to obey or comply with a rule or its requirement and which involves a penalty, the liability for which continues until the rule or its requirement is obeyed or complied with. On every occasion that such disobedience or non-compliance occurs and recurs, there is the offence committed. The distinction between the two kinds of offences is between an act or omission which constitutes an offence once and for all and an act or omission which continues and therefore, constitutes a fresh offence every time or occasion on which it continues. In the case of a continuing offence, there is thus the ingredient of continuance of the offence which is absent in the case of an offence

which takes place when an act or omission is committed once and for all."

The concept of continuing offence does not wipe out the original guilt, but it keeps the contravention alive day by day. It may also be observed that the courts when confronted with provisions which lay down a rule of limitation governing prosecutions, in cases of this nature, should give due weight and consideration to the provisions of Section 473 of the Code which is in the nature of an overriding provision and according to which, notwithstanding anything contained in the provisions of Chapter XXXVI of the Code of Criminal Procedure any court may take cognizance of an offence after the expiration of a period of limitation if, *inter alia*, it is satisfied that it is necessary to do so in the interest of justice.

The expression 'continuing offence' has not been defined in the Code. The question whether a particular offence is a 'continuing offence' or not must, therefore, necessarily depend upon the language of the statute which creates that offence, the nature of the offence and the purpose intended to be achieved by constituting the particular act as an offence.

Applying the law enunciated above to the provisions of Section 630 of the Companies Act, we are of the view that the offence under this section is not such as can be said to have consummated once for all. Wrongful withholding, or wrongfully obtaining possession and wrongful application of the company's property, that is, for purposes other than those expressed or directed in the articles of the company and authorised by the Companies Act, cannot be said to be terminated by a single act or fact but would subsist for the period until the property in the offender's possession is delivered up or refunded. It is an offence committed over a span of time and the last act of the offence will control the commencement of the period of limitation and need be alleged. The offence consists of a course of conduct arising from a singleness of thought, purpose of refusal to deliver up or refund which may be deemed a single impulse. Considered from another angle, it consists of a continuous series of acts which endures after the period of consummation on refusal to deliver up or refund the property. It is not an instantaneous offence and limitation begins with the cessation of the criminal act, i.e. with the delivering up or refund of the property. It will be a recurring or continuing offence until the wrongful possession, wrongful withholding or wrongful application is vacated or put an end to. The offence continues until the property wrongfully obtained or wrongfully withheld or knowingly mis-applied is delivered up or refunded to the company. For failure to do so sub-section (2) prescribes the punishment. This, in our view, is sufficient ground for holding that the offence under section 630 of the Companies Act is not one time but a continuing offence and the period of limitation must be computed accordingly, and when so done, the instant complaints could not be said to have been barred by limitation. The submission that when the first respondent upon his retirement failed to vacate and deliver possession of the company's quarter to the company the offence must be taken to have been complete, has, therefore, to be rejected.

These appeals accordingly succeed. The impugned orders are set aside and the cases are remanded to the Trial Court for disposal in accordance with law in light of the observations made herein above.



General Laws

LW: 09: 02: 2016

M/S SCIEMED OVERSEAS INC v. BOC INDIA LIMITED & ORS [SC]

Special Leave Petition (C) No. 29125 of 2008

Madan B. Lokur & R.K. Agrawal, JJ. [Decided on 11/01/2016]

Petitioner filed false affidavit in judicial proceedings - High court imposed cost of Rs.10 lakhs- whether correct- Held, Yes.

Brief facts:

The facts are complicated. Suffice to mention that the appellant was the successful bidder in a work contract which was challenged by the respondent. In the proceedings, the appellant filed an affidavit to the effect that nearly 85% of the work had been completed. However, the High court found the statement made in the affidavit to be false after causing an inspection by an advocate. Then the High court imposed a cost of Rs.10 lacs on the appellant for filing a false affidavit.

Decision: Appeal dismissed.

Reason:

The only question for our consideration is whether the High Court was correct in imposing costs of Rs. 10 lakhs on the petitioner for filing a false or misleading affidavit in this Court. In our opinion, the imposition of costs, although somewhat steep, was fully justified given that the High Court also held that the contract in favour of the petitioner was awarded improperly and was of a commercial nature, the last two findings not being under challenge.

A global search of cases pertaining to the filing of a false affidavit indicates that the number of such cases that are reported has shown an alarming increase in the last fifteen years as compared to the number of such cases prior to that. This is illustrative of the malaise that is slowly but surely creeping in. This 'trend' is certainly an unhealthy one that should be strongly discouraged, well before the filing of false affidavits gets to be treated as a routine and normal affair.

While impugning the order passed by the High Court, it was submitted by Sciemed that in fact the statement made in the affidavit filed in this Court was

not a false statement but was bona fide and not a deliberate attempt to mislead this Court. It was also submitted that the allegedly false or misleading statement had no impact on the decision taken by this Court and should, therefore, be ignored. We are unable to accept either contention raised.

The correctness of the statement made by Sciemed was examined threadbare not only by the learned Single Judge but also by the Division Bench and it was found that a considerable amount of work had still to be completed by Sciemed and it was not as if the work was nearing completion as represented to this Court. Additionally, the Report independently given by the learned advocate appointed to make an assessment, also clearly indicated that a considerable amount of work had still to be performed by Sciemed. The Report was not *ex parte* but was carefully prepared after an inspection of the site and discussing the matter with Shailendra Prasad Singh the proprietor of Sciemed and an engineer of Sciemed as well as officers from the RIMS.

In the first instance, the work order was issued to Sciemed on 25th July, 2007 but this was not disclosed to the High Court when it disposed of W.P. (C) No.4203 of 2007 on 31st July, 2007. Had the factual position been disclosed to the High Court, perhaps the outcome of the writ petition filed by BOC would have been different and the issue might not have even travelled up to this Court. Furthermore, apparently to ensure that work order goes through, a false or misleading statement was made before this Court on affidavit when the matter was taken up on 14th March, 2008 to the effect that the work was nearing completion. It is not possible to accept the view canvassed by learned counsel that the false or misleading statement had no impact on the decision rendered by this Court on 14th March, 2008. We cannot hypothesize on what transpired in the proceedings before this Court nor can we imagine what could or could not have weighed with this Court when it rendered its decision on 14th March, 2008. The fact of the matter is that a false or misleading statement was made before this Court and that by itself is enough to invite an adverse reaction.

In *Muthu Karuppan v. Parithi Ilamvazhuthi (2001) 5 SCC 289* this Court expressed the view that the filing of a false affidavit should be effectively curbed with a strong hand. It is true that the observation was made in the context of contempt of Court proceedings, but the view expressed must be generally endorsed to preserve the purity of judicial proceedings. This is what was said:

"Giving false evidence by filing false affidavit is an evil which must be effectively curbed with a strong hand. Prosecution should be ordered when it is considered expedient in the interest of justice to punish the delinquent, but there must be a *prima facie* case of "deliberate falsehood" on a matter of substance and the court should be satisfied that there is a reasonable foundation for the charge."

On the material before us and the material considered by the High Court, we are satisfied that the imposition of costs by the High Court was justified. We find no reason to interfere with the impugned judgment and order. The petition is dismissed.

LW: 10: 02: 2016

MAHANIVESH OILS & FOODS PVT LTD v. DIRECTORATE OF ENFORCEMENT [DEL]



W.P. (C) 1925/2014 & CM No.4017/2014

Vibhu Bakhru, J. [Decided on 25/01/2016]

Prevention of Money Laundering Act, 2005- section 5- proceeds of crime- property purchased before the enforcement of the Act- attachment of property-whether tenable-Held, No.

Brief facts:

On 08.05.2009, an FIR was lodged by the CBI on a written complaint made by NAFED wherein it was alleged that Mr Homi Rajvansh - the Additional Managing Director of NAFED, had hatched a conspiracy, in connivance with the directors of M/s M.K. Agri International Ltd. (hereafter 'MKAIL'), for making wrongful gains by executing Memoranda of Understanding (MOUs) with MKAIL on behalf of NAFED for import of raw sugar and selling the same by entering into three High Seas Sale (HSS) Agreements with M/s M.K. International Ltd. (hereafter 'MIL'), a sister concern of MKAIL, without charging/recovering any cost for the commodity.

MIL on 10.02.2005, through its director - Mr M.K. Agarwal issued cheques for an amount aggregating to Rs.1.5 crores in favour of its two holding companies namely, M/s Duoroyale Enterprises Ltd. and M/s Sri Radhey Trading Pvt. Ltd. Subsequently, both the said companies issued two cheques each amounting to Rs.75 lacs in favour of M/s Mahanivesh Oils & Foods Pvt. Ltd., the petitioner company, where Smt. Alka Rajvansh - wife of Mr Homi Rajvansh was a Director.

On 16.02.2005 and 17.02.2005, M/s Mahanivesh Oils and Foods Pvt. Ltd., issued two cheques of `1,32,00,00/- and `10,81,000/- respectively in favour of M/s Uppal Agencies Pvt. Ltd. for purchase of the ground floor and basement of the property situated at E-14/3, Vasant Vihar, New Delhi (hereafter 'the said property').

It is alleged that Smt. Alka Rajvansh used the funds received from M/s Duoroyale Enterprises Ltd. and M/s Sri Radhey Trading Pvt Ltd. for purchasing the above-mentioned property pursuant to a sale deed dated 18.03.2005 executed by Shri B.K. Uppal in favour of the petitioner company.

The property was provisionally attached by the enforcement directorate under the provisions of the Prevention of Money Laundering Act, 2005. Petitioner challenged this attachment before the High Court.

Decision: Petition allowed.

Reason:

It is not disputed that the property sought to be attached under the Act was purchased on 18.03.2005 i.e. prior to 01.07.2005 that is, prior to the Act coming into force. In the circumstances, the principal controversy to be addressed is whether any proceedings under the Act could lie in respect of the said asset.

In the present case, the impugned order has been made under Section 5(1) of the Act. A conjoint reading of Section 5(1) read with Section 2(u) of the Act clearly indicates that the power to attach is only with respect to the property derived or obtained directly or indirectly by any person as a result of criminal activity

relating to a scheduled offence or the value of such property.

The occurrence of a scheduled offence is the substratal condition for giving rise to any proceeds of crime and consequently, the application of Section 5(1) of the Act. A commission of a scheduled offence is the fundamental pre-condition for any proceeding under the Act as without a scheduled offence being committed, the question of proceeds of crime coming into existence does not arise.

In view of the above, the contention that the Act is completely independent of the principal crime (scheduled offence) giving rise to proceeds of crime is unmerited. It is necessary to bear in mind that the substratal subject of the Act is to prevent money-laundering and confiscate the proceeds of crime. In that perspective, there is an inextricable link between the Act and the occurrence of a crime. It cannot be disputed that the offence of money-laundering is a separate offence under section 3 of the Act, which is punishable under Section 4 of the Act. However as stated earlier, the offence of money-laundering relates to the proceeds of crime, the genesis of which is a scheduled offence. In the aforesaid circumstances, before initiation of any proceeding under Section 5 of the Act, it would be necessary for the concerned authorities to identify the scheduled crime. The First Proviso to Section 5 also indicates that no order of attachment shall be made unless in relation to a scheduled offence a report has been forwarded to a Magistrate under Section 173 of the Code of Criminal Procedure, 1973 or a complaint has been filed by a person authorised to investigate the scheduled offence before a Magistrate or Court for taking cognizance of the scheduled offence. Thus, in cases where the scheduled offence is itself negated, the fundamental premise of continuing any proceedings under the Act also vanishes. Such cases where it is conclusively held that commission of a scheduled offence is not established and such decision has attained finality pose no difficulty; in such cases, the proceedings under the Act would fail.

The central issue in the present case is not on whether the scheduled offence was committed, but whether the attachment under Section 5 of the Act can be sustained where the principal offence as well as the offence of using its proceeds is alleged to have been committed prior to the Act coming into force.

The Act is a penal statute and, therefore, can have no retrospective or retroactive operation. Article 20(1) of the Constitution of India expressly forbids that no person can be convicted of any offence except for the violation of a law in force at the time of the commission of the act charged as an offence. Further, no person can be inflicted a penalty greater than what could have been inflicted under the law at the time when the offence was committed. Clearly, no proceedings under the Act can be initiated or sustained in respect of an offence, which has been committed prior to the Act coming into force. However, the subject matter of the Act is not a scheduled offence but the offence of money-laundering. Strictly speaking, it cannot be contended that the Act has a retrospective operation because it now enacts that laundering of proceeds of crime committed earlier as an offence.

The next contention to be considered is whether in the given facts and circumstances, any offence or money-laundering had been made out to warrant an issuance of the impugned order. It is alleged that on 10 the February, 2005, MIL through its Director issued cheques aggregating Rs.1.5 crores in favour of its holding companies, namely, M/s Duoroyale Enterprises Ltd. and M/s Shri Radhey Trading Pvt. Ltd. and these companies in turn issued two cheques of Rs.75 lacs each in favour of the petitioner. It is suggested that these amounts



were proceeds of crime received by the petitioner as a result of a criminal activity and bulk of these funds were utilized by the petitioner for paying the consideration for acquiring the property in question. It was argued that all actions of integrating the money by purchase of immovable property would fall within the definition of 'money-laundering'. In this respect it is relevant to note that the sale deed in respect of the property was executed on 18.03.2005. Thus, even if the allegations made by the respondent are assumed to be correct, the proceeds of crime had been used by the petitioner for acquisition of the property much prior to the Act coming into force. The process of activity of utilising the proceeds of crime, if any, thus, stood concluded prior to the Act coming into force. Even if it is assumed that the funds received from M/s Duoroyale Enterprises Ltd. and M/s Shri Radhey Trading Pvt. Ltd. were proceeds of crime and were properties involved in money-laundering, such funds had come into possession of the petitioner prior to the Act coming into force. Thus, funds were already projected as untainted funds unconnected with the crime for which Mr Homi Rajvansh and other persons are accused. The funds had, thus, been laundered at a time when money-laundering was not an offence and proceedings under the Act cannot be initiated.

In the present case, the respondent could not point out any material to counter the petitioner's contention that there was no material on record, which could possibly lead to a belief that the petitioner is likely to transfer or conceal the property in any manner. As indicated earlier, the concerned officer must have a reason to believe on the basis of material in his possession that the property sought to be attached is likely to be concealed, transferred or dealt with in a manner which may result in frustrating any proceedings for confiscation of their property under the Act.

Although, the impugned order records that the concerned officer has reason to believe that the property in question is likely to be concealed, transferred or dealt with in a manner, which may result in frustrating the proceedings relating to confiscation of the said proceeds of crime, there is no reference to any fact or material in the impugned order which could lead to this inference. A mere mechanical recording that the property is likely to be concealed, transferred or dealt with would not meet the requirements of Section 5(1) of the Act. Consequently, the impugned order is likely to be set aside. In view of the above, the petition is allowed and the impugned order is set aside.

LW: 11: 02: 2016

SANDEEP GUPTA v. PUNJAB NATIONAL BANK & ORS
[DEL]

W.P. (C) 11879 of 2015

Rajiv Sahai Endlaw, J. [Decided on 20/01/2016]

Indian Partnership Act- section 32- retiring partner's liability- petitioner provided guarantee to the respondent bank- upon retirement he sought to withdraw his guarantee- reconstitution agreement upon which the petitioner retired and new partners inducted did not provide for the release of the guarantee- whether

guarantee could be released- Held, No.

Brief facts:

The petitioner, upon ceasing to be a partner of respondent no.2 partnership firm viz. M/s Allied Fibre Industries, seeks mandamus to the respondent no.1 Punjab National Bank to release the title deeds of the property of the petitioner and to discharge the petitioner from the guarantee furnished by the petitioner, (as the then partner of the respondent no.2) for repayment of the dues of the respondent no.2 to the respondent no.1 Bank.

In this regard it is pertinent that the petitioner had, before instituting the present petition, filed a suit against the respondents no.3&4 claiming specific performance of the agreement contained in the deed of reconstitution of partnership to have the security furnished by the petitioner substituted in which the respondent no.1 Bank is also a party to the said suit.

Decision: Petition dismissed.

Reason:

The said suit was admittedly instituted prior to the institution of this petition. The petition is not maintainable on this ground alone. The petitioner cannot maintain a petition under Article 226 of the Constitution of India for the relief for which the petitioner, prior to instituting the writ petition, has already availed of the relief under the civil law.

Supreme Court in *Jai Singh Vs. Union of India (1977)1 SCC 1* held that the appellant therein having filed a suit in which the same question as the subject matter in the writ petition was agitated could not be permitted to pursue two parallel remedies in respect of the same matter at the same time. Similarly in *Bombay Metropolitan Region Development Authority, Bombay Vs. Gokak Patel Volkart Ltd. (1995) 1 SCC 642* finding that the writ petitioner had availed of the alternative statutory remedy it was held that the writ petition should not have been entertained. Yet again in *S.J.S Business Enterprises (P) Ltd Vs. State of Bihar (2004) 7 SCC 166* it was held that if a party has already availed of the alternative remedy while invoking the jurisdiction under Article 226, it would not be appropriate for the court to entertain the writ petition. This rule was held to be based on public policy. Reference in this regard can also be made to *K.S. Rashid and Son Vs. Income Tax Investigation Commission AIR 1954 SC 207*, *Madura Coats Limited Vs. Union of India (UOI) 112(2004) DLT622*, *Lal Harsh Deo Narain Singh Vs. State of U.P. MANU/UP/1143/2004*, *Major Jasbinder Singh Bala S/o Sri Bachan Singh Bala Vs. Ind Additional District Judge MANU/UP/1679/2005* and *D.D Shah and Brothers Vs. The Union of India (UOI) MANU/RH/0268/2004*.

Even otherwise, the respondent no.1 Bank which is the trustee of public monies cannot be left high and dry by granting the relief of releasing the security of the outgoing partners without the continuing / new partners substituting the said security. The petitioner prior to signing the deed of reconstitution of firm ought to have ensured that the security furnished by him is released, if that was the agreement with the respondents no.3&4.

LW: 12: 02: 2016



VILLAYATI RAM MITTAL (P) LTD v. SHAMBHAVI CONTRACTORS PVT LTD [DEL]

I.A. No.5595/2009 in CS (OS) No. 2192 of 2008

Valmiki J. Mehta, J. [Decided on 14/01/2016]

Code of Civil Procedure, 1908- section 10- Defendant filed suit against plaintiff in Shimla for recovery and injunction- Plaintiff filed suit against defendant in Delhi for recovery based on the sub contract- whether both the suit are based on same cause of action so that the later suit can be stayed- Held, No.

Brief facts:

This is an application under Section 10 of CPC filed by the defendant in the suit for stay of the present suit on the ground that between the parties a suit involving the same issues is pending in the High Court of Shimla.

The suit filed in Shimla is a suit for recovery of moneys by the present defendant against the present plaintiff for work done. In the suit filed at Shimla, the reliefs which are prayed by the present defendant are recovery of Rs.45,54,924/-, damages and injunction. A reference to the present suit shows that the suit is for a recovery of Rs.3.25 crores on account of the sub contract, pertaining to enhanced costs and escalation claimed by the plaintiff from the defendant on account of defendant failing to perform its contractual obligations.

Decision: Application dismissed.

Reason:

The law with respect to Section 10 CPC is well settled and which is that a later suit between the same parties cannot proceed to trial if issues involved in the later suit are already a subject matter of issues in the previously instituted litigation. Of course, it is not necessary that each and every issue arising in the earlier litigation and the later litigation must be identical, and what is really required is that the main issues or the substantial issues which arise and would be decided in the earlier suit would be the same as the issues in the later suit. Putting it in another words, one of the principles which has been laid down for applicability of Section 10 CPC is that the decision in the first suit will operate as *res judicata* for the issues in the later suit. Also if parties to the earlier suit are different then the later suit cannot be stayed under Section 10 CPC, though this aspect is not relevant in this case as the parties to the present suit are not different than the parties to the earlier suit i.e. there are no parties to this suit who are not parties to the earlier suit.

On these principles, let us examine as to whether the present suit can be stayed and which is filed after around two months of the suit which is filed by the defendant in the High Court of Shimla.

The suit filed in Shimla is a suit for recovery of moneys by the present defendant against the present plaintiff for work done. Between the parties in the present suit there was a sub-contract with the defendant as a sub-contractee on account of the plaintiff having been granted a contract for construction of a military hospital

in Shimla by the Union of India. Disputes and difference have arisen between the parties with respect to this sub- contract. In the earlier suit the present defendant as the plaintiff has also sought reliefs effectively for specific performance for continuing with the contract.

A reading of the relief clauses and the cause of action of the earlier suit filed by the defendant at Shimla shows that the defendant is claiming recovery of moneys for the work done and that in the earlier suit injunctions are sought which are in the nature of seeking specific performance of the sub-contract. In the suit at Shimla, this Court is informed, that the pleadings are complete and suit has been set down for trial.

A reference to the present suit shows that the suit is for a recovery of Rs.3.25 crores no doubt on account of the sub contract, however, the aspect which differentiates the present suit from the suit filed at Shimla is that the present suit basically seeks recovery of amounts from the defendant under a different head that the defendant is pleaded to have failed to perform its obligations under the contract which resulted in the plaintiff having been caused escalation in costs and expenditure for completion of the project of the hospital in Shimla whereas the suit in Shimla is based on the cause of action of value of work done by the present defendant for the plaintiff and amounts for which work done is claimed in the Shimla suit.

It bears note that once the issue with respect to most claims of the plaintiff in the present suit for recovery of Rs.3.25 crores pertains to enhanced costs and escalation claimed by the plaintiff from the defendant on account of defendant failing to perform its contractual obligations, and that is not an issue in the previously instituted suit at Shimla, the decision in the previously instituted suit at Shimla will not operate as *res judicata* with respect to issues in the present suit pertaining to the claim of the plaintiff for recovery of moneys of the damages on account of higher costs and escalation.

In view of the above, since the major part of the present suit claim falls outside the subject matter of the scope of the previously instituted suit at Shimla, and consequently there is no identity of the main claim and the issues of the present suit with the previously instituted suit at Shimla, this application under Section 10 CPC will not lie and is accordingly dismissed.

LW: 13: 02: 2016

TODAY HOTELS (NEW DELHI) PVT LTD v. INTECTURE INDIA DESIGNS PVT LTD [DEL]

FAO (OS) No. 417/2015 & CM No. 13586/2015

Badar Durrez Ahmed & Sanjeev Sachdeva, JJ. [Decided on 13/01/2016]

Arbitration and Conciliation Act, 1996- section 8- application to refer to arbitration dismissed- whether appeal lies against it-Held, No.



Brief facts:

The appellant/defendant has filed the present appeal impugning the order dated 21.07.2015 whereby IA No. 14371/2015 filed by the appellant under Section 8 of the Arbitration & Conciliation Act, 1996 (hereinafter referred to as the Act) has been dismissed.

Decision: Appeal dismissed.

Reason:

The main question that arises for determination in the present case is whether an appeal would lie from an order passed under Section 8 of the Act allowing or refusing to allow an application under Section 8 of the Act?

[After elaborately referring to various judgements] we are in complete agreement with the view taken by the various division benches of this court and also by the full bench of the Bombay High Court in Conros Steels Pvt. Ltd v. Lu Qin (Hong Kong) Company Ltd. AIR 2015 Bom 106 (FB). The sequitur of the same is that an order passed under Section 8 is an order passed by the judicial authority/forum/court by drawing its power from section 8 of the Act and since the order is passed by drawing the power from Section 8 of the Act, the right to file an appeal being a creature of statute has also to be found in the Act. If the Act does not provide for an appeal or specifically prohibits an appeal from an order passed under Section 8, then no appeal would lie under the Act. Since the order is passed in exercise of powers conferred by the act, reliance cannot be placed for filing an appeal under section 10 of the Delhi High Court Act, 1966 or under the Letters Patent. Since Section 37 does not permit filing of an appeal from an order passed under Section 8, no appeal would lie from such an order under the Act.

In view of the above, we hold that the present appeal impugning the order rejecting the application under Section 8 of the Act, is not maintainable and is accordingly dismissed leaving the parties to bear their own costs.



Consumer Protection Laws

LW: 14: 02: 2016

LAKHMI CHAND v. RELIANCE GENERAL INSURANCE [SC]

Civil Appeal Nos.49-50 of 2016 (Arising out of SLP (C) Nos.37534-37535 of 2013)

T.S. Thakur & V. Gopala Gowda, JJ. [Decided on 07/01/2016]

Consumer Protection Act, 1986- section 23- revision by National Commission- accident caused due to the rash driving of the offending vehicle- damaged vehicle was carrying excess passenger- National Commission rejected the compensation on the ground of violating the insurance contract terms- whether correct-Held, No.

Brief facts:

The appellant was the owner of a Tata Motors goods carrying vehicle and the vehicle was insured with the respondent- Company. The risk covered in this policy was to the tune of Rs.2,21,153/-. The said vehicle met with an accident on account of rash and negligent driving of the offending vehicle bearing registration no. UP-75-J 9860. In this regard, an FIR No.66 of 2010 dated 11.02.2010 was registered with the jurisdictional Police Station.

The appellant incurred expenses amounting to Rs.1,64,033/- for the repair of his vehicle and the Surveyor appointed by the respondent assessed the damage caused to the said vehicle at Rs.90,000/-. The appellant had preferred a claim for a sum of Rs.1,64,033/- with supporting bills, which was rejected by the respondent.

Aggrieved of rejection of the claim of the appellant by the respondent- Company, he filed Complaint before the District Forum, which allowed the claim. Aggrieved of the order of the District Forum, the respondent Company preferred an appeal before the State Commission urging various grounds. The State Commission allowed the appeal.

The said judgment passed by the State Commission was challenged by the appellant before the National Commission, which dismissed the petition on the ground that the appellant had violated the terms of the insurance contract. Review petition was also dismissed.

Decision: Petition allowed.

Reason:

In our considered view, the concurrent findings recorded by the National Commission in the impugned judgment and order are erroneous in law for the following reasons.

It is an admitted fact that the accident of the vehicle of the appellant was caused on account of rash and negligent driving of the offending vehicle bearing registration no. UP-75-J9860. An FIR No. 66 of 2010 dated 11.02.2010 was registered against the driver of the said vehicle for the offences referred to *supra*. The vehicle of the appellant was badly damaged in the accident and it is an undisputed fact that the report of Surveyor assessed the loss at Rs.90,000/-, but the actual amount incurred by the appellant on the repair of his vehicle was Rs.1,64,033/-. The said claim was arbitrarily rejected by the respondent-Company on the ground that the damage caused to the vehicle did not fall within the scope and purview of the insurance policy, as there was a contravention of terms and conditions of the policy of the vehicle.



The National Commission upheld the order of dismissal of the complaint of the appellant passed by the State Commission. The National Commission however, did not consider the judgment of this Court in the case of *B.V. Nagaraju v. Oriental Insurance Co. Ltd Divisional Officer, Hassan, IV 2010 CPJ 315 (SC)*. In that case, the insurance company had taken the defence that the vehicle in question was carrying more passengers than the permitted capacity in terms of the policy at the time of the accident. The said plea of the insurance company was rejected. This Court held that the mere factum of carrying more passengers than the permitted seating capacity in the goods carrying vehicle by the insured does not amount to a fundamental breach of the terms and conditions of the policy so as to allow the insurer to eschew its liability towards the damage caused to the vehicle.

In the instant case, the respondent-Company has not produced any evidence on record to prove that the accident occurred on account of the overloading of passengers in the goods carrying vehicle. Further, as has been held in the case of *B.V. Nagaraju (supra)* that for the insurer to avoid his liability, the breach of the policy must be so fundamental in nature that it brings the contract to an end. In the instant case, it is undisputed that the accident was in fact caused on account of the rash and negligent driving of the offending vehicle by its driver, against whom a criminal case vide FIR no. 66 of 2010 was registered for the offences referred to supra under the provisions of the IPC. These facts have not been taken into consideration by either the State Commission or National Commission while exercising their jurisdiction and setting aside the order of the District Forum. Therefore, the judgment and order of the National Commission dated 26.04.2013 passed in the Revision Petition No. 2032 of 2012 is liable to be set aside, as the said findings recorded in the judgment are erroneous in law.

Accordingly, we allow these appeals and restore the judgment and order of District Forum. Further, we award a sum of Rs.25,000/- towards the cost of the litigation as the respondent-Company has unnecessarily litigated the matter up to this Court despite the clear pronouncement of law laid down by this Court on the question with regard to the violation of terms and conditions of the policy and burden of proof is on the insurer to prove the fact of such alleged breach of terms and conditions by the insured.



Industrial & Labour Laws

LW: 15: 02: 2016

EMPLOYEE STATE INSURANCE CORPORATION v. BATRA HOSPITAL & MEDICAL RESEARCH CENTRE & ORS [DEL]

CRL.M.C. No.3213 of 2013

Suresh Kait, J. [Decided on 15/01/2016]

ESI Act- section 85- inspection of establishment- respondent establishment was not covered under the Act-respondent establishment refused to produce records for inspection – whether could be prosecuted-Held,No.

Brief facts:

The officials of the petitioner visited the establishment of the respondent for inspection of the records. However, respondent establishment has not provided the records. Since, the respondent did not provide the record, therefore, petitioner filed complaint against the respondent. The complaint was dismissed and the respondent was discharged. The order of the trial court is assailed in the present petition.

Decision: Petition dismissed.

Reason:

The Supreme Court in *Srinivasa Rice Mills v ESI Corporation (2007) 1 SCC 705* while dealing with identical issue observed as under:-

"17. Admittedly, the rice mills are situated within the Narsimhapuram area. The appointed day therefor was 1-8-2000. The factories of Appellants were inspected prior to that date. Prior to that date, therefore, Appellants were not bound to comply with the provisions of the Act. They could appoint employees at their own sweet will. But the period wherefor the provisions of the Act would be applicable is 12 months preceding the said date, viz., from 1-8-1999 to 31-7- 2000. Compliance of the requirements of the statutes on the part of the employer, however, would begin from the appointed day, viz., 1-8-2000.

20. The scheme of the Act does not suggest that all the employees would come within the purview of the said Act. Those employees who draw wages as is defined in Section 2(22) of the Act would be the employees who would be covered thereunder. As noticed hereinbefore, inspection of the factories was carried out prior to the date of coming into force of the Act. Such inspections, thus, could have been carried out only in terms of the provisions contained in Section 45 of the Act, which could mean that the Inspector would be appointed for the purpose of the Act. He is authorized under the Act to enquire into the correctness of any of the particulars stated in any return referred to in Section 44 or for the purpose of ascertaining whether any of the provisions has been complied with. It is, therefore, evident that any action taken prior to or in furtherance of a report made on an inspection, prior to coming into force of the Act, would be *ultra virus* Section 45(2) of the Act. Once the inspection is held to be illegal, Respondent could not have taken any statutory action for imposition of penalty."

It is admitted fact that respondent establishment came under the provisions of the said Act only with effect from 01.04.2011 and before that the said establishment was not covered under the said Act. It is not in dispute the petitioner issued the notice on 26.12.2007 to the hospital and not to any



particular department. Therefore, the respondent is not liable to be prosecuted under the provisions of the said Act. The petitioner itself is not clear whether the respondent hospital is maintaining equipment maintenance department or not and that the records sought to be produced by the official of the respondent pertained to such department only or with respect to entire hospital.

Admittedly, respondent was not covered under the said Act in the year 2007, therefore, learned Trial Court has rightly rejected the case of the petitioner and discharged the respondent.

LW: 16: 02: 2016

DELHI TRANSPORT CORPORATION v. OM KANWAR [DEL]

LPA 117 of 2015 & 118 of 2015

Pradeep Nandrajog & Mukta Gupta, JJ. [Decided on
14/01/2016]

Delhi High Court upholds the dismissal of the DTC conductor who had been found, during inspection, to have carried passengers without issuing tickets even after collecting fare from them.

Brief facts:

Om Kanwar, the respondent in the two captioned appeals, was the conductor of the Bus No.9 plying on the route: Chandigarh - Delhi. The bus was intercepted, on 06/01/1993, by a checking squad of DTC at the Karnal Bye-Pass. The squad claimed that five passengers were caught while de-boarding at the Karnal Bye-Pass and failed to produce tickets; and claimed that each told having paid Rs.12/- to Om Kanwar for travelling from Shahbad with the destination being Karnal. Their statements were recorded. In spite of being directed to hand over the complaint book, Om Kanwar refused to do so. A report was prepared. After conducting domestic inquiry, respondent was dismissed. Meanwhile the respondent had raised an industrial dispute. The industrial tribunal had held that the inquiry conducted by the petitioner was vitiated and ordered reinstatement of the respondent. The writ petition challenging the said order was dismissed by the single Judge. Therefore, the petitioner had come up before the Division Bench under Letters Patent appeal.

Decision: Petitions allowed.

Reason:

Because we have found that the inquiry against Om Kanwar does not

suffer from any infirmity our first reasoning in favour of DTC would be that proceeding subsequent to the order dated August 12, 2008, which we have already opined to be faulty and illegal, would fall. But that apart we find that before the Industrial Tribunal Jagdish Chandra proved the statement of the passengers as AW-1/5. He categorically deposed that as the five passengers de-boarded the bus of which Om Kanwar was the conductor they were accosted by him and Chander Prakash and not only did they fail to produce tickets but even said that they had paid Rs.12/- each as fare to Om Kanwar. The reasoning of the Tribunal in the award dated August 29, 2009 is to say the least, perverse. It is irrelevant that the checking team did not enter the bus and accosted the passengers when they de-boarded. No suggestion has been given to Chander Prakash that at that point of time another bus of Haryana Roadways had also stopped at the bus stop and there was thus a possibility of the five passengers de-boarding said bus. That apart, if that was so, the natural reaction of the five passengers would be to tell the checking squad of DTC that they have not travelled by the DTC bus and have travelled by a bus belonging to Haryana Roadways and produce a ticket each issued by the conductor of the said bus. The further error in the order dated August 29, 2009 is the reliance by the Tribunal on the statement of Paphu Ram recorded during inquiry because admittedly Paphu Ram did not appear as a witness before the learned Industrial Tribunal. That apart, the manner in which the Tribunal has discussed this aspect in paragraphs 14 and 15 of its award, which have been reproduced by us in paragraph 10 above, shows perversity. The first perversity is to record that the witness was cross-examined by the Inquiry Officer. There is no cross-examination. Questions put by the Inquiry Officer are merely clarificatory. The second perversity is to overlook the fact that if what Paphu Ram said before the Inquiry Officer was correct and not what was recorded by the checking squad on the day of the incident, the natural conduct of Paphu Ram would be to produce a ticket issued to him by the conductor of the Haryana Roadways bus in which he claimed to have travelled when he appeared before the Inquiry Officer.

The award dated August 29, 2009 has been upheld by the learned Single Judge without analyzing the features of the case and without noting the law which we have noted hereinabove and thus we allow LPA No.117/2015 and quash the judgment dated December 01, 2014 dismissing W.P. (C) No.759/2011. The said writ petition is allowed. The award dated August 29, 2009 is set aside and we grant permission to DTC as sought under Section 33(2) (b) of the Industrial Disputes Act, 1947.

As a sequitur we also allow LPA No.118/2015 and set aside the impugned order dated December 01, 2014 dismissing W.P. (C) No.2578/2011. Said writ petition is allowed and the award dated April 13, 2010 passed by the learned Labour Court is set aside. The reference sought by Om Kanwar concerning his being removed from service is answered against him for the reason entrusted with a fiduciary duty to collect the revenue by issuing tickets to passengers travelling by a DTC bus he has not only breached the fiduciary duty but has made illegal gain for himself and has fraud the employer.



Corporate Laws

01 Companies (Incorporation) Amendment Rules, 2016

[Issued by the Ministry of Corporate Affairs vide F. No. 1/13/2013-CL-V-Part-II, dated 22.01.2016. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely:-

1. **Short title and commencement.**- (1) These rules may be called the Companies (Incorporation) Amendment Rules, 2016.
 - (2) They shall come into force from 26th day of January, 2016.
2. In the Companies (Incorporation) Rules, 2014 (herein after referred to as the principal rules), in rule 8,-
 - (i) in sub-rule (2)
 - (a) sub-clause (ii) of clause (b) shall be omitted;
 - (b) sub-clause (x) of clause (b) shall be omitted; and
 - (c) sub-clause (xvii) of clause (b) shall be omitted.
 - (ii) sub-rule (3) shall be omitted.
 - (iii) sub-rule (4) shall be omitted.
3. In the principal rules, for Rule 9 the following shall be substituted namely:-

"9. Reservation of name - An application for the reservation of a name shall be made in Form No. INC-1 along with the fee as provided in the Companies (Registration offices and fees) Rules, 2014 which may be approved or rejected, as the case may be, by the Registrar, Central Registration Centre."
- (4) In the principal rules, in rule 36, in sub-rule(12),-
 - (i) after sub-clause (b), the following shall be inserted.-

'(ba) After the resubmission of the documents and on completion of second opportunity, if the registrar still finds that the documents are defective or incomplete, he shall give third opportunity to remove such defects or deficiencies;'

Provided that the total period for re-submission of documents shall not exceed a total period of thirty days.

(ii) in sub-clause (c) , for the words 'two opportunities', the words 'three opportunities' shall be substituted.

(5) In the principal rules, for the existing Form No.INC-1, the following form no. INC-1 shall be substituted, namely:-

FORM NO. INC-1		Application for reservation of Name
<small>[Pursuant to section 4(4) of the Companies Act, 2013 and pursuant to rule 8 & 9 of the Companies (Incorporation) Rules, 2014]</small>		
<small>Form language <input type="radio"/> English <input type="radio"/> Hindi Refer the instruction kit for filing the form.</small>		
1. *Application for:		
<input type="radio"/> Incorporating a new company (Part A, B, C) <input type="radio"/> Changing the name of an existing company (Part B, C, D)		
Part A: Reservation of name for incorporation of a new company		
2. Details of applicant (In case the applicant has been allotted DIN, then it is mandatory to enter such DIN)		
(a) *Director identification number (DIN) or income tax	<input type="text"/>	<input type="button" value="Pre-Fill"/>
permanent account number (PAN) or passport number	<input type="text"/>	<input type="button" value="Verify Details"/>
(b) *First Name	<input type="text"/>	
Middle Name	<input type="text"/>	
*Surname	<input type="text"/>	
(c) *Occupation Type	<input type="radio"/> Self-employed <input type="radio"/> Professional <input type="radio"/> Homemaker <input type="radio"/> Student <input type="radio"/> Serviceman	
Area of occupation	<input type="text"/>	
(d) Address *Line I	<input type="text"/>	
Line II	<input type="text"/>	
(e) *City	<input type="text"/>	
(f) *State/Union territory	<input type="text"/>	
If 'NA' selected, specify	<input type="text"/>	
(g) *Pin Code	<input type="text"/>	
(h) *ISO Country Code	<input type="text"/>	
(i) Country	<input type="text"/>	
(j) *e-mail Id	<input type="text"/>	
(k) Phone (with STD/ISD code)	<input type="text"/>	<input type="text"/>
(l) Mobile (with Country code)	<input type="text"/>	<input type="text"/>
(m) Fax	<input type="text"/>	
3. (a) *Type of company	<input type="radio"/> Section 8 Company <input type="radio"/> Part I Company (Chapter XXI) <input type="radio"/> Producer Company <input type="radio"/> New Company (Others)	
(b) *State the class of proposed company	<input type="radio"/> Public <input type="radio"/> Private <input type="radio"/> Private (One Person Company)	
(c) *State the category of proposed company	<input type="text"/>	
(d) *State the sub-category of proposed company	<input type="text"/>	



4. *Name of the State/Union territory in which the proposed company is to be registered

5. *Name of the office of the Registrar of Companies in which the proposed company is to be registered

6. Details of promoter(s) (In case the promoter(s) has been allotted DIN, then it is mandatory to enter such DIN)
*Enter the number of promoter(s)

7. *Objects of the proposed Company to be included in its MoA

8. *Particulars of proposed director(s)
Specify information of one director in case the proposed company is One Person Company or of two directors in case the proposed company is a private company (other than producer company) or of three directors in case the proposed company is a public company or of five directors in case the proposed company is a producer company.

9. *Whether the promoters are carrying on any Partnership firm, sole proprietary or unregistered entity in the name as applied for
(If yes, attach NOC from all owners/partners of such entity for use of such name)
If yes, whether the business of such entity shall be taken over by the proposed Company

Part B. Particulars about the proposed name(s)

10. *Number of proposed names for the company
(Please give maximum six names in order of preference)

Proposed name	Significance of key or coined word in the proposed name	Script of the name in the vernacular language(s) if used in the proposed name

11. *Whether the proposed name is in resemblance with any class of Trade Marks Rules, 2002
If yes, please specify the Class(es) of trade mark

12. *Whether the proposed name(s) is/are based on a registered trademark or is subject matter of an application pending for registration under the Trade Marks Act.

13. In case the name is similar to any existing company or to the foreign holding company, specify name of such company and also attach copy of the No Objection Certificate by way of Board resolution (Duly attested by a Director of that company)

14. (a) *Whether the proposed name includes the word such as Insurance, Bank, Stock Exchange, Venture Capital, Asset Management, NBFI, or Mutual Fund etc.

(b) *Whether the in-principle approval is received from

(c) *Whether the proposed name including the phrase "Electoral trust".

15. *State whether the proposed name(s) contain such word or expression for which the previous approval of Central Government is required.

Part C. Names requiring Central Government approval

Part D. Reservation of name for change of name by an existing Company

16. (a) *City of Company
(b) Global Location Number(GLN) of Company
(c) Name of Company
(d) Address of the registered office of the Company
(e) email ID of the company

17. (a) *State whether the change of name is due to direction received from the Central Government.
(b) *Whether the proposed name is in accordance with the rule 8(B) and specific direction of the Tribunal is attached

18. (a) *Whether the change in name requires change in object of the company
(b) Reasons for change in name (In case of yes above, mention proposed objects of the company)

Attachments

(1) In case of change of name of an existing company, a copy of Board resolution.
(2) If change of name is due to direction received from

List of attachments

(3) In case of change of name of an existing company, a copy of Board resolution.
(4) Copy of Central Government's approval in case the proposed name contains such word(s) or expression(s) for which the approval of Central Government is required.
(5) In-principle approval from the concerned regulator.
(6) NOC from the sole proprietor/partners/other associates.
(7) NOC from existing company.
(8) Copy of affidavit, in case proposed name including phrase "Electoral Trust".
(9) Resolution of unregistered companies in case of Chapter XXI (Part I) companies.
(10) Order of competent authority as required in Rule 8(B).
(11) Resolution passed by foreign company.
(12) Optional attachment, if any.

Declaration

I am a Promoter (proposed first subscriber) to the Memorandum of Association and I am also authorized by other proposed promoter(s) and first subscriber(s) to sign and submit this application.

I have gone through the provisions of The Companies Act, 2013, the rules thereunder and prescribed guidelines framed thereunder in respect of reservation of name, understood the meaning thereof and the proposed name(s) is/are in conformity thereto.

I have used the search facilities available on the portal of the Ministry of Corporate Affairs (MCA) for checking the resemblance of the proposed name(s) with the companies and limited liability partnership (LLPs) respectively already registered or the names already approved. I have also used the search facility for checking the resemblances of the proposed name(s) with registered trademarks and trade mark subject of an application under the Trade Marks Act, 1999 and other relevant search for checking the resemblance of the proposed name(s) to satisfy myself with the compliance of the provisions of the Act for resemblance of name and Rules thereof.

The proposed name(s) is/are not in violation of the provisions of Emblems and Names (Prevention of Imprescription) Act, 1950 as amended from time to time.

The proposed name is not offensive to any section of people, e.g. proposed name does not contain profanity or words or phrases that are generally considered a slur against an ethnic group, religion, gender or heredity.

The proposed name(s) is/are not such that its use by the company will constitute an offence under any law for the time being in force.

I have complied with all the mandated requirements of the respective Act/regulator, such as IRDA, SEBI, MCA etc. (Applicable only in case proposed name includes words like Insurance, Bank, Stock Exchange, Venture Capital, Asset Management, NBFI, Mutual Fund, Finance, Investment, Lending, FDR purchase etc. or any combination thereof).

To the best of my knowledge and belief, the information given in this application and its attachments (where applicable) is correct and complete, and nothing relevant to this form has been suppressed.

I have been authorized by the Board of Directors resolution Number and to sign and submit this application (for change of name).

I undertake to be fully responsible for the consequences in case the name is subsequently found to be in contravention of the provisions of section 4(2) and section 4(3) of The Companies Act, 2013 and rules thereunder and I have also gone through and understood the provisions of section 455 (1) (a) and (b) of The Companies Act, 2013 and rules thereunder and fully declare myself responsible for the consequences thereof.

To be digitally signed by DSC BOX

Declaration

DIN or Income tax PAN or passport number of the applicant or Director identification number of the director, or PAN of the manager or CEO or CFO or Membership number of the Company Secretary

Note: Attention is drawn to the provisions of sections 703 and 704 which, inter-alia, provides that furnishing of any false or incorrect particulars of any information or requirements of any material information shall attract punishment for fraud under section 447. Attention is also drawn to provisions of section 448 and 449 which provide for punishment for false statement and punishment for false evidence respectively.

Amardeep Singh Bhatia
Joint Secretary





02 Establishment by Central Government Central Registration Centre (CRC)

[Issued by the Ministry of Corporate Affairs vide F. No. A-42011/03/2016-Ad.II, dated 22.01.2016. Published in the Gazette of India, Extraordinary Part II—Section 3—Sub-section (ii), dated 22.01.2016, vide S.O. 218(E).]

In exercise of the powers conferred by sub-sections (1) and (2) of section 396 of the Companies Act, 2013 (18 of 2013) (herein after referred to as the Act), the Central Government hereby establishes a Central Registration Centre (CRC) having territorial jurisdiction all over India, for discharging or carrying out the function of processing and disposal of applications for reservation of names under the provisions of the said Act.

2. The CRC shall function under the administrative control of Registrar of Companies, Delhi (ROC Delhi), who shall act as the Registrar of the CRC until a separate Registrar is appointed to the CRC. The CRC shall process applications for reservation of name i.e., e-Form No. INC-1 filed along with the prescribed fee as provided in the Companies (Registration of Offices and Fees) Rules, 2014.
3. Processing and approval of name or names proposed in e-Form No. INC-29 shall continue to be done by the respective Registrar of Companies having jurisdiction over incorporation of companies under the Companies Act, 2013 as per the provisions of the Act and the rules made thereunder.
4. The CRC shall be located at Indian Institute of Corporate Affairs (IICA), Plot No. 6,7, 8, Sector 5, IMT Manesar, District Gurgaon (Haryana), Pin Code-122050.
5. This notification shall come into force from 26th January, 2016.

Manoj Kumar
Joint Secretary

03 Whether Hindu Undivided Family (HUF)/ its Karta can become partner/Designated Partner (DP) in Limited Liability Partnership (LLP)

[Issued by the Ministry of Corporate Affairs vide General Circular No. 2/2016, F.No.1/13/2012 CL-V, dated 15.01.2016.]

Reference is invited to General Circular No. 13/2013 wherein, in paragraph 2, it has been clarified that 'as per section 5 of LLP Act, 2008 only an individual or body corporate may be a partner in a Limited Liability Partnership. A HUF cannot be treated as a body corporate for the purposes of LLP Act, 2008. Therefore, a HUF or its Karta cannot become partner or designated partner in LLP'.

2. However, the clarification inadvertently does not mention partner in the last sentence of the paragraph quoted above which has been pointed out by a stakeholder. It is hereby clarified that a HUF or its Karta cannot become partner or designated partner in LLP.

This issues with the approval of the Secretary, MCA.

Kamna Sharma
Deputy Director

04 Date of coming into force of section 125, sub-sections (5),(6) & (7) of the Companies Act, 2013

[Issued by the Ministry of Corporate Affairs vide F. No. 5/27/2013-IEPF (Part), dated 13.01.2016, Published in the Gazette of India, Extraordinary, Part II—Section 3—Sub-section (ii), dated 14.01.2016 vide S.O. 125(E)]

In exercise of the powers conferred by sub-section (3) of Section 1 of the Companies Act, 2013 (18 of 2013), the Central Government hereby appoints the 13th day of January, 2016 as the date on which the provisions of sub-section (5), sub-section (6) [except with respect to the manner of administration of the Investor Education and Protection Fund] and sub-section (7) of section 125 of the said Act shall come into force.

Amardeep Singh Bhatia
Joint Secretary

05 Frequently Asked Questions (FAQs) with regard to Corporate Social Responsibility under section 135 of the Companies Act, 2013.

[Issued by the Ministry of Corporate Affairs vide General Circular No. 01/2016, No. 05/19/2015-CSR, dated 12.01.2016]

Section 135 of the Companies Act, 2013, Schedule VII of the Act and Companies CSR Policy Rules, 2014 read with General Circular dated 18.06.2014 issued by the Ministry of Corporate Affairs, provide the broad contour within which eligible Companies are required to formulate their CSR policies including activities to be undertaken and implement the same in the right earnest. While complying with the Corporate Social Responsibility (CSR) provisions of the Act, Board of the eligible companies are empowered to appraise and approve their CSR policy including CSR projects or programmes or activities to be undertaken. In this connection, Ministry has been receiving several queries and references seeking further clarifications on various issues relating to CSR provision of the Act.

2. In continuation to this Ministry's General Circular dated 18th June, 2014 and 17th September, 2014, a set of FAQs



along with response of the Ministry is provided' for facilitating effective implementation of CSR :

FREQUENTLY ASKED QUESTIONS ON CORPORATE SOCIAL RESPONSIBILITIES

Sl. No.	FAQs
1.	Whether CSR provisions of the Companies Act, 2013 is applicable to all companies?
	CSR provisions of the Companies Act 2013 is applicable to every company registered under the Companies Act 2013 and any other previous Companies law having <ul style="list-style-type: none"> • net worth of rupees five hundred crore or more, or • turnover of rupees one thousand crore or more or • a net profit of rupees five crore or more during any financial year
2.	What is meaning of 'any financial year' mentioned above?
	" Any Financial year" referred under Sub- Section (1) of Section 135 of the Act read with Rule 3(2) of Companies CSR Rule, 2014 implies any of the three preceding financial years (refer General Circular No. 21/2014, dated: 18.06.2014)
3.	Whether CSR expenditure of a company can be claimed as a business expenditure?
	The amount spent by a company towards CSR cannot be claimed as business expenditure. The Finance Act, 2014 provides that any expenditure incurred by an assessee on the activities relating to Corporate Social Responsibility referred to in section 135 of the Companies Act 2013 shall not be deemed to be an expenditure incurred by the assessee for the purposes of the business or profession.
4.	Whether the 'average net profit' criteria for section 135(5) is Net profit before tax or Net profit after tax?
	Computation of net profit for section 135 is as per section 198 of the Companies Act, 2013 which is primarily PROFIT BEFORE TAX (PBT).
5.	Can the CSR expenditure be spent on the activities beyond Schedule VII?
	General Circular No. 21/2014 dated June 18, 2014 of MCA has clarified that the statutory provision and provisions of CSR Rules, 2014, is to ensure that activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act, 2013. The entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities. The General Circular also provides an illustrative list of activities that can be covered under CSR. In a similar way many more can be covered. It is for the Board of the company to take a call on this.

6.	What tax benefits can be availed under CSR?
	No specific tax exemptions have been extended to CSR expenditure per se. The finance Act 2014 also clarifies that expenditure on CSR does not form part of business expenditure. While no specific tax exemption has been extended to expenditure incurred on CSR, spending on several activities like contributions to Prime Minister's Relief Fund, scientific research, rural development projects, skill development projects, agricultural extension projects, etc., which find place in Schedule VII, already enjoy exemptions under different sections of the Income Tax Act, 1961.
7.	Which activities would not qualify as CSR?
	<ul style="list-style-type: none"> • The CSR projects or programs or activities that benefit only the employees of the company and their families. • One-off events such as marathons/ awards/ charitable contribution/ advertisement/sponsorships of TV programmes etc. • Expenses incurred by companies for the fulfillment of any other Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act, 2013, Apprentice Act, 1961 etc.) • Contribution of any amount directly or indirectly to any political party. • Activities undertaken by the company in pursuance of its normal course of business. • The project or programmes or activities undertaken outside India.
8.	Whether a holding or subsidiary of a company which fulfils the criteria under section 135(1) has to comply with section 135, even if the holding and subsidiary itself does not fulfill the criteria.
	Holding or subsidiary of a company does not have to comply with section 135(1) unless the holding or subsidiary itself fulfills the criteria.
9.	Whether provisions of CSR are applicable on Section 8 Company, if it fulfills the criteria of section 135(1) of the Act.
	Section 135 of the Act reads " Every company", i.e. no specific exemption is given to section 8 companies with regard to applicability of section 135, hence section 8 companies are required to follow CSR provisions
10.	Can contribution of money to a trust/Society/Section 8 Companies by a company be treated as CSR expenditure of the company?
	General Circular.No. 21/2014 of MCA dated June 18, 2014 clarifies that Contribution to Corpus of a Trust/ Society/ Section 8 companies etc. will qualify as CSR expenditure as long as : <ul style="list-style-type: none"> (a) the Trust/ Society/ Section 8 company etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.



From the Government

11.	Whether display of CSR policy of a company on website of the company is mandatory or not?
	As per section 135(4) the Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website, if any (refer Rule 8 & 9 of CSR Policy, Rules 2014).
12.	Whether reporting of CSR is mandatory in Board's Report?
	The Board's Report of a company qualifying under section 135(1) pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing particulars specified in Annexure. (refer Rule 9 of CSR Policy, Rules 2014).
13.	Whether it is mandatory for Foreign Company to give report on CSR activity?
	In case of a foreign company, the balance sheet filed under sub-clause (b) of subsection (1) of section 381 shall contain an Annexure regarding report on CSR.
14.	Whether contribution towards disaster relief qualifies as CSR or not?
	(May please refer point no. 7 to the annexure to General Circular dated 18.06.2014 issued by Ministry of Corporate Affairs).
15.	Whether contribution in kind can be monetized to be shown as CSR expenditure?
	Section 135 prescribes "....shall ensure that company spends....".The company has to spend the amount.
16.	If a company spends in excess of 2% of its average net profit of three preceding years on CSR in a particular year, can the excess amount spent be carried forward to the next year and be offset against the required 2% CSR expenditure of the next year?
	Any excess amount spent (i.e., more than 2% as specified in Section 135) cannot be carried forward to the subsequent years and adjusted against that year's CSR expenditure.
17.	Can the unspent amount from out of the minimum required CSR expenditure be carried forward to the next year?
	The Board is free to decide whether any unspent amount from out of the minimum required CSR expenditure is to be carried forward to the next year. However, the carried forward amount should be over and above the next year's CSR allocation equivalent to at least 2% of the average net profit of the company of the immediately preceding three years.
18.	What is the role of Government in monitoring implementation of CSR by companies under the provision of the Companies Act, 2013?

	The main thrust and spirit of the law is not to monitor but to generate conducive environment for enabling the corporates to conduct themselves in a socially responsible manner, while contributing towards human development goals of the country. The existing legal provisions like mandatory disclosures, accountability of the CSR Committee and the Board, provisions for audit of the accounts of the company etc., provide sufficient safeguards in this regard. Government has no role to play in monitoring implementation of CSR by companies.
19.	Whether government is proposing to establish any mechanism for third parties to monitor the quality and efficacy of CSR expenditure as well as to have an impact assessment of CSR by Companies?
	Government has no role to play in engaging external experts for monitoring the quality and efficacy of CSR expenditure of companies. Boards / CSR Committees are fully competent to engage third parties to have an impact assessment of its CSR programme to validate compliance of the CSR provisions of the law.
20.	Can CSR funds be utilized to fund Government Scheme?
	The objective of this provision is indeed to involve the corporates in discharging their social responsibility with their innovative ideas and management skills and with greater efficiency and better outcomes. Therefore, CSR should not be interpreted as a source of financing the resource gaps in Government Scheme. Use of corporate innovations and management skills in the delivery of 'public goods' is at the core of CSR implementation by the companies. In-principle, CSR fund of companies should not be used as a source of funding Government Schemes. CSR projects should have a larger multiplier effect than that under the Government schemes. However, under CSR provision of the Act and rules made thereunder, the Board of the eligible company is competent to take decision on supplementing any Government Scheme provided the scheme permits corporates participation and all provisions of Section 135 of the Act and rules thereunder are complied by the company.
21.	Who is the appropriate authority for approving and implementation of the CSR programmes /projects of a Company? What is Government's role in this regard?
	Government has no role to play in this regard. Section 135 of the Act, Schedule VII and Companies CSR Policy Rules, 2014 read with General Circular dated 18.06.2014 issued by the Ministry of Corporate Affairs, provide the broad contour within which eligible companies are required to formulate their CSR policies including activities to be undertaken and implement the same in the right earnest. Therefore, all CSR programmes / projects should be approved by the Boards on the recommendations of their CSR Committees. Changes, if any, in the programme / project should also be undertaken only with the approval of the Committee/Board.



22.	How can companies with small CSR funds take up CSR activities in a project / programme mode?
	A well designed CSR project or programme can be managed with even small fund. Further, there is a provision in the CSR Policy Rules, 2014 that such companies can combine their CSR programs with other similar companies by way of pooling their CSR resources. (refer rule 4 in Companies (CSR Policy) Rules, 2014).
23.	Whether involvement of employees of the company in CSR project / programmes of a company can be monetized and accounted for under the head of 'CSR expenditure'?
	Contribution and involvement of employees in CSR activities of the company will no doubt generate interest / pride in CSR work and promote transformation from Corporate Social Responsibility (CSR) as an obligation, to Socially Responsible Corporate (SRC) in all aspects of their functioning. Companies therefore, should be encouraged to involve their employees in CSR activities. However monetization of pro bono services of employees would not be counted towards CSR expenditure.

3. This issues with the approval of Competent Authority

Seema Rath
Deputy Director

06 Delegation of Power to RDs under section 208 of the Companies Act, 2013

[Issued by the Ministry of Corporate Affairs vide F. No. 3/76/2015-CL-II, dated 31.12.2015. To be published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (ii)]

In exercise of the powers conferred by section 458 of the Companies Act, 2013 (18 of 2013) the Central Government hereby delegates to the Regional Directors at Mumbai, Kolkata, Chennai, Delhi, Ahmedabad, Hyderabad and Shillong, the power vested in it under section 208 of the said Act for receiving the report from the Registrar (having jurisdiction over the place of registered office of the company concerned) or from the Inspector where such report recommends action for violation of offences under the said Act for which imprisonment of less than two years is provided, (except for violation of offences under Chapter III, IV section 127, 177 and 178 for which the report shall be received by the Central Government), subject to the conditions, namely:-

- On receipt of the report referred to in paragraph 1, the Regional Director
 - shall examine the report and obtain legal advice, if required;
 - shall direct initiation of prosecution if he agrees with the

recommendation of the Registrar or inspector to initiate prosecution against the company, officers or employees, Present or past of the company, or any other person connected with the affairs of the company; and

- shall inform the Central Government (along with reasons for non-acceptance of recommendation of Registrar or Inspector, wherever he disagrees) about the action taken on the report submitted by Registrar or Inspector.

- The Regional Director shall, on receipt of the report, where such report recommends action for violation of offences other than those specified in paragraph 1, examine the same, obtain legal advice, if required, and submit it to the Central Government seeking initiation of prosecution.

Amardeep S. Bhatia
Joint Secretary

07 Relaxation of additional fees and extension of last date of in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013- State of Tamil Nadu and UT of Puducherry - reg.

[Issued by the Ministry of Corporate Affairs vide General Circular No. 16/2015, F.No. 01/34/2013 CL-V, dated 30.12.2015.]

In continuation of this Ministry's General Circular 15/2015 dated 30.11.2015, keeping in view the requests received from various stakeholders stating that due to heavy rains and floods in the State of Tamil Nadu and UT of Puducherry, the normal life/work was affected, it has been decided to relax the additional fees payable for the State of Tamil Nadu and UT of Puducherry on e-forms AOC-4, AOC (CFS) AOC-4 XBRL and e- Form MGT-7 upto 30.01.2016, wherever additional fee is applicable.

- This issues with the approval of the competent authority.

KMS Narayanan
Assistant Director

08 Revision in Position Limits for Agricultural Commodities

[Issued by the Securities and Exchange Board of India vide Circular CDMRD/DMP/CIR/32/2016, dated 29.01.2016.]

- In continuation of SEBI circular No CIR/CDMRD/DMP/2/2016 dated January 15, 2016, the following directions are hereby issued with respect to provisions of open position limits for futures contracts on agricultural commodities:



(I) Client level

- a. Overall position limit for a particular commodity shall be restricted to numerical position limits as mandated from time to time. For the present, the numerical position limits as existing shall be continued. It is clarified that client level position limit equal to 5% of market wide open interest permitted earlier, is hereby discontinued.
- b. As prescribed vide SEBI circular dated January 15, 2016, near month position limit for a particular commodity shall be restricted to one-fourth of the client level overall position limit in that commodity.
- c. For the purpose of calculating overall position, all long and short positions of the client across all contracts on the underlying will be added up separately and higher of the two shall be considered as overall open position.
- d. For calculating near month open position, higher of long and short positions of the client in near month contracts to be considered.
- e. Thus henceforth, netting out near month contract with off-setting positions in far months contracts shall not be permitted for the purpose of computation of near month position of any client .

(II) Member level –

- a. Overall position limit for a particular commodity shall be the numerical position limits as mandated from time to time or 15% of market wide open interest, whichever is higher.
- b. As prescribed vide SEBI circular dated January 15, 2016, near month position limit for a particular commodity shall be one-fourth of the member's overall position limit in that commodity.
- c. For the purpose of calculating overall position, the position of the clients as determined in (I)c above will be added without netting off among themselves as also against proprietary position of the member (which will also be treated like a client position). All longs and shorts will be added up separately and higher of the two will be reckoned.
- d. For calculating near month open position, the position of the clients as determined in (I)d above will be added without netting off among themselves as also against proprietary position of the member (which will also be treated like a client position). All longs and shorts will be added up separately and higher of the two will be reckoned.
- e. Position limits for member's proprietary positions shall

be same as client level position limits.

The above provisions shall be effective from March 01, 2016 onwards.

The Exchanges are advised to:

- i. bring the provisions of this circular to the notice of the members of the Exchange and also to disseminate the same on their website.
 - ii. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Reports to SEBI.
 - iii. to make necessary amendments to the relevant bye-laws, rules and regulations.
4. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
 5. This circular is available on SEBI website at www.sebi.gov.in.

Vikas Sukhwai
Deputy General Manager

09 Know Your Client Requirements - Clarification on voluntary adaptation of Aadhaar based e-KYC process

[Issued by the Securities and Exchange Board of India vide Circular CIR/MIRSD/29/2016, dated 22.01.2016.]

1. The Hon'ble Supreme Court, in Writ Petition (Civil) No. 494 of 2012 in the matter of Justice K.S. Puttaswamy (Retd.) & Another vs Union of India & Others, vide order dated August 11, 2015 and October 15, 2015 directed that the usage of the Aadhaar card as issued by the Unique Identification Authority of India (UIDAI) is voluntary. In view of the said orders, the usage of Aadhaar card is optional and purely on a voluntary basis, subject to the final judgment of the Hon'ble Supreme Court in the aforesaid petition.
2. SEBI circular dated October 8, 2013, enables Aadhaar based e-KYC service offered by UIDAI for KYC verification on authorisation by the client to the intermediary on a voluntary basis. Clarification on certain operational aspects of the said circular is provided at Annexure A.
3. It may be noted that the provisions laid down under the Prevention of Money- Laundering Act, 2002, Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, SEBI Master Circular on Anti Money Laundering (AML) dated December 31, 2010 and SEBI Circular on AML dated March



12, 2014 and relevant KYC circulars issued from time to time shall continue to remain applicable.

4. This clarificatory circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of and to regulate the securities market.

D Rajesh Kumar
Deputy General Manager

Annexure - A

Clarification on voluntary adaptation of Aadhaar based e-KYC process

SEBI vide circular dated October 8, 2013, enabled Aadhaar based e-KYC service offered by UIDAI for KYC verification.

Intermediaries have sought clarifications from SEBI on certain operational aspects of the same.

It is clarified that for accessing the details enabling client identification and authentication from UIDAI based on client authorisation, on voluntary basis, intermediaries who utilize the services of KYC Service Agencies (KSAs) would be registered as KYC User Agencies (KUA) with UIDAI.

1. For entering into account based relationship, the client may provide the following information to the intermediary:
 - i. Name
 - ii. Aadhaar number
 - iii. Permanent Account Number (PAN)
2. The above information can be provided by the client electronically including through any web enabled device.
3. The intermediary shall perform verification of the client with UIDAI through biometric authentication (fingerprint or iris scanning). Mutual Funds can also perform verification of the client with UIDAI through One Time password (OTP) received on client's mobile number or on e-mail address registered with UIDAI provided, the amount invested by the client does not exceed Rs. 50,000 per financial year per Mutual Fund and payment for the same is made through electronic transfer from the client's bank account registered with that Mutual Fund.
4. PAN of such client is to be verified from the income tax website.
5. After due validation of Aadhaar number provided by the client, the intermediary (acting as KUA) shall receive the KYC information about the client from UIDAI through KSA.
6. The information downloaded from UIDAI shall be considered as sufficient information for the purpose of KYC verification.

The intermediary shall upload this KYC information on the KRA system in terms of KRA Regulations.

7. In case material difference is observed either in the name (as observed in the PAN vis-a-vis Aadhaar) or photograph in Aadhaar is not clear, the intermediary shall carry out additional due diligence and maintain a record of the additional documents sought pursuant to such due diligence.
8. The records of KYC information so received shall be maintained by the intermediary as per the SEBI Act, Regulations and various circulars issued thereunder.

10 Revised Position Limits for Currency Derivatives Contracts

[Issued by the Securities and Exchange Board of India vide Circular CIR/MRD/DP/02/2016, dated 15.01.2016.]

With a view to maintain orderly conditions in the domestic foreign exchange market and based on the recommendation from RBI, it has been decided to enhance the gross open position limits for bank stock brokers as authorized by RBI.

2. Accordingly, it has been decided to revise the position limit per stock exchange for bank stock brokers with respect to the currency pair USD-INR. Therefore, the para 12 (a) of the SEBI Circular No. CIR/MRD/DP/20/2014 dated June 20, 2014, as modified vide SEBI circulars CIR/MRD/DP/23/2014 dated July 24, 2014 and CIR/MRD/DP/30/2014 dated October 22, 2014 stand modified as under:

Position limits for stock brokers (bank and non-bank), Category I & II FPIs and Domestic Institutional investors

Currency Pair	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher. However, for bank stock brokers, as authorized by RBI, the gross open position across all contracts shall not exceed 15% of the total open interest or USD 1 billion, whichever is higher.

3. RBI shall keep SEBI and the stock exchanges informed about the bank stock brokers that are authorised to have enhanced position limits as per para 2 above.
4. All other conditions as specified vide earlier SEBI circulars shall remain unchanged.
5. Stock exchanges are directed to:



- i. take necessary steps and put in place necessary systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations.
 - ii. bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on its website, and
 - iii. communicate to SEBI the status of implementation of the provisions of this circular.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Susanta Kumar Das
Deputy General Manager

11 Reduction in Daily Price Limits & Near month Position Limits for Agricultural Commodity Derivatives and Suspension of Forward Segment

[Issued by the Securities and Exchange Board of India vide Circular CIR/CDMRD/DMP/2/2016, dated 15.01.2016.]

1. With a view to curb the speculative participation and consequent volatility in prices of agricultural commodities derivatives, the following have been decided:

a. Reduction in Daily Price Limits (DPL):

- i. DPL for agricultural commodity derivatives contracts shall be revised as given below:

Commodity	Initial Slab	Enhanced Slab	Total DPL
Barley, Chilli, Jeera, Turmeric	2%	2%	4%
Other Agricultural Commodities	3%	1%	4%

- ii. DPL shall have two slabs- Initial and Enhanced Slab. Once the initial slab limit is reached in any contract, then after a period of 15 minutes this limit shall be increased further by enhanced slab, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.
- iii. The above slab-wise DPL norm shall be applicable uniformly on all trading days.

- iv. The revised DPL norms shall be applicable with effect from February 1, 2016

b. Reduction in Near month Position Limits:

- i. Currently in case of agricultural commodity derivatives, client level and member level near month position limits in any commodity are 50% of their overall position limits for that commodity. This near month position limit has now been revised from 50% to 25%.
- ii. The revised near month position limits shall be applicable for all the contracts expiring in month of March-2016 and onwards.

2. **Suspension of Forward Segment:** It has been decided that participants in Forward Segment shall not be allowed to enter into fresh contracts till further orders. However, the existing contracts shall be allowed to be settled as per the terms of the contracts.

3. The other related norms stipulated by FMC to the extent not covered in this circular shall continue to remain in force.

4. The Exchanges are advised to:

- i. take steps to make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the same.
- ii. bring the provisions of this circular to the notice of the members of the Exchange and also to disseminate the same on their website.
- iii. communicate to SEBI, the status of the implementation of the provisions of this circular.

5. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. This circular is available on SEBI website at www.sebi.gov.in.
Vikas Sukhwai
Deputy General Manager

12 Securities and Exchange Board of India (Depositories And Participants) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No. SEBI/LAD-NRO/GN/2015-16/032., dated 21.01.2016. Published in the Gazette of India, Extraordinary Part-III- Section 4, dated 21.01.2016]

In exercise of the powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with Section



25 of the Depositories Act, 1996 (22 of 1996), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016.
2. They shall be deemed to have come into force from September 11, 2012.
3. In the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, in Regulation 53C, sub-regulation (2) shall be substituted with the following, namely-
“(2) Every depository shall credit five per cent or such percentage as may be specified by the Board, of its profits from depository operations every year to the Investor Protection Fund.”

U. K. Sinha
Chairman

13 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No. SEBI/LAD-NRO/GN/2015-16/031, dated 21.01.2016. Published in the Gazette of India, Extraordinary Part-III – Section 4, dated 21.01.2016]

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, namely:-

1. These regulations may be called the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, in Schedule X,-
 - (1) items (9) and (10) shall be renumbered as item (10) and (11) respectively;
 - (2) after item (8) and before item (10) so renumbered, the following item shall be inserted, namely-
“(9) services provided by recognised stock exchanges and registered depositories, in relation to securities;”

U. K. Sinha
Chairman

14 Clarification Circular on Streamlining the Process of Public Issue of Equity Shares and Convertibles

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/CFD/DIL/CIR/P/2016/26, dated 21.01.2016.]

1. SEBI vide Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued operational details to, inter-alia, reduce the time taken for listing after the closure of the issue to 6 working days and enhancing the points of submission of applications by the investors.
2. With an endeavor to make the public issue process more efficient and robust, in discussion with market participants, following issues are hereby clarified:
 - 2.1. Stock exchange(s) may validate the electronic bid details with depository's records for DP ID, Client ID and PAN, at periodic intervals throughout the bidding day during the bidding period and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.
 - 2.2. Syndicate members, registered brokers of stock exchanges, depository participants (DPs) and registrars to an issue and share transfer agents (RTAs) registered with SEBI, may also forward the physical application forms received by them on day-to-day basis during the bidding period to designated branches of the respective self certified syndicate banks (SCSBs) for blocking of funds. Such applications should be with value not more than ` 2 lakh and shall be forwarded along with the schedule specified in SEBI Circular dated November 10, 2015.
 - 2.3. Stock exchanges may share the electronic bid file for applications with value not more than ` 2 lakh with RTA to the issue on daily basis who in turn may share the same with each SCSB. SCSBs may carry out the blocking of funds on a daily basis during the bidding period for such physical application forms received. Revised electronic bid file / final bid file shall be shared by the stock exchanges with RTA to the issue. SCSBs to ensure blocking of funds is based on final electronic bid file received from RTA to the issue.
 - 2.4. Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays.
 - 2.5. The instruction for publication of basis of allotment may be given by T+5 day so that basis of allotment is published in all the newspapers, where issue opening/closing advertisements have appeared earlier, on T+6 before the commencement of trading.



3. All intermediaries are advised to cooperate with each other and take necessary steps to ensure compliance with this circular.
4. This circular shall be applicable with immediate effect.
5. This Circular is issued in exercise of the powers conferred under Section 11 and Section 11A of the Securities and Exchange Board of India Act, 1992.
6. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Issues and Listing".

Narendra Rawat
Deputy General Manager

15 Amendment to SEBI Circular CIR/MRD/DSA/33/2012 dated December 13, 2012 pursuant to amendment in Regulation 2(1)(b) of SECC Regulations, 2012.

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/MRD/DSA/CIR/P/2016/30, dated 21.01.2016.]

1. Pursuant to the approval of SEBI Board in its meeting held on November 30, 2015, SEBI has notified the amendments to the definition of associate as contained in Regulation 2(1)(b) of SECC Regulations.
2. Consequent to the amended definition of 'associate' as contained in Regulation 2(1)(b) of SECC Regulations, it has been decided to review the provisions of Para 14(1) of SEBI Circular No: CIR/MRD/DSA/33/2012 dated December 13, 2012.
3. Accordingly, the Para 14.1 of the SEBI Circular No: CIR/MRD/DSA/33/2012 dated December 13, 2012 providing clarification with respect to composition of governing board under regulation 23(7), is replaced as under:

14 .1

- a) no trading member or clearing member, or their associates and agents, irrespective of the stock exchange/ clearing corporation of which they are members, shall be on the governing board of any recognised stock exchange or recognised clearing corporation.
- b) a person who is a director in an entity, that itself is a trading member or clearing member or has associate(s) as trading member(s) or clearing trading member or clearing member:

Provided a person will not be deemed to be Clearing Member and / or Trading Member or their associate for the purpose of Regulation 23(7), if he/she is on the board of a Public

Financial Institution (PFI) or Bank which is in Public Sector or which either has no identifiable ultimate promoter or the ultimate promoter is in Public Sector or has well diversified shareholding, and such PFI or Bank or its associate is a Clearing Member and / or Trading Member. Further, independent directors of associates of PFI or Bank in Public Sector, who are Clearing Member and/or Trading Member and where the majority shareholding is that of such PFI or Bank in Public Sector, will not be deemed to be Clearing Member and / or Trading Member for the purpose of Regulation 23(7).

- c) The appointment shall be subject to fulfillment of other requirements and satisfaction of SEBI in accordance with Regulation 2(1)(b).
- d) Recognised Stock Exchange and recognised Clearing Corporation, shall monitor and ensure the compliance of the Regulation 23(7) on continuous basis, to ensure that directors appointed, on their governing board, do not get associated with Trading Member or Clearing Member after approval and appointment.

4. In view of the above, the recognised stock exchanges are advised to:-
 - (a) make necessary amendments to their bye-laws, rules or regulations, for incorporation of the above immediately;
 - (b) bring the provisions of this circular to the notice of its trading members and also to disseminate the same through their website ; and
 - (c) communicate to SEBI, the status of implementation of this circular in the Monthly Development Reports to SEBI.
5. This circular is issued in exercise of powers conferred under Section 11(1) and 11(2)(j) of the Securities and Exchange Board of India Act, 1992, to protect and regulate the securities market.
6. Other contents of the SEBI Circular No: CIR/MRD/DSA/33/2012 dated December 13, 2012 will remain operative.
7. This circular is available on SEBI website at www.sebi.gov.in.

Bithin Mahanta
Deputy General Manager

16 The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide Notification No. SEBI/LAD-NRO/GN/2015-16/29, dated 11.01.2016. Published in the The Gazette of India, Extraordinary Part – III – Section 4, dated 11.01.2016.]



In exercise of the powers conferred by section 31 of the Securities Contracts (Regulation) Act, 1956 read with sections 11 and 30 of the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India hereby makes the following regulations to further amend the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, namely:—

1. These regulations may be called the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, in Regulation 2, in sub-regulation (1), in clause (b) –
 - i. in sub clause (ii)–
 - (1) after the words "who holds and before the words "fifteen per cent.", the words "more than" shall be inserted.
 - (2) the words "or more" shall be omitted.
 - ii. sub clause (iii) shall be omitted.
 - iii. in sub clause (iv) the words "or a company under the same management as of the first person" shall be omitted.
 - iv. after sub clause (vi) the following sub clause shall be inserted, namely,– "(vii) such other cases where the Board is of the view that a person shall be considered as an associate based on the facts and factors including the extent of control, independence, conflict of interest;"

U. K. Sinha
Chairman

17 Mandatory requirements / Exit Policy for Commodity Derivatives Exchanges

[Issued by the Securities and Exchange Board of India vide Circular CIR/CDMRD/DEA/01/2016, dated 11.01.2016.]

1. In terms of Finance Act, 2015, the associations recognized under the erstwhile Forward Contracts (Regulation) Act, 1952 as on 28th September, 2015 are deemed to be recognized stock exchanges under the Securities Contracts (Regulation) Act, 1956. This circular applies to all such commodity derivatives exchanges as defined in the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2015.
2. **The Ministry of Finance, vide Gazette Notification S.O.2630 (E), dated September 24, 2015 has delegated the powers exercisable by it, inter alia, under section 7 of Forward**

Contracts (Regulation) Act, 1952 to SEBI.

3. The erstwhile Forward Markets Commission (FMC), vide its Circular No. 9/1/2014-MKT- I (Vol-II), dated May 19, 2015, had directed commodity derivatives exchanges, who have suspended their trading operations, to refund clients margin money, resolve client disputes, refund members' deposits and in case any exchange fails to revive their trading operations within 12 months from the date of suspension of trading, FMC had specified the steps that shall be initiated to cancel their registration and lead to withdrawal of recognition of such exchanges.
4. SEBI has reviewed the said circular and has decided that, if there is no trading operation on the platform of any commodity derivatives exchanges for more than twelve months, then in terms of the above circular, such exchange shall be liable to exit.
5. In addition to the above, henceforth, all National Commodity Derivative Exchanges shall continuously meet the turnover criteria of Rs. 1000 crores- per annum. The Regional Commodity Exchanges shall ensure that they have at least 5% of the nation-wide market share of the commodity, which is principally traded on their platform. In case the National and Regional Commodity Exchanges fail to meet the above criteria for 2 consecutive years, they shall be liable to exit.
6. In the event a recognized commodity derivatives exchange, for any reason suspends its trading operations, it shall resume its trading only after ensuring that adequate and effective trading systems, clearing and settlement systems, monitoring and surveillance mechanisms, risk management systems are put in place and only after complying with all other regulatory requirements stipulated by SEBI from time to time. Further, such recognized commodity derivatives exchanges shall resume trading operations only after obtaining prior approval from SEBI.
7. In case any commodity derivatives exchange proposes to surrender its recognition voluntarily or whose recognition is proposed to be withdrawn by SEBI, the concerned Exchange shall be directed to comply with the following:
 - 7.1 The concerned commodity derivatives exchange shall not alienate any assets of the exchange without taking prior approval of SEBI.
 - 7.2 Treatment of the assets of de-recognized exchange:
 - 7.2.1 The concerned commodity derivatives exchange shall be permitted to distribute its assets subject to certain conditions as laid down in this circular as well as other guidelines that may be issued by SEBI, Government, or any other statutory authority, from time to time.



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7.2.2 For the purpose of valuation of the assets of the commodity derivative exchange, a valuation agency shall be appointed by SEBI. All the valuation charges shall be paid by the concerned exchange.

7.2.3 The quantum of assets for distribution will be available after payment of statutory dues including income tax, transfer of funds as specified in para 7.3, payment of dues as specified in para 7.4, refund of deposit (refundable) to the stock brokers / clearing members including their initial contribution / deposit to Settlement Guarantee Fund/ Trade Guarantee Fund (SGF/TGF) and contribution to SEBI as specified in para 7.5.4

7.3 The concerned exchange shall transfer the Investor Protection Fund or any such fund to the SEBI Investor Protection and Education Fund.

7.4 The concerned exchange shall pay following dues to SEBI:

7.4.1 The dues outstanding to SEBI and the annual regulatory fee.

7.4.2 The outstanding registration fees of brokers/trading members of such de- recognised stock exchanges as specified in the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 till the date of such de-recognition.

7.4.2.1 Dues of the brokers to SEBI shall be recovered by the exchange out of the brokers' deposits / capital / share of sale proceeds / winding up proceeds dividend payable, etc. available with the exchange.

7.4.2.2 The exchange will be liable to make good any shortfall in collection of dues of the brokers to SEBI.

7.5 Other Conditions:

7.5.1 In case any commodity derivatives exchange, after de-recognition, continues as corporate entity under the Companies Act, 2013, it shall not use the expression 'stock exchange', 'commodity derivative exchange' or 'exchange' or any variant in its name or in its subsidiaries name so as to avoid any representation of present or past affiliation with the exchange.

7.5.2 The Sale / distribution / transfer of assets / winding up of such exchanges / companies shall be subject to the applicable laws in force.

7.5.3 The concerned commodity derivatives exchange shall set aside sufficient funds in order to

provide for settlement of any claims, pertaining to pending arbitration cases, arbitration awards, not implemented, if any, liabilities/claims of contingent nature, if any, and unresolved investors complaints/ grievances lying with the exchange.

7.5.4 In case of de-recognition and exit, the stock exchange shall contribute up to 20% of its assets (after tax) towards SEBI Investor Protection and Education Fund (IPEF) for investor protection and in order to cover future liabilities, if any. The contribution may be decided by SEBI taking into account, inter alia, the governance standards of the commodity derivatives exchange and estimation of future liabilities.

8. SEBI may impose additional conditions as deemed fit in the interest of trade or in the public interest including securities market.

9. This circular shall come into force with immediate effect.

10. This circular is issued in exercise of powers conferred under Section 11(1) and 11(2) (j) of the Securities and Exchange Board of India Act, 1992, read with Section 5 of the Securities Contracts (Regulation) Act, 1956, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

11. This circular is available on SEBI website at www.sebi.gov.in.

Vishal Nair
Deputy General Manager

18 Securities and Exchange Board of India (Delisting of Equity Shares)(Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No. SEBI/LAD-NRO/GN/2015-16/30, dated 11.01.2016. Published in the Gazette of India, Extraordinary Part-III-Section 4, dated 11.01.2016.]

In exercise of the powers conferred by section 31 read with section 21A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), section 30, sub-section (1) of section 11 and sub-section (2) of section 11A of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016.



2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009,-
 - (I) in regulation 27, in sub-regulation (1), for clause (b), the following shall be substituted, namely-

"(b) the number of equity shares of the company traded on each such recognised stock exchange during the twelve calendar months immediately preceding the date of board meeting referred to in sub-regulation (1B) of regulation 8 is less than ten per cent of the total number of shares of such company:

Provided that where the share capital of a particular class of shares of the company is not identical throughout such period, the weighted average of the shares of such class shall represent the total number of shares of such class of shares of the company; and"

- (II) in regulation 27, in sub-regulation (3), for clause (b), the following shall be substituted, namely-

"(b) the exit price offered to the public shareholders shall not be less than the floor price determined in terms of sub-regulation (2) of regulation 15 of these regulations read with clause (e) of sub-regulation (2) of regulation 8 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;"

U.K. Sinha
Chairman

19 Procedures for ensuring compliance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) by Listed Stock Exchanges.

[Issued by the Securities and Exchange Board of India vide Circular CIR/MRD/DSA/01/2016, dated 01.01.2016.]

1. Regulation 45 of the SECC Regulations provides for listing of stock exchanges. As per Regulation 45(2) of the SECC Regulations, the Board may specify such conditions as it may deem fit in the interest of the securities market.
2. Accordingly, it has been decided to prescribe the following modalities so as to ensure compliance with the provisions of SECC Regulations.

I. Ensuring holding of 51 per cent by public at all times by the listed stock exchange:

- i. The listed stock exchange shall disseminate the details of its shareholding with category wise breakup (as per the format specified vide SEBI Circular dated October 24, 2011), on a continuous basis, on its website. Similarly, the stock exchange where the shares are listed, shall also display the above information.
- ii. The depositories shall put in place necessary system to ensure that the shareholding of trading members or their associates and agents does not exceed 49 per cent. For this purpose, the depositories shall put in place systems for capturing the shareholding data of trading members or their associates and agents and ensure that there is a mechanism for coordination between the depositories towards sharing of information. The depositories shall also monitor the aggregate shareholding limit of the trading members or their associates and agents based on their demat balance, on a daily basis, at the end of the day. The stock exchange where the shares are listed shall share a list of all trading members or their associates and agents with the depositories to facilitate monitoring of demat balances.
- iii. The trading members or their associates and agents shall obtain prior approval of the listed stock exchange for further acquisition of shares, once the aggregate shareholding of the trading members or their associates and agents crosses the limit of 45 per cent. The trading members or their associates and agents shall refer to the shareholding pattern under the category of trading members or their associates and agents, to determine/ascertain the available head room before placing the order.
- iv. In the event of trading members or their associates and agents making purchases without requisite approval as stated above, the depositories shall initiate consequential action such as freezing of voting rights and all corporate benefits in respect of such shareholding till the time the same is divested.
- v. The divestment of any excess shareholding beyond the specified limit would be through a special window provided by the stock exchange where the shares of the stock exchange are listed.

II. Ensuring that all shareholders are fit and proper:

- i. In the pre-listing scenario, the exchange coming out with a public offering shall include a declaration in the application form stating that the applicant is fit and proper in terms of Regulation 19 and 20 of SECC Regulations, 2012.
- ii. In the post listing scenario, the text of the applicable regulation with regard to fit and proper shall be made



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part of the contract note.

- iii. The listed stock exchange shall also undertake all measures to make investors aware of the requirement of fit and proper criteria for being its shareholders as specified in regulation 19 and 20 of SECC Regulations.
- iv. The listed stock exchange and the stock exchange where the shares are listed shall notify on their websites that the shares of the listed stock exchange shall only be dealt by fit and proper persons as per Regulation 19 and 20 of SECC Regulations.
- v. In case of acquisition of shares by the person who is found not fit and proper, the voting rights and all corporate benefits with respect to such shareholding shall be frozen by depositories until the same is divested through the special window.
- vi. The listed stock exchange shall submit to SEBI on a quarterly basis an exceptional report regarding the shareholders who are not fit and proper and action taken thereof.

III. Ensuring that shareholders holding shares above 2 per cent are fit and proper:

- i. In addition to the criteria mentioned at para 2(II) above, on acquisition of shares above 2 per cent, provisions under Regulation 19(2) and 19(3) of SECC Regulations 2012 shall apply i.e. those acquiring more than 2 per cent shall seek approval of SEBI within 15 days of acquisition as per Regulation 19(2) and those intending to acquire beyond 5 per cent as per Regulation 19(3) have to seek prior approval of SEBI.

IV. Ensuring shareholding threshold of 5 per cent or 15 per cent as the case may be in terms of SECC Regulations:

- i. The depositories shall put in place a mechanism to ensure that no shareholder of listed stock exchange gets credit of shares beyond 5 per cent or 15 per cent, as applicable. The depositories shall generate an alert when such holding exceeds 2 per cent and monitor the same under intimation to SEBI.
- ii. The Depository would inform the listed stock exchange as and when threshold limit is breached and take consequential action such as freezing of voting rights and all corporate actions in respect of such excess holding till the same is divested through the special window.

3. The stock exchanges, both listed and where the securities are listed, and depositories shall ensure that aforesaid mechanism

be in place latest by March 31, 2016.

4. The stock exchange submitting application for listing of its securities to SEBI shall ensure strict compliance with Chapter VII of SECC Regulations, 2012.
5. In view of the above, the recognised stock exchanges are advised to:-
 - (a) make necessary amendments to their bye-laws, rules or regulations, for incorporation of the above immediately;
 - (b) bring the provisions of this circular to the notice of its trading members and also to disseminate the same through their website ; and
 - (c) communicate to SEBI, the status of implementation of this circular in the Monthly Development Reports to SEBI.
6. This circular is issued in exercise of powers conferred under Section 11(1) and 11(2)(j) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
7. This circular is available on SEBI website at www.sebi.gov.in.

Bithin Mahanta
Deputy General Manager

20 Notification regarding establishment of Local Office of the Board at Jammu

[Issued by the Securities and Exchange Board of India vide Notification No. SEBI/LAD-NRO/GN/2015-16/28 dated 01.01.2016. Published in the The Gazette of India, Extraordinary Part – III – Section 4, dated 01.01.2016.]

In exercise of the powers conferred by sub-section (4) of section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board has established its Local Office at Jammu under the administrative control of its Northern Regional Office at New Delhi. The Local Office so established shall look after the regulatory aspects of investor protection, facilitating redressal of investor grievances, financial and investor education and such other functions as may be assigned from time to time, and its role and responsibility shall extend to the areas falling under the territorial jurisdiction of the State of Jammu & Kashmir.

U. K. Sinha
Chairman



21 Investment by Gold ETFs in Gold Monetisation Scheme of Banks

[Issued by the Securities and Exchange Board of India vide Circular CIR/IMD/DF/11/2015, dated 31.12.2015.]

1. Please refer to SEBI circular dated February 15, 2013 read with circular dated October 18, 2013 on investment by Gold ETFs in Gold Deposit Scheme of Banks.
2. As per RBI notification dated October 22, 2015, the Gold Monetisation Scheme, 2015 (GMS) will replace the Gold Deposit Scheme, 1999 (GDS). However, the deposits outstanding under the GDS will be allowed to run till maturity unless these are withdrawn by the depositors prematurely.
3. Considering the above, in partial modification to point 2 of SEBI circular dated February 15, 2013 read with circular dated October 18, 2013, it has been decided that GMS will also be designated as a gold related instrument, in line with GDS of Banks. Investment in GMS by Gold ETFs of Mutual Funds will be subject to following conditions:
 - a. The cumulative investment by Gold ETF in GDS and GMS will not exceed 20% of total AUM of such schemes.
 - b. All other conditions applicable to investments in GDS of banks will also be applicable to investments by Gold ETFs in GMS.
4. Existing investments by Gold ETFs of Mutual Funds under the GDS will be allowed to run till maturity unless these are withdrawn prematurely.

This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provision of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Harini Balaji
General Manager

22 Procedure to deal with cases prior to April 01, 2014 involving offer / allotment of securities to more than 49 up to 200 investors in a financial year.

[Issued by the Securities and Exchange Board of India vide Circular CIR/CFD/DIL3/18/2015, dated 31.12.2015.]

1. Prior to April 01, 2014, offers of securities - shares and debentures - by companies to more than 49 persons were deemed to be public offers. SEBI has initiated penal action on receipt of specific complaints against the companies

offering such securities without complying with the relevant provisions of the Companies Act, 1956 and applicable SEBI Guidelines / Regulations governing a public issue. Under the new Companies Act, 2013, post April 01, 2014, any offer or allotment of securities shall be construed as public issue if the number of offerees / allottees exceeds 200 persons in a financial year, excluding certain class of subscribers.

2. Considering the higher cap for private placement provided in the Companies Act, 2013, it has now been decided that in respect of earlier cases involving issuance of securities to more than 49 persons but up to 200 persons in a financial year, the companies may avoid penal action if they provide the investors with an option to surrender the securities and get the refund amount at a price not less than the amount of subscription money paid along with 15% interest p.a. thereon or such higher return as promised to investors.

Refund procedure

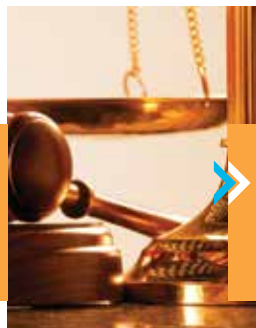
3. The process followed by companies for providing option to their security holders to surrender securities and obtain refund shall be supported by proof of dispatch through Registered or Speed Post by India Post or proof of delivery of letters if effected through any other mode.
4. The refund to security holders who have opted for such surrender shall be made only through banking channels through crossed account payee cheque / crossed demand draft / internet banking channels to enable audit trail.
5. Companies are allowed to adjust the amounts already paid to the allottees either as interest / dividend or otherwise from the amount of refund to be paid to the investors.
6. In case of transfer of securities by the original allottees, the option for refund shall be provided to the current holders of the securities.

Certification

7. The company shall submit a certificate from an independent peer reviewed practicing Chartered Accountant certifying compliance as mentioned above.
8. The certificate as provided above shall state that the certification has been made after verifying various documentary evidences including proof of dispatch / delivery of letters, response of investors, complaints from investors, bank statements of the company etc.

The Stock Exchanges are advised to bring the provisions of this circular to the notice of listed entities and also to disseminate the same on their websites.

Narendra Rawat
Deputy General Manager



Tax Laws

23 Electronic filing of first appeal before CIT(Appeals) - reg.

[Issued by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes, dated 30.12.15]

PRESS RELEASE

It is the endeavour of the Income tax Department to digitise various functions of the Department for providing efficient taxpayer services. As another significant step in this direction, electronic filing of appeal before CIT(Appeals) is being made mandatory for persons who are required to file the return of income electronically.

Electronic filing of appeal along with the documents relied upon before CIT (Appeals) will remove human interface, reduce paperwork and decrease the transaction cost for the taxpayer. It would ensure consistent and error free service as validations will be in built resulting in fewer deficient appeals. Online filing will also facilitate fixation of hearing of appeals electronically.

The existing Form 35 for filing of first appeal is being substituted by a new Form. The new format for filing of appeals is more structured, objective, systematic, and aligned with the current provisions of the Income-tax Act.

With these changes, the burden of compliance on the taxpayers in appellate proceedings will be significantly reduced.

Shefali Shah
Pr. Commissioner of Income Tax (OSD)

24 The Income-tax (22nd Amendment) Rules, 2015 - Revised rules & Forms related to Quoting of PAN w.e.f. 01.01.2016

[Issued by the Ministry of Finance, Department of Revenue, CBDT vide Notification No. 95/2015 {SO 3545(E)}, dated 30.12.2015.]

In exercise of the powers conferred by section 139A, section 271FAA and section 285BA, read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

- (1) These rules may be called the Income-tax (22nd Amendment) Rules, 2015.
 - (2) Rules 114B, 114C and 114D shall come into force from the 1st day of January, 2016 and rule 114E shall come into force from the 1st day of April, 2016.
Must Read- 19 Changes in PAN quoting requirement for specified transactions
- In the Income-tax Rules, 1962 (hereinafter referred to as the said rules), for rules 114B, 114C, 114D and 114E, the following rules shall respectively be substituted, namely:-
"114B. Transactions in relation to which permanent account number is to be quoted in all documents for the purpose of clause (c) of sub-section (5) of section 139A.-
Every person shall quote his permanent account number in all documents pertaining to the transactions specified in the Table below, namely:-

TABLE

Sl. No.	Nature of transaction	Value of transaction
(1)	(2)	(3)
1.	Sale or purchase of a motor vehicle or vehicle, as defined in clause (28) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988) which requires registration by a registering authority under Chapter IV of that Act, other than two wheeled vehicles.	All such transactions.
2	Opening an account [other than a time-deposit referred to at Sl. No.12 and a Basic Savings Bank Deposit Account] with a banking company or a cooperative bank to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act).	All such transactions.
3.	Making an application to any banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act) or to any other company or institution, for issue of a credit or debit card.	All such transactions.



4.	Opening of a demat account with a depository, participant, custodian of securities or any other person registered under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).	All such transactions.
5.	Payment to a hotel or restaurant against a bill or bills at any one time.	Payment in cash of an amount exceeding fifty thousand rupees.
6.	Payment in connection with travel to any foreign country or payment for purchase of any foreign currency at any one time.	Payment in cash of an amount exceeding fifty thousand rupees.
7.	Payment to a Mutual Fund for purchase of its units.	Amount exceeding fifty thousand rupees.
8.	Payment to a company or an institution for acquiring debentures or bonds issued by it.	Amount exceeding fifty thousand rupees.
9.	Payment to the Reserve Bank of India, constituted under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934) for acquiring bonds issued by it.	Amount exceeding fifty thousand rupees.
10.	Deposit with a banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act).	Deposits in cash exceeding fifty thousand rupees during any one day.
11.	Purchase of bank drafts or pay orders or banker's cheques from a banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act).	Payment in cash for an amount exceeding fifty thousand rupees during any one day.

12.	A time deposit with, – (i) a banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act); (ii) a Post Office; (iii) a Nidhi referred to in section 406 of the Companies Act, 2013 (18 of 2013); or (iv) a non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), to hold or accept deposit from public.	Amount exceeding fifty thousand rupees or aggregating to more than five lakh rupees during a financial year.
13.	Payment for one or more pre-paid payment instruments, as defined in the policy guidelines for issuance and operation of pre-paid payment instruments issued by Reserve Bank of India under section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007), to a banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act) or to any other company or institution.	Payment in cash or by way of a bank draft or pay order or banker's cheque of an amount aggregating to more than fifty thousand rupees in a financial year.
14.	Payment as life insurance premium to an insurer as defined in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938).	Amount aggregating to more than fifty thousand rupees in a financial year.
15.	A contract for sale or purchase of securities (other than shares) as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).	Amount exceeding one lakh rupees per transaction.
16.	Sale or purchase, by any person, of shares of a company not listed in a recognised stock exchange.	Amount exceeding one lakh rupees per transaction.



17.	Sale or purchase of any immovable property.	Amount exceeding ten lakh rupees or valued by stamp valuation authority referred to in section 50C of the Act at an amount exceeding ten lakh rupees.
18.	Sale or purchase, by any person, of goods or services of any nature other than those specified at Sl. No. 1 to 17 of this Table, if any.	Amount exceeding two lakh rupees per transaction:

Provided that where a person, entering into any transaction referred to in this rule, is a minor and who does not have any income chargeable to income-tax, he shall quote the permanent account number of his father or mother or guardian, as the case may be, in the document pertaining to the said transaction:

Provided further that any person who does not have a permanent account number and who enters into any transaction specified in this rule, he shall make a declaration in Form No.60 giving therein the particulars of such transaction:

Provided also that the provisions of this rule shall not apply to the following class or classes of persons, namely:-

- (i) the Central Government, the State Governments and the Consular Offices;
- (ii) the non-residents referred to in clause (30) of section 2 of the Act in respect of the transactions other than a transaction referred to at Sl. No. 1 or 2 or 4 or 7 or 8 or 10 or 12 or 14 or 15 or 16 or 17 of the Table.

Explanation.-For the purposes of this rule,-

- (1) "payment in connection with travel" includes payment towards fare, or to a travel agent or a tour operator, or to an authorised person as defined in clause (c) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999);
- (2) "travel agent or tour operator" includes a person who makes arrangements for air, surface or maritime travel or provides services relating to accommodation, tours, entertainment, passport, visa, foreign exchange, travel related insurance or other travel related services either severally or in package;
- (3) "time deposit" means any deposit which is repayable on the

expiry of a fixed period.

114C. Verification of Permanent Account Number in transactions specified in rule 114B.-

- (1) Any person being,-
 - (a) a registering officer or an Inspector-General appointed under the Registration Act, 1908 (16 of 1908);
 - (b) a person who sells the immovable property or motor vehicle;
 - (c) a manager or officer of a banking company or co-operative bank, as the case may be, referred to at Sl. No. 2 or 3 or 10 or 11 or 12 or 13 of rule 114B;
 - (d) post master;
 - (e) stock broker, sub-broker, share transfer agent, banker to an issue, trustee of a trust deed, registrar to issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediaries registered under sub-section (1) section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - (f) a depository, participant, custodian of securities or any other person registered under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) referred to at Sl. No. 4 of rule 114B;
 - (g) the principal officer of a company referred to at Sl. No. 3 or 4 or 8 or 12 or 13 or 15 or 16 of rule 114B;
 - (h) the principal officer of an institution referred to at Sl. No. 2 or 3 or 8 or 10 or 11 or 12 or 13 of rule 114B;
 - (i) any trustee or any other person duly authorised by the trustee of a Mutual Fund referred to at Sl. No. 7 of rule 114B;
 - (j) an officer of the Reserve Bank of India, constituted under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934), or of any agency bank authorised by the Reserve bank of India;
 - (k) a manager or officer of an insurer referred to at Sl. No. 14 of rule 114B, who, in relation to a transaction specified in rule 114B, has received any document shall ensure after verification that permanent account number has been duly and correctly mentioned therein or as the case may be, a declaration in Form 60 has been duly furnished with complete particulars.
- (2) Any person, being a person raising bills referred to at Sl. No. 5 or 6 or 18 of rule 114B, who, in relation to a transaction specified in the said Sl. No., has issued any document shall ensure after verification that permanent account number has been correctly furnished and the same shall be mentioned in such document, or as the case may be, a declaration in Form 60 has been duly furnished with complete particulars.



114D. Time and manner in which persons referred to in rule 114C shall furnish a statement containing particulars of Form No. 60.-

- (1) Every person referred to in,-
 - (I) clauses (b) to (k) of sub-rule (1) of rule 114C; and
 - (II) sub-rule (2) of rule 114C and who is required to get his accounts audited under section 44AB of the Act, who has received any declaration in Form No. 60, on or after the 1st day of January, 2016, in relation to a transaction specified in rule 114B, shall-
 - (i) furnish a statement in Form No. 61 containing particulars of such declaration to the Director of Income-tax (Intelligence and Criminal Investigation) or the Joint Director of Income-tax (Intelligence and Criminal Investigation) through online transmission of electronic data to a server designated for this purpose and obtain an acknowledgement number; and
 - (ii) retain Form No. 60 for a period of six years from the end of the financial year in which the transaction was undertaken.
- (2) The statement referred to in clause (i) of sub-rule (1) shall,-
 - (i) where the declarations are received by the 30th September, be furnished by the 31st October of that year; and
 - (ii) where the declarations are received by the 31st March, be furnished by the 30th April of the financial year immediately following the financial year in which the form is received.
- (3) The statement referred to in clause (i) of sub-rule (1) shall be verified-

- (a) in a case where the person furnishing the statement is an assessee as defined in clause (7) of section 2 of the Act, by a person specified in section 140 of the Act;
- (b) in any other case, by the person referred to in rule 114C.

114E. Furnishing of statement of financial transaction.-

- (1) The statement of financial transaction required to be furnished under sub-section (1) of section 285BA of the Act shall be furnished in respect of a financial year in Form No. 61A and shall be verified in the manner indicated therein.

- (2) The statement referred to in sub-rule (1) shall be furnished by every person mentioned in column (3) of the Table below in respect of all the transactions of the nature and value specified in the corresponding entry in column (2) of the said Table in accordance with the provisions of sub-rule (3), which are registered or recorded by him on or after the 1st day of April, 2016, namely:-

TABLE

Sl.No.	Nature and value of transaction	Class of person (reporting person)
(1)	(2)	(3)
1.	(a) Payment made in cash for purchase of bank drafts or pay orders or banker's cheque of an amount aggregating to ten lakh rupees or more in a financial year. (b) Payments made in cash aggregating to ten lakh rupees or more during the financial year for purchase of pre-paid instruments issued by Reserve Bank of India under section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007). (c) Cash deposits or cash withdrawals (including through bearer's cheque) aggregating to fifty lakh rupees or more in a financial year, in or from one or more current account of a person.	A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act).
2.	Cash deposits aggregating to ten lakh rupees or more in a financial year, in one or more accounts (other than a current account and time deposit) of a person.	(i) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act); (ii) Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898).



From the Government

3.	One or more time deposits (other than a time deposit made through renewal of another time deposit) of a person aggregating to ten lakh rupees or more in a financial year of a person.	(i) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act); (ii) Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898); (iii) Nidhi referred to in section 406 of the Companies Act, 2013 (18 of 2013); (iv) Non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 (6 of 1934), to hold or accept deposit from public.	6. Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring shares (including share application money) issued by the company.	A company issuing shares.
			7. Buy back of shares from any person (other than the shares bought in the open market) for an amount or value aggregating to ten lakh rupees or more in a financial year.	A company listed on a recognised stock exchange purchasing its own securities under section 68 of the Companies Act, 2013 (18 of 2013).
			8. Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring units of one or more schemes of a Mutual Fund (other than the amount received on account of transfer from one scheme to another scheme of that Mutual Fund).	A trustee of a Mutual Fund or such other person managing the affairs of the Mutual Fund as may be duly authorised by the trustee in this behalf.
			9. Receipt from any person for sale of foreign currency including any credit of such currency to foreign exchange card or expense in such currency through a debit or credit card or through issue of travellers cheque or draft or any other instrument of an amount aggregating to ten lakh rupees or more during a financial year.	Authorised person as referred to in clause (c) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).
4.	Payments made by any person of an amount aggregating to- (i) one lakh rupees or more in cash; or (ii) ten lakh rupees or more by any other mode, against bills raised in respect of one or more credit cards issued to that person, in a financial year.	A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act) or any other company or institution issuing credit card.	10. Purchase or sale by any person of immovable property for an amount of thirty lakh rupees or more or valued by the stamp valuation authority referred to in section 50C of the Act at thirty lakh rupees or more.	Inspector-General appointed under section 3 of the Registration Act, 1908 or Registrar or Sub-Registrar appointed under section 6 of that Act.
5.	Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring bonds or debentures issued by the company or institution (other than the amount received on account of renewal of the bond or debenture issued by that company).	A company or institution issuing bonds or debentures.	11. Receipt of cash payment exceeding two lakh rupees for sale, by any person, of goods or services of any nature (other than those specified at Sl. No. 1 to 10 of this rule, if any).	Any person who is liable for audit under section 44AB of the Act.

(3) The reporting person mentioned in column (3) of the Table under sub-rule (2) (other than the person at Sl.No.9) shall, while aggregating the amounts for determining the threshold amount for reporting in respect of any person as specified in column (2) of the said Table,-

(a) take into 18 column (2) of the said Table recorded in respect of that person during the financial year;



- (c) attribute the entire value of the transaction or the aggregated value of all the transactions to all the persons, in a case where the account is maintained or transaction is recorded in the name of more than one person;
- (d) apply the threshold limit separately to deposits and withdrawals in respect of transaction specified in item (c) under column (2), against Sl. No. 1 of the said Table.

- (4) (a) The return in Form No. 61A referred to in sub-rule (1) shall be furnished to the Director of Income-tax (Intelligence and Criminal Investigation) or the Joint Director of Income-tax (Intelligence and Criminal Investigation) through online transmission of electronic data to a server designated for this purpose under the digital signature of the person specified in sub-rule (7) and in accordance with the data structure specified in this regard by the Principal Director General of Income-tax (Systems):

Provided that in case of a reporting person, being a Post Master General or a Registrar or an Inspector General referred to in sub-rule (2), the said return in Form 61A may be furnished in a computer readable media, being a Compact Disc or Digital Video Disc (DVD), alongwith the verification in Form-V on paper.

Explanation.-For the purposes of this sub-rule, "digital signature" means a digital signature issued by any Certifying Authority authorised to issue such certificates by the Controller of Certifying Authorities.

- (b) Principal Director General of Income-tax (Systems) shall specify the procedures, data structures and standards for ensuring secure capture and transmission of data, evolving and implementing appropriate security, archival and retrieval policies.
 - (c) The Board may designate an officer as Information Statement Administrator, not below the rank of a Joint Director of Income-tax for the purposes of day to day administration in relation to the furnishing of returns or statements.
- (5) The statement of financial transactions referred to in sub-rule (1) shall be furnished on or before the 31st May, immediately following the financial year in which the transaction is registered or recorded.
- (6) (a) Every reporting person mentioned in column (3) of the Table under sub-rule (2) shall communicate to the Principal Director General of Income-tax (Systems) the name, designation, address and telephone number of the Designated Director and the Principal Officer and obtain a registration number.

- (b) It shall be the duty of every person specified in column (3) of the Table under sub-rule (2), its Designated Director, Principal Officer and employees to observe the procedure and the manner of maintaining information as specified by its regulator and ensure compliance with the obligations imposed under section 285BA of the Act and rules 114B to 114D and this rule.

Explanation 1.- "Designated Director" means a person designated by the reporting person to ensure overall compliance with the obligations imposed under section 285BA of the Act and the rules 114B to 114D and this rule and includes-

- (i) the Managing Director or a whole-time Director, as defined in the Companies Act, 2013 (18 of 2013), duly authorised by the Board of Directors if the reporting person is a company;
- (ii) the managing partner if the reporting person is a partnership firm;
- (iii) the proprietor if the reporting person is a proprietorship concern;
- (iv) the managing trustee if the reporting person is a trust;
- (v) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting person is, an unincorporated association or, a body of individuals or, any other person.

Explanation 2.- "Principal Officer" means an officer designated by the reporting person referred to in the Table in sub-rule (2).

Explanation 3.- "Regulator" means a person or an authority or a Government which is vested with the power to license, authorise, register, regulate or supervise the activity of the reporting person referred to in the Table in sub-rule (2).

- (7) The statement of financial transaction referred to in sub-rule (1) shall be signed, verified and furnished by the Designated Director specified in sub-rule (6):

Provided that where the reporting person is a non-resident, the statement may be signed, verified and furnished by a person who holds a valid power of attorney from such Designated Director".

3. In the said rules, in Appendix-II, for "Forms 60, 61 and 61A" the following "Forms 60, 61 and 61A"* shall respectively be substituted, namely:-

* Not reproduced here for want of space.



25 Scrutiny Assessments-some important issues and scope of scrutiny in cases selected through Computer Aided Scrutiny Selection ('CASS')-reg .

[Issued by the Ministry of Finance, Department of Revenue, CBDT vide Instruction No. 20/2015, (F. No. 225/269/2015-ITA-II), dated 29.12.2015.]

The Central Board of Direct Taxes ('CBDT'), vide Instruction No. 7/2014 dated 26.09.2014 had clarified the extent of enquiry in certain category of cases specified therein, which are selected for scrutiny through CASS. Further clarifications have been sought regarding the scope and applicability of the aforesaid Instruction to cases being scrutinized.

2. In order to facilitate the conduct of scrutiny assessments and to bring further clarity on some of the issues emerging from the aforesaid Instruction, following clarifications are being made.
 - i Year of applicability : As stated in the Instruction No. 7/2014, the said Instruction is applicable only in respect of the cases selected for scrutiny through CASS-2014
 - ii Whether the said Instruction is applicable to all cases selected under CASS : The said Instruction is applicable where the case is selected for scrutiny under CASS only on the parameter(s) of AIR/CIB/26AS data. If a case has been selected under CASS for any other reason(s)/parameter (s) besides the AIR /CIB/26AS data, then the said Instruction would not apply.
 - iii Scope of Enquiry : Specific issue based enquiry is to be conducted only in those scrutiny cases which have been selected on the parameter(s) of AIR/CIB/26AS data. In such cases, the Assessing Officer, shall also confine the Questionnaire only to the specific issues pertaining to AIR/CIB/26AS data. Wider scrutiny in these cases can only be conducted as per the guidelines and procedures stated in Instruction No. 7/2014.
 - iv Reason for selection: In cases under scrutiny for verification of AIR/CIB/26AS data, the Assessing Officer has to intimate the reason for selection of case for scrutiny to the assessee concerned.
3. As far as the returns selected for scrutiny through CASS-2015 are concerned, two type of cases have been selected for scrutiny in the current Financial Year -one is 'Limited Scrutiny' and other is Complete Scrutiny'. The assessees concerned have duly been intimated about their cases falling either in 'Limited Scrutiny' or 'Complete Scrutiny' through notices issued under section 143(2) of the Income-tax Act,

1961 ('Act'). The procedure for handling 'Limited Scrutiny' cases shall be as under:

- a. In 'Limited Scrutiny' cases, the reasons/issues shall be forthwith communicated to the assessee concerned.
- b. The Questionnaire under section 142(1) of the Act in 'Limited Scrutiny' cases shall remain confined only to the specific reasons/issues for which case has been picked up for scrutiny. Further, the scope of enquiry shall be restricted to the 'Limited Scrutiny' issues.
- c. These cases shall be completed expeditiously in a limited number of hearings.
- d. During the course of assessment proceedings in 'Limited Scrutiny' cases, if it comes to the notice of the Assessing Officer that there is potential escapement of income exceeding Rs. five lakhs (for metro charges, the monetary limit shall be Rs. ten lakhs) requiring substantial verification on any other issue(s), then, the case may be taken up for 'Complete Scrutiny' with the approval of the Pr. CIT/CIT concerned. However, such an approval shall be accorded by the Pr. CIT/CIT in writing after being satisfied about merits of the issue(s) necessitating 'Complete Scrutiny' in that particular case. Such cases shall be monitored by the Range Head concerned. The procedure indicated at points (a), (b) and (c) above shall no longer remain binding in such cases. (For the present purpose, 'Metro charges' would mean Delhi, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad and Ahmedabad).
4. The Board further desires that in all cases under scrutiny, where the Assessing Officer proposes to make additions or disallowances, the assessee would be given a fair opportunity to explain his position on the proposed additions/disallowances in accordance with the principle of natural justice. In this regard, the Assessing Officer shall issue an appropriate show-cause notice duly indicating the reasons for the proposed additions/disallowances along with necessary evidences/ reasons forming the basis of the same. Before passing the final order against the proposed additions/disallowances due consideration shall be given to the submissions made by the assessee in response to the show cause notice.
5. The contents of this Instruction should be immediately brought to the notice of all concerned for strict compliance.
6. Hindi version to follow.

(Ankita Pandey)
Under Secretary



26 TDS under section 194A of the Act on interest on fixed deposit made on direction of Courts - reg.

[Issued by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes, F. No. 279/Misc/140/2015-ITJ, Circular No. 23/2015, dated 28.12.2015]

Section 194A of Income Tax Act, 1961 (“the Act”) stipulates deductions of tax at source (TDS) on interest other than interest on securities if the aggregate of amount of such interest credited or paid to the account of the payee during the financial year exceeds the specified amount .

2. In the case of UCO Bank in Writ Petition No. 3563 of 2012 (available on NJRS at 2014) and CM No. 7517/2012 vide judgment dated 11/11/2014, the Hon’ble Delhi High Court has held that the provisions of section 194A do not apply to fixed deposits made in the name of Registrar General of the Court on the directions of the Court during the pendency of proceedings before the Court. In such cases, till the Court passes the appropriate orders in the matter, it is not known who the beneficiary of the fixed deposits will be. Amount and year of receipt is also unascertainable. The Hon’ble High Court thus held that the person who is ultimately granted the funds would be determined by orders that are passed subsequently. At that stage, undisputedly, tax would be required to be deducted at source to the credit of the recipient. The High Court has also quashed Circular No. 8 of 2011.
3. The Board has accepted the aforesaid judgment. Accordingly, it is clarified that interest on FDRs made in the name of Registrar General of the Court or the depositor of the fund on the directions of the Court, will not be subject to TDS till the matter is decided by the Court. However, once the Court decides the ownership of the money lying in the fixed deposit, the provisions of section 194A will apply to the recipient of the income.
4. Accordingly, such issues may not be contested in appeal and pending litigation, if any on the issue before various Courts/ Tribunals may be withdrawn/not pressed upon.
5. This may be brought to the notice of all concerned.

Ramanjit Kaur Sethi
DCIT (OSD) (IJT)

EXTENSION OF THE APPLICABILITY OF BUSINESS RESPONSIBILITY REPORTS

SEBI, vide amendment dated December 22, 2015 to Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has extended the applicability of Business Responsibility Reports to top five hundred listed companies based on market capitalization as on March 31, of every year. SEBI Notification No. SEBI/LAD-NRO/GN/2015-16/27 is available at the link http://www.sebi.gov.in/cms/sebi_data/attachdocs/1450865541906.pdf.

THE GAZETTE OF INDIA

EXTRAORDINARY

PART – III – SECTION 4

PUBLISHED BY AUTHORITY

NEW DELHI, DECEMBER 22nd, 2015

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 22nd December, 2015

SECURITIES AND EXCHANGE BOARD OF INDIA

(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)

(AMENDMENT) REGULATIONS, 2015

No. SEBI/LAD-NRO/GN/2015-16/27.— In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015.
2. They shall come into force on the 1st day of April, 2016.
3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in regulation 34, in sub regulation (2), –
 - i. in clause (f), after the words “for the top” and before the words “listed entities”, for the word “hundred” the words “five hundred” shall be substituted;
 - ii. in the proviso to clause (f), after the words “other than top” and before the words “listed companies”, for the number “100” the words “five hundred” shall be substituted.

U.K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA



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34	MS. SIDDHI JAIN	FCS - 8414	WIRC
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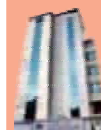
*Admitted during the period from 20.11.2015 to 19.01.2016.

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57	MR. RANTU KUMAR DAS	FCS - 8437	EIRC
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62	SH. RAVINDRA KUMAR AGARWAL	FCS - 8442	EIRC
63	MR. ATUL CHADHA	FCS - 8443	NIRC

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23	MS. RAMA AGARWAL	ACS - 42760	EIRC

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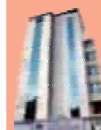


24	MS. MEGHA JAIN	ACS - 42761	EIRC	78	MS. POOJA	ACS - 42815	NIRC
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26	MS. SONAM KHATER	ACS - 42763	EIRC	80	MS. ROOPSI SHARMA	ACS - 42817	NIRC
27	MR. ADARASH KUMAR	ACS - 42764	EIRC	81	MS. PRERIKA GUPTA	ACS - 42818	NIRC
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34	MS. ADITI PRANJIVAN NIMA	ACS - 42771	WIRC	88	MS. NILAM PRADEEP BAJORIA	ACS - 42825	WIRC
35	MS. KINJAL LALIT PUNAMIYA	ACS - 42772	WIRC	89	MR. SANDEEP GOYAL	ACS - 42826	NIRC
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38	MS. JYOTI KARUNAKARAN	ACS - 42775	WIRC	92	MR. SANCHIT KUMAR	ACS - 42829	NIRC
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41	MS. VANSHIKA SINGH	ACS - 42778	NIRC	95	MR. RAVISHANKAR RAJKUMAR PERIWAL	ACS - 42832	WIRC
42	MS. KUSUM ASWAL	ACS - 42779	NIRC	96	MS. ARUNIMA SANTUKA	ACS - 42833	EIRC
43	MS. CHANDNI KHANNA	ACS - 42780	NIRC	97	MS. SWATI SHARMA	ACS - 42834	EIRC
44	MR. KAUSHAL BANSAL	ACS - 42781	NIRC	98	MS. SHRUTI PATODIA	ACS - 42835	EIRC
45	MS. ROSHNI SAHDEV	ACS - 42782	NIRC	99	MS. VARSHA DHANDHARIA	ACS - 42836	EIRC
46	MS. MAMTA NAILWAL	ACS - 42783	NIRC	100	MR. PANKAJ KUMAR SAHU	ACS - 42837	WIRC
47	MS. RASHMI NEGI	ACS - 42784	NIRC	101	MR. RAHUL JAISWAL	ACS - 42838	EIRC
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51	MS. GEETANJALI CHUGH	ACS - 42788	NIRC	105	MS. PREETI	ACS - 42842	NIRC
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53	MS. SHWETA SINGH	ACS - 42790	NIRC	107	MS. AVNEE MEHRA	ACS - 42844	NIRC
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56	MR. PRAKASH TOSHNIWAL	ACS - 42793	NIRC	110	MS. MONIKA RANA	ACS - 42847	NIRC
57	MS. AVNI CHOUHAN	ACS - 42794	NIRC	111	MS. PARUL GUPTA	ACS - 42848	NIRC
58	MS. DIVYA JAIN	ACS - 42795	NIRC	112	MS. HEMA MENGHANI	ACS - 42849	NIRC
59	MS. BHAWNA	ACS - 42796	NIRC	113	MS. SWATI SHARMA	ACS - 42850	NIRC
60	MS. PRIYANKA MEHTA	ACS - 42797	NIRC	114	MS. ALKA RANI	ACS - 42851	NIRC
61	MS. BHAGYASHREE BARDIA	ACS - 42798	NIRC	115	MS. ARTI AGGARWAL	ACS - 42852	NIRC
62	MS. SHEELU CHOUDHARY	ACS - 42799	NIRC	116	MS. SHWETA DEHAR	ACS - 42853	NIRC
63	MS. R K SWATHI LAKSHMI RAO	ACS - 42800	SIRC	117	MS. REKHA GOYAL	ACS - 42854	NIRC
64	MR. SACHIN ISHWAR BANAKAR	ACS - 42801	SIRC	118	MS. HEMLATA DANGI	ACS - 42855	NIRC
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67	MR. SANDEEP KUMAR PANAKKAT	ACS - 42804	SIRC	121	MS. SHWETA VIJAY KANDANI	ACS - 42858	NIRC
68	MS. SHWETA PRATAP VED	ACS - 42805	WIRC	122	MS. MALLIKA TAYAL	ACS - 42859	NIRC
69	MS. HETAL BHARAT VICHHI	ACS - 42806	WIRC	123	MS. EKTA AGARWAL	ACS - 42860	NIRC
70	MR. ASHISH KAILASHNATH SHARDA	ACS - 42807	WIRC	124	MS. REEMA BAJAJ	ACS - 42861	NIRC
71	MS. REENA JENTIBHAI KANABAR	ACS - 42808	WIRC	125	MR. GANESH KUMAR GUPTA	ACS - 42862	NIRC
72	MR. SHAIKENDRA SAXENA	ACS - 42809	WIRC	126	MS. NEELAM SUTHAR	ACS - 42863	NIRC
73	MR. ALAY BHARATKUMAR VASAVADA	ACS - 42810	WIRC	127	MS. SHARMILA P	ACS - 42864	SIRC
74	MS. PRACHI NITIN PATEL	ACS - 42811	WIRC	128	MS. NITHIYA S	ACS - 42865	SIRC
75	MS. NOOPUR JAIN	ACS - 42812	NIRC	129	MR. AAKASH AGARWAL	ACS - 42866	SIRC
76	MS. BHARTI RATHI	ACS - 42813	WIRC	130	MS. DHANASHRI BASAVARAJ BARGUNDI	ACS - 42867	SIRC
77	MS. SHRIYA MAHESHWARI	ACS - 42814	NIRC	131	MS. RAJVI ASHVINKUMAR SHETH	ACS - 42868	WIRC



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134	MS. MANJU TRIBHUVAN MISHRA	ACS - 42871	WIRC	188	MS. URJA MAHESH KARIA	ACS - 42925	WIRC
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136	MS. AJANTA SAXENA	ACS - 42873	WIRC	190	MS. PUJA MISHRA	ACS - 42927	EIRC
137	MR. YASH PAREEK	ACS - 42874	WIRC	191	MS. RAJNI MISHRA	ACS - 42928	EIRC
138	MS. DHRUVI CHETAN MEHTA	ACS - 42875	WIRC	192	MR. ROSHAN GOENKA	ACS - 42929	EIRC
139	MS. SWAPNA SUSHI SOMAN	ACS - 42876	WIRC	193	MS. VARSHA SHARMA	ACS - 42930	EIRC
140	MS. RACHANA JAYESH SHRIDHARANI	ACS - 42877	WIRC	194	MR. RANVIJAY SINGH	ACS - 42931	EIRC
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142	MS. ANJUROSE PAULSON VITHAYATHIL	ACS - 42879	WIRC	196	MS. VASUNDHARA JAIN	ACS - 42933	EIRC
143	MS. JAVANIKA NARENDRAKUMAR GANDHARVA	ACS - 42880	WIRC	197	MR. YASSER KHAN	ACS - 42934	NIRC
144	MS. PREETI SINGH	ACS - 42881	SIRC	198	MS. ANKITA KABRA	ACS - 42935	NIRC
145	MS. VARSHA KAMATH M	ACS - 42882	SIRC	199	MS. SHALINI BHARDWAJ	ACS - 42936	NIRC
146	MS. RAMYA S	ACS - 42883	SIRC	200	MR. CHETAN CHHANGANI	ACS - 42937	NIRC
147	MR. A RISHI KUMAR	ACS - 42884	SIRC	201	MS. NUPUR ROHILLA	ACS - 42938	NIRC
148	MS. SONI CHANDNI JAYESH	ACS - 42885	WIRC	202	MR. RAHUL AGGARWAL	ACS - 42939	SIRC
149	MS. TANUJA RAMPRASAD AGARWAL	ACS - 42886	WIRC	203	MS. NANDHINI V	ACS - 42940	SIRC
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151	MR. NITIN SIDDHESHWAR METKARI	ACS - 42888	WIRC	205	MR. SACHIN SATHYAVRATHAN	ACS - 42942	SIRC
152	MR. RAHUL AJITKUMAR JAIN	ACS - 42889	WIRC	206	MR. RAMESH A	ACS - 42943	SIRC
153	MS. ANKITA CHAVDA	ACS - 42890	WIRC	207	MS. DISHA SONI	ACS - 42944	NIRC
154	MS. AKANSHA SOHANRAJ JAIN	ACS - 42891	WIRC	208	MR. SANDEEP JOSHI	ACS - 42945	NIRC
155	MR. HEMANG HARSHADBHAI SHAH	ACS - 42892	WIRC	209	MS. SUNITA KUMARI	ACS - 42946	NIRC
156	MR. PRATEEK MUKESH AGRAWAL	ACS - 42893	WIRC	210	MS. CHHAYA WALIA	ACS - 42947	NIRC
157	MS. GURMEET KAUR	ACS - 42894	WIRC	211	MS. ADITI GUPTA	ACS - 42948	NIRC
158	MR. MEWADA PRATIK MAHENDRA BHAI	ACS - 42895	WIRC	212	MR. VIPIN KUMAR	ACS - 42949	NIRC
159	MS. PRIYANKA JITENDRA BAKHTYARPURI	ACS - 42896	WIRC	213	MR. NIKHIL KUMAR TYAGI	ACS - 42950	NIRC
160	MS. ARTI PARMANAND ROHRA	ACS - 42897	WIRC	214	MS. NEHA GUPTA	ACS - 42951	NIRC
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162	MR. NIKHIL MOHAN HULE	ACS - 42899	WIRC	216	MR. AMAN KUMAR	ACS - 42953	NIRC
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164	MS. NIDHI MAYUR PATEL	ACS - 42901	WIRC	218	MS. VAISHALI SINGH	ACS - 42955	NIRC
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166	MR. CHANDAN SETH	ACS - 42903	NIRC	220	MS. SAKSHI SAXENA	ACS - 42957	NIRC
167	MS. DIVYA NARANG	ACS - 42904	NIRC	221	MS. VILY JAIN	ACS - 42958	NIRC
168	MS. SHEFALI BHARTI	ACS - 42905	NIRC	222	MR. VIVEK BANSAL	ACS - 42959	NIRC
169	MS. RICHA ARORA	ACS - 42906	NIRC	223	MS. SAKSHI JAIN	ACS - 42960	NIRC
170	MS. TANUJA SURYAPRAKASH CHOURASIA	ACS - 42907	WIRC	224	MR. ROHIT CHAUDHARY	ACS - 42961	NIRC
171	MS. GARIMA SHRIVASTAVA	ACS - 42908	WIRC	225	MS. NEHA KUMARI	ACS - 42962	NIRC
172	MR. ANANT BHARATBHAI BHATT	ACS - 42909	WIRC	226	MS. NEETU SHARMA	ACS - 42963	NIRC
173	MS. CHERRY BHOTIKA	ACS - 42910	EIRC	227	MS. PRIYANKA BHARDWAJ	ACS - 42964	NIRC
174	MS. MEHTA REEMA KIRANBHAI	ACS - 42911	WIRC	228	MS. P NISHA	ACS - 42965	NIRC
175	MR. RAHUL MISHRA	ACS - 42912	NIRC	229	MS. PRANKITA AGRAWAL	ACS - 42966	NIRC
176	MR. ASHWANI KUMAR DHIMAN	ACS - 42913	NIRC	230	MS. SURBHI JAIN	ACS - 42967	NIRC
177	MS. SWATI	ACS - 42914	EIRC	231	MS. AAKANKSHA BHATIA	ACS - 42968	NIRC
178	MR. ANOOP SABHARWAL	ACS - 42915	NIRC	232	MR. JEETAM KUMAR SAINI	ACS - 42969	NIRC
179	MR. ARUN KUMAR	ACS - 42916	NIRC	233	MR. NAMAN JAIN	ACS - 42970	NIRC
180	MR. AIKANSH GAUTAM	ACS - 42917	NIRC	234	MR. SURENDRA KUMAR MOURYA	ACS - 42971	NIRC
181	MS. BABLADI SHAILAJA	ACS - 42918	SIRC	235	MR. ANSHUL SHYAM	ACS - 42972	NIRC
182	MR. S R PARATH KUMAR	ACS - 42919	SIRC	236	MS. P SARITHA RANI	ACS - 42973	SIRC
183	MS. PUSHPA NARAYAN BHATT	ACS - 42920	WIRC	237	MR. YASH ANILBHAI SHAH	ACS - 42974	WIRC
184	MS. NEHAL KETAN GANDHI	ACS - 42921	WIRC	238	MR. VIJAY AMRUT PATEL	ACS - 42975	WIRC
185	MR. SUNEEL SULLERE	ACS - 42922	WIRC	239	MR. PINDARIYA SURESH KARSHAN BHAI	ACS - 42976	WIRC



240	MR. RANJIT BHALCHANDRA SANGAONKAR	ACS - 42977	WIRC	294	MS. SHIKHA SARDA	ACS - 43031	WIRC
241	MS. PRITI BHAIYA	ACS - 42978	EIRC	295	MS. CHAUHAN URVI ASHWINBHAI	ACS - 43032	WIRC
242	MR. J ANANTH	ACS - 42979	SIRC	296	MS. MITALI MUKESHBHAI CHOUHAN	ACS - 43033	WIRC
243	MR. GANESH GOVINDRAO PALVE	ACS - 42980	WIRC	297	MS. SHRUTI CHANDRAKANT NIRMALE	ACS - 43034	WIRC
244	MS. RASHMI AGARWAL	ACS - 42981	EIRC	298	MR. M KARUNAKAR REDDY	ACS - 43035	SIRC
245	MR. P SENTHIL KUMAR	ACS - 42982	SIRC	299	MR. VISHAL MISHRA	ACS - 43036	NIRC
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252	MS. PUNEETA SHARMA	ACS - 42989	NIRC	306	MS. ESHA SRIVASTAVA	ACS - 43043	NIRC
253	MR. RAMESH SINGH	ACS - 42990	NIRC	307	MS. NEHA KULCHANDER	ACS - 43044	NIRC
254	MS. RINKLE CHOPRA	ACS - 42991	NIRC	308	MR. AMIT ZUTSHI	ACS - 43045	NIRC
255	MR. SUNIL REVANASHIDDAPPA MANDAKKI	ACS - 42992	SIRC	309	MS. PREETI SHARMA	ACS - 43046	NIRC
256	MR. YOGEEESH DASAR M	ACS - 42993	SIRC	310	MS. RUHI GANDHI	ACS - 43047	NIRC
257	MS. NITHYA V	ACS - 42994	SIRC	311	MR. ABHINAV AGARWAL	ACS - 43048	WIRC
258	MS. SONY AHUJA	ACS - 42995	SIRC	312	MR. PRADEEP RATHI	ACS - 43049	WIRC
259	MS. GEETHIKA J	ACS - 42996	SIRC	313	MR. RAIMEEN BHANUBHA MARADIYA	ACS - 43050	WIRC
260	MS. NEHA SHYAMLAL JAMNANI	ACS - 42997	SIRC	314	MS. KHUSHBOO MUNDRA	ACS - 43051	WIRC
261	MS. M V PADMASRI	ACS - 42998	SIRC	315	MS. KAVITA NAYAN PANDYA	ACS - 43052	WIRC
262	MR. KAUSTUBH SHAMSUNDAR KARVA	ACS - 42999	WIRC	316	MR. SAFAL JAIN	ACS - 43053	WIRC
263	MS. AKSHARA SUHAS UPADHYE	ACS - 43000	WIRC	317	MS. AASTHA BHARTI	ACS - 43054	NIRC
264	MR. PRITAM PRAKASH BHOPALE	ACS - 43001	WIRC	318	MS. SHRUTI PATODIA	ACS - 43055	EIRC
265	MS. SURUCHI DEVRAJ PEDNEKAR	ACS - 43002	WIRC	319	MS. MANJARI ARORA	ACS - 43056	EIRC
266	MS. SONIA RADHA GUPTA	ACS - 43003	WIRC	320	MR. KUMAR ANAND	ACS - 43057	EIRC
267	MS. AKANSHA SETH	ACS - 43004	WIRC	321	MR. SATBIR SINGH	ACS - 43058	EIRC
268	MS. MAVIA MARTIN CREADO	ACS - 43005	WIRC	322	MS. SEJAL YADAV	ACS - 43059	EIRC
269	MR. JOTANIYA SAHUL NATAVARBHAI	ACS - 43006	WIRC	323	MS. PRITI SARDA	ACS - 43060	EIRC
270	MR. UTKARSH PIYUSHKUMAR SHAH	ACS - 43007	WIRC	324	MS. MANISHA PRIYA	ACS - 43061	EIRC
271	MR. KAMDAR PARTH BHARATKUMAR	ACS - 43008	WIRC	325	MR. SANTOSH KUMAR SENAPATI	ACS - 43062	EIRC
272	MS. SAPTAPARNA CHANDICHARAN PANDA	ACS - 43009	WIRC	326	MS. RICHA SHAW	ACS - 43063	EIRC
273	MS. MINAL RAGHUNATH INDULKAR	ACS - 43010	WIRC	327	MR. ANIRBAN GUPTA	ACS - 43064	EIRC
274	MS. SHEETAL CHINTAMAN SARANG	ACS - 43011	WIRC	328	MS. SAUMYA DUBEY	ACS - 43065	NIRC
275	MS. SWATI PRADEEP TRILOKEKAR	ACS - 43012	WIRC	329	MS. UMA KUMARI	ACS - 43066	NIRC
276	MS. PRIYANKA MAHENDRAKUMAR PATEL	ACS - 43013	WIRC	330	MR. R RAJASEKARAN	ACS - 43067	SIRC
277	MS. ADITI ANAND CHAKRADEO	ACS - 43014	WIRC	331	MR. GOKULANANDA SAHU	ACS - 43068	WIRC
278	MR. RAJKUMAR CHANDULAL GUPTA	ACS - 43015	WIRC	332	MR. NEERAJ GANDHI	ACS - 43069	NIRC
279	MR. KAMLESH MOHANLAL RAJORIA	ACS - 43016	WIRC	333	MR. A SELVAM	ACS - 43070	SIRC
280	MR. PULKIT VASANTBHAI SINGHANIA	ACS - 43017	WIRC	334	MR. DILIP RAJENDRA PAWAR	ACS - 43071	SIRC
281	MR. RAKESH KASAR	ACS - 43018	WIRC	335	MR. PIYUSH GARG	ACS - 43072	NIRC
282	MS. POOJA KRISHNAKANT KADAM	ACS - 43019	WIRC	336	MS. GUNJAN SHUKLA	ACS - 43073	NIRC
283	MR. YASH KASHYAP MEHTA	ACS - 43020	WIRC	337	MS. SANGEETA SANJOG KABRA	ACS - 43074	WIRC
284	MR. RAHUL BHARAT GUPTA	ACS - 43021	WIRC	338	MS. SIMRANPREET KAUR MAHAL	ACS - 43075	NIRC
285	MS. KEYURIBEN JASHVANTBAHI SHAH	ACS - 43022	WIRC	339	MR. RAVI KUMAR MISHRA	ACS - 43076	NIRC
286	MR. PATEL HIREN KUMAR BHARAT BHAI	ACS - 43023	WIRC	340	MR. MOHIT KUKREJA	ACS - 43077	NIRC
287	MS. PREETI DEEPAK KULKARNI	ACS - 43024	WIRC	341	MR. SAJAL JAIN	ACS - 43078	NIRC
288	MS. SWEETY VINOD AGRAWAL	ACS - 43025	WIRC	342	MS. ANITA SONI	ACS - 43079	NIRC
289	MR. MEHUL HARSHAD SOMAIYA	ACS - 43026	WIRC	343	MR. ANKIT MITTAL	ACS - 43080	NIRC
290	MR. NANDLAL SAHABLAL YADAV	ACS - 43027	WIRC	344	MR. NITIN KHOSLA	ACS - 43081	NIRC
291	MR. CHAITANYA NAGARAJ HIREGANGE	ACS - 43028	WIRC	345	MR. MAYANK JAIN	ACS - 43082	NIRC
292	MR. OMKAR MADHAV DINDORKAR	ACS - 43029	WIRC	346	MS. RIDHIMA BHANDARI	ACS - 43083	NIRC
293	MR. GOND SUSHIL KUMAR GIRDHAR	ACS - 43030	WIRC	347	MS. HARSHITA KAKKAR	ACS - 43084	NIRC



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348	MR. ARPIT JAIN	ACS - 43085	NIRC	402	MS. SIMRAN KHOSA	ACS - 43139	NIRC
349	MS. MEENAKSHI PRIYADARSHNI	ACS - 43086	NIRC	403	MS. SHRADDHA MAHAJAN	ACS - 43140	NIRC
350	MR. SANIDHYA SHARMA	ACS - 43087	NIRC	404	MR. MONISH BASHEER	ACS - 43141	NIRC
351	MR. PRADEEP SAND	ACS - 43088	NIRC	405	MS. GLORY CHOUDHARY	ACS - 43142	NIRC
352	MR. ABHISHEK GUPTA	ACS - 43089	NIRC	406	MR. RAMSWAROOP JAT	ACS - 43143	NIRC
353	MR. JAI SHUKLA	ACS - 43090	NIRC	407	MR. ANKIT RANA	ACS - 43144	NIRC
354	MS. CHANCHAL JAIN	ACS - 43091	NIRC	408	MS. ARICA MIDHA	ACS - 43145	NIRC
355	MS. SALONI JAIN	ACS - 43092	NIRC	409	MS. A MEENA KUMARI	ACS - 43146	SIRC
356	MS. KSHAMTA SHARMA	ACS - 43093	NIRC	410	MR. HEGDE MANJUNATH TIMMANNA	ACS - 43147	SIRC
357	MR. DIVYA RAJ SINH MAHAVIRSINH ZALA	ACS - 43094	WIRC	411	MS. NANDITHA T	ACS - 43148	SIRC
358	MS. KANIKA ANAND	ACS - 43095	NIRC	412	MR. SATHISH R	ACS - 43149	SIRC
359	MS. SANCHITA BHARDWAJ	ACS - 43096	NIRC	413	MR. BALAJI GANDLA	ACS - 43150	SIRC
360	MS. NIKITA AGARWAL	ACS - 43097	NIRC	414	MR. GOWRISHANKAR S	ACS - 43151	SIRC
361	MR. ANSHUL AGARWAL	ACS - 43098	NIRC	415	MS. THANUJA S	ACS - 43152	SIRC
362	MR. VIKAS	ACS - 43099	NIRC	416	MS. NISCHITHA N	ACS - 43153	SIRC
363	MR. SUJEET KUMAR	ACS - 43100	NIRC	417	MS. SUBANYA S	ACS - 43154	SIRC
364	MS. SHREYA KOHLI	ACS - 43101	NIRC	418	MR. KADABA NATARAJA	ACS - 43155	SIRC
365	MS. ANJALI	ACS - 43102	NIRC	419	MR. ADARSHA K R	ACS - 43156	SIRC
366	MS. SUNITA YADAV	ACS - 43103	NIRC	420	MS. ANANDPRIYA S	ACS - 43157	SIRC
367	MR. RUPESH KUMAR	ACS - 43104	NIRC	421	MS. NAVYA R	ACS - 43158	SIRC
368	MS. MONIKA SABNANI	ACS - 43105	NIRC	422	MS. ANJU THOMAS	ACS - 43159	SIRC
369	MR. SHIV SHANKAR SHARMA	ACS - 43106	NIRC	423	MS. CHHAYA MITTAL	ACS - 43160	EIRC
370	MS. ISHITA KHURANA	ACS - 43107	NIRC	424	MS. SNEHA UMMED KOTHARI	ACS - 43161	WIRC
371	MS. KAVITA NIHALANI	ACS - 43108	NIRC	425	MS. SHANTIPRIYA RAMESH KALKUR	ACS - 43162	WIRC
372	MS. RAVINA	ACS - 43109	NIRC	426	MS. RADHA KAILASH SHARMA	ACS - 43163	WIRC
373	MS. SHALU	ACS - 43110	NIRC	427	MR. RAJ TUSHAR TRIVEDI	ACS - 43164	WIRC
374	MR. MANISH KUMAR	ACS - 43111	NIRC	428	MS. NIDHI KISHOR SHAH	ACS - 43165	WIRC
375	MS. ANCHAL JAIN	ACS - 43112	NIRC	429	MS. TARAL CHANDRAKANT AJMERA	ACS - 43166	WIRC
376	MS. HIMANSHI JINDAL	ACS - 43113	NIRC	430	MS. APURVA JAWAHIR MEGHRAJ	ACS - 43167	WIRC
377	MS. ADITI JHA	ACS - 43114	NIRC	431	MR. GAURAV PAWAN SINGLA	ACS - 43168	WIRC
378	MR. PARMINDER SINGH	ACS - 43115	NIRC	432	MS. SWARNA GOGAD	ACS - 43169	WIRC
379	MR. SUNPREET SINGH	ACS - 43116	NIRC	433	MS. SALONI DILIP MARU	ACS - 43170	WIRC
380	MS. SURBHI PATODI	ACS - 43117	NIRC	434	MS. LABDHI CHETAN DOSHI	ACS - 43171	WIRC
381	MS. MADHURI JETHANI	ACS - 43118	NIRC	435	MS. PALAV RAMESH JAIN	ACS - 43172	WIRC
382	MS. ARCHANA JAGDISH MUDALIAR	ACS - 43119	WIRC	436	MS. MINAL RAKESH JAIN	ACS - 43173	WIRC
383	MS. URVI MAHENDRA CHOTHANI	ACS - 43120	WIRC	437	MS. ARCHANA BHAVESH PARIKH	ACS - 43174	WIRC
384	MS. HARLEEN GURUMEL BANSAL	ACS - 43121	WIRC	438	MS. MITTAL RANCHHODAS GORI	ACS - 43175	WIRC
385	MR. AKSHAY PANKAJ VORA	ACS - 43122	WIRC	439	MS. ANU RAJAN	ACS - 43176	SIRC
386	MS. BHAVNA GALLANI	ACS - 43123	WIRC	440	MS. JINAL S JAIN	ACS - 43177	SIRC
387	MS. EKTA SHAH	ACS - 43124	WIRC	441	MR. NILESH SHARMA	ACS - 43178	WIRC
388	MS. DRASHTI MAYUR SHAH	ACS - 43125	WIRC	442	MS. SONAL NARAYAN NAIK	ACS - 43179	WIRC
389	MR. SHASHANK PRAKASH PALAN	ACS - 43126	WIRC	443	MS. RAJESHREE MARUTI CHOUGULE	ACS - 43180	EIRC
390	MS. HIRAL NITIN PAREKH	ACS - 43127	WIRC	444	MS. TANVI TUKARAM BOBHATE	ACS - 43181	WIRC
391	MS. KRITI GULATI	ACS - 43128	NIRC	445	MR. KINSHUK RAJKUMAR TIWARI	ACS - 43182	WIRC
392	MS. SHABINA FATIMA	ACS - 43129	NIRC	446	MS. ANJALI RADHAKRISHNAN NAIR	ACS - 43183	SIRC
393	MS. ABHILASHA ROONGTA	ACS - 43130	NIRC	447	MR. RAVI NANDKISHOR SARAF	ACS - 43184	WIRC
394	MS. POONAM DHANUKA	ACS - 43131	NIRC	448	MR. LALIT GAJANAN PHATAK	ACS - 43185	WIRC
395	MS. SAAKSHI AGARWAL	ACS - 43132	NIRC	449	MR. MOHINISH SURYAKANT KADAM	ACS - 43186	WIRC
396	MS. SHIVANI KAPOOR	ACS - 43133	NIRC	450	MS. VIPLAVI VIVEK SONALKAR	ACS - 43187	WIRC
397	MS. AANCHAL PATNI	ACS - 43134	NIRC	451	MS. AMRITA SHREEVASTAV	ACS - 43188	WIRC
398	MS. SHRADDHA SHARMA	ACS - 43135	NIRC	452	MS. CHASHU MITTAL	ACS - 43189	WIRC
399	MS. NIKITA BANSAL	ACS - 43136	NIRC	453	MR. BANESH SHANKAR PATIL	ACS - 43190	WIRC
400	MS. GARIMA JHAMNANI	ACS - 43137	NIRC	454	MS. PRIYANKA HARSHADBHAI VALAND	ACS - 43191	WIRC
401	MS. ADITI JAIN	ACS - 43138	NIRC	455	MR. KUNAL RAJKUMAR BAJAJ	ACS - 43192	WIRC



456	MS. ANKITA KISHOR JOSHI	ACS - 43193	WIRC	17	MS. PURTI RUSTAGI	ACS - 42248	15651	NIRC
457	MS. GARGI NITIN MOHARIL	ACS - 43194	WIRC	18	MS. SHEETAL JAIN	ACS - 28168	15652	NIRC
458	MS. ANKITA ABHAY SHIRVANT	ACS - 43195	WIRC	19	SH. GAGAN J KASHYAP	FCS - 3270	15653	NIRC
459	MS. RUPALI VIJAY KARAWADE	ACS - 43196	WIRC	20	SH. S S KRISHNA SWARUP	FCS - 4748	15654	SIRC
460	MS. SURUCHI JAIN	ACS - 43197	WIRC	21	SH. NARASIMHA RAO LATIKE	FCS - 7406	15655	SIRC
461	MS. RIYA DINANATH DEVULKAR	ACS - 43198	EIRC	22	MR. SUMANT KUMAR BHARGAVA	FCS - 8250	15656	NIRC
462	MS. ANJANA KIRTIKUMAR GARACH	ACS - 43199	WIRC	23	MS. MEGHA BAHETI	ACS - 30177	15657	NIRC
463	MS. SAROJ RAMSHIROMANI YADAV	ACS - 43200	EIRC	24	MR. AEJAZ AHMED	ACS - 31007	15658	SIRC
464	MS. KAMNA VIJAY VIJAN	ACS - 43201	WIRC	25	MS. MADHUCHHANDA PRADHAN	ACS - 34278	15659	EIRC
465	MS. MADHURI BHAGWAN JHURANI	ACS - 43202	WIRC	26	MS. RAJLAXMI RAJEEV KALE	ACS - 36809	15660	WIRC
				27	MS. ANNAPOORNABEN NATHULAL AGRAWAL	ACS - 37597	15661	WIRC
				28	MS. FLAVIA PETER MACHADO	ACS - 38986	15662	WIRC
				29	MS. ARCHITA SEHGAL	ACS - 39195	15663	NIRC
				30	MS. MAYURI JAIN	ACS - 41413	15664	WIRC
				31	NARASIMHA RAO LATIKE	FCS - 7406	15665	SIRC
				32	MR. SAVYASACHI SUSHIL JOSHI	ACS - 41496	15666	WIRC
				32	MS. RITA SINGHAL	ACS - 41519	15667	NIRC
				33	MS. BHAVYA TANEJA	ACS - 41567	15668	NIRC
				34	MS. RUCHITA TUSHAR PATEL	ACS - 41685	15669	WIRC
				35	MS. ASHU RANI	ACS - 41742	15670	WIRC
				36	MS. POOJA SARDA	ACS - 41923	15671	NIRC
				37	MS. SHRADHA JAIN	ACS - 41939	15672	NIRC
				38	MR. PHONDEKAR AJINKH PRADIP	ACS - 41972	15673	WIRC
				39	MR. MEET PIYUSH KUMAR SHAH	ACS - 42124	15674	WIRC
				40	MS. DIPTI RANASARIA	ACS - 42157	15675	NIRC
				41	MR. HIRAPARA KRUNAL VINUBHAI	ACS - 42241	15676	WIRC
				42	MS. MANSI HARESHBHAI DHRUV	ACS - 32418	15677	WIRC
				43	MRS. PRATIBHA MOHTA	ACS - 39334	15678	SIRC
				44	MR. SANTOSH RADHESHYAM BHUTADA	ACS - 41608	15679	WIRC
				45	MS. MANEESHA GOVIND PRIYANI	ACS - 41620	15680	WIRC
				46	MR. MANISH	ACS - 42168	15681	NIRC
				47	MS. SRISHTI SHARMA	ACS - 41993	15682	NIRC
				48	MS. SWATI LHILA	ACS - 42301	15683	EIRC
				49	SH. ASHOK GUPTA	FCS - 3298	15684	NIRC
				50	MS. GAYATHRI G	ACS - 32949	15685	SIRC
				51	MR. VIVEK KESHAV HEGDE	ACS - 35336	15686	SIRC
				52	MR. MOHIT KUMAR ANCHALIYA	ACS - 38098	15687	WIRC
				53	MRS. RASHMI SAGAR MITKARY	ACS - 39564	15688	WIRC
				54	MS. SPANA GUPTA	ACS - 40515	15689	NIRC
				55	MR. DEEPAK	ACS - 42094	15690	NIRC
				56	MR. DEEPAK MAHESHWARY	ACS - 42134	15691	NIRC
				57	MS. KHUSHBOO MAHESH VAISHNAV	ACS - 42150	15692	WIRC
				58	MR. VIKAS BANSAL	ACS - 42210	15693	NIRC
				59	MS. KOMAL PANCHAL	ACS - 42269	15694	NIRC
				60	MS. ANSHU SINGHAL	ACS - 19007	15695	SIRC
				61	MR. VIPIN KUMAR SINGH	ACS - 41938	15696	WIRC
				62	SH. V P KULKARNI	ACS - 6707	15697	WIRC
				63	SH. SHYAM ARORA	ACS - 9790	15698	NIRC
				64	MS MUKTA KHETERPAL	ACS - 20500	15699	NIRC
				65	MS. POOJA GUPTA	ACS - 32905	15700	NIRC
				66	MS. SHARWARI MAHENDRA DESHMUKHACS	ACS - 35525	15701	WIRC
				67	MR. BHALCHANDRA CHIDAMBAR JOSHI	ACS - 40263	15702	WIRC
				68	MR. MANOJ KUMAR PANIGRAHI	ACS - 42261	15703	EIRC
				69	MR. RALPH SAVIO FERNANDES	ACS - 40343	15704	WIRC
				70	MR. MAYANK WADHERA	ACS - 42461	15705	NIRC

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Sl.No.	ACS/FCS No.	Name	Region	
1	A	24907	MANVI JAIN	NIRC
2	F	985	R C BHALODKAR	F/WIRC
3	A	10369	NIKET SURESH GHATE	WIRC
4	A	3535	K GANDHI	SIRC
5	A	24337	BHARAT BIMAL BANTHIA	EIRC
6	A	28955	MANOJ PANDEY	SIRC
7	A	2734	JITENDRA JIWANLAL SAWJIAN	WIRC
8	A	19142	ANURAG GUPTA	NIRC
9	A	9790	SHYAM ARORA	NIRC
10	A	5054	M S SUNDARARAJAN	SIRC
11	A	20467	ANANTHA NARAYANAN R.	SIRC
12	A	16007	MEETU ARORA	NIRC
13	A	12404	PRASHANT BHATNAGAR	F/NIRC
14	A	11018	SANJAY KUMAR GARODIA	EIRC
15	A	12424	DHARMENDRA KUMAR BHASIN	NIRC
16	A	13148	NAVIN KUMAR MISHRA	NIRC
17	A	15900	MS. K JAYASREE	SIRC
18	A	31038	SURESH SAMPAT CHATTISE	WIRC
19	A	22535	ANUJ KUMAR	WIRC

Certificate of Practice**

SL. No.	NAME	MEMB NO	COP NO.	REGION
1	MRS. DEEPTI VISHWESH DESHPANDE	ACS - 22675	15635	WIRC
2	MS. EKTA DARSHIL GANDHI	ACS - 40107	15636	WIRC
3	MR. HEMANT KUMAR GUPTA	ACS - 41315	15637	WIRC
4	MR. SHREYAS SHRIKANT HARISANGAM	ACS - 41340	15638	WIRC
5	MR. ABHINAV AGARWAL	ACS - 41468	15639	NIRC
6	MR. SURENDER SINGH CHAUHAN	ACS - 41539	15640	WIRC
7	MR. ABHISHEK SONI	ACS - 41808	15641	WIRC
8	MR. VARUN KUMAR SINHA	ACS - 41990	15642	EIRC
9	MR. MAYANK SINGH PANWAR	ACS - 41991	15643	NIRC
10	MS. RAJITHA R	ACS - 42048	15644	SIRC
11	MR. NADIYAPARA SANDIP V	ACS - 42126	15645	WIRC
12	MS. MONIKA SRIVASTAVA	ACS - 21664	15646	NIRC
13	MS. SHRUTI BAHADUR	ACS - 21210	15647	NIRC
14	MS. FARHA KHATOON	ACS - 35553	15648	EIRC
15	MR. RISHABH ARORA	ACS - 41124	15649	NIRC
16	MS. NIMISHA GUPTA	ACS - 41466	15650	NIRC

*Restored from 01.12.2015 to 31.12.2015.

**Issued during the month of December, 2015.





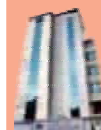
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71	MS. RUCHI DAWAR	ACS - 22168	15706	NIRC	125	MR. MAHESH PARSHURAM WAGHOLE	ACS - 36027	15760	WIRC
72	MS. HEMLATA THANVI	ACS - 22609	15707	WIRC	126	MS. PAYAL SETH	ACS - 39491	15761	WIRC
73	SH. K J CHANDRAMOULI	ACS - 25315	15708	SIRC	127	MS. ADITEE ASHISH KHOLE	ACS - 40738	15762	WIRC
74	MR. RISHAV JAISWAL	ACS - 38834	15709	NIRC	128	MS. RADHIKA BAGREE	ACS - 41242	15763	WIRC
75	MR. PRASHANT DATTATRAYA HEGDE	ACS - 41797	15710	SIRC	129	MR. VIKAS GAUTAM	ACS - 41378	15764	NIRC
76	MS. MEENAKSHI SAINI	ACS - 40979	15711	NIRC	130	MR. IMRAN KHAN	ACS - 41768	15765	NIRC
77	MS. MEGHA JAIN	ACS - 41050	15712	NIRC	131	MS. YASHIKA CHHATANI	ACS - 41914	15766	WIRC
78	MS. PRIYA VISHINDAS LULLA	ACS - 41614	15713	WIRC	132	MS. PRIYANKA DHARAMNARAYAN	ACS - 42183	15767	WIRC
79	MS. MADHURI UNDRAJAVARAPU	ACS - 41327	15714	SIRC		TRIPATHI			
80	MS. SHIRITI KUMARI	ACS - 42133	15715	NIRC	133	MR. AMAN NIJHAWAN	ACS - 42277	15768	NIRC
81	MS. SALONI PRATIK SHAHNAND	ACS - 42354	15716	WIRC	134	MR. VIKASH RANJAN	ACS - 42501	15769	NIRC
82	MR. RAKESHKUMAR ASHOKKUMAR	ACS - 42389	15717	WIRC	135	MS. AARJU AGRAWAL	ACS - 42507	15770	WIRC
	JAIN				136	MS. VYOMA KAUSHIK DESAI	ACS - 42543	15771	WIRC
83	MR. SUNKARA VENKATESWARA RAO	ACS - 42411	15718	SIRC	137	MR. ABHISHEK ROHILLA	ACS - 42564	15772	NIRC
84	MS. RINKAL GOYAL	ACS - 42044	15719	NIRC	138	MR. NIKHIL KUMAR	ACS - 42590	15773	NIRC
85	SH. CHANDRAKANT V GANDHI	FCS - 3144	15720	WIRC	139	MS. SHALINI VIJAY KUMAR KOTA	ACS - 42656	15774	WIRC
86	SH. SIDDHARTHA MURARKA	FCS - 7527	15721	EIRC	140	MR. JIGNESHKUMAR KANTILAL DUDHATA	ACS - 42694	15775	WIRC
87	MRS. SAPNA KHANDELWAL	ACS - 19210	15722	NIRC	141	MR. AMITKUMAR PARSOTAMBHAI	ACS - 42696	15776	WIRC
88	MR. DHARMENDRA SHARMA	ACS - 33650	15723	NIRC		TARAPARA			
89	MS. SREEPRIYA KALARIKKAL	ACS - 38735	15724	SIRC	142	MR. NITIN VEDI	ACS - 41376	15777	NIRC
90	MR. ANKISH GOEL	ACS - 41054	15725	NIRC	143	MR. ASWIN SARMA M	ACS - 41969	15778	SIRC
91	MS. PRATHYUSHA M	ACS - 41679	15726	SIRC	144	MR. ADITYA RUNGTA	FCS - 8411	15779	NIRC
92	MS. PAVITRA SHRIVASTAVA	ACS - 41976	15727	WIRC	145	SH A RAMA RAO	ACS - 21413	15780	SIRC
93	MR. PANKAJ	ACS - 42213	15728	NIRC	146	MS. SHIKSHA BHAVIK SHETH	ACS - 28387	15781	EIRC
94	MR. HIMANSHU ALAGH	ACS - 42519	15729	NIRC	147	MS. GEETA BANSAL	ACS - 42194	15782	NIRC
95	MR. GANAPATI MABLESHWAR GHATTI	ACS - 42323	15730	SIRC	148	SH. RAJEEV KUMAR JAIN	FCS - 7981	15783	WIRC
96	MS. SHALAKA PRAKASH KHANDEKAR	ACS - 42478	15731	WIRC	149	MS. MONICA JAIN	ACS - 11902	15784	NIRC
97	MR. ISSAC WILLIAM	ACS - 42535	15732	SIRC	150	SH. RAJANISH SEKHAR T. TONPE	ACS - 17451	15785	SIRC
98	MS. DOLLY	ACS - 42562	15733	NIRC	151	MR. SANDEEP MEHRA	ACS - 23624	15786	NIRC
99	MS. SHWETA GUPTA	ACS - 42573	15734	NIRC	152	MR. DIPESH ANUPKUMAR MISTRY	ACS - 34755	15787	WIRC
100	MR. KUNAL KOCHAR	ACS - 42598	15735	EIRC	153	MS. SHUBHANGI BHARDWAJ	ACS - 39954	15788	NIRC
101	SH. C S NARASIMHULU	ACS - 3437	15736	SIRC	154	MS. DEEPIKA CHOURASIA	ACS - 41692	15789	WIRC
102	MS. NEHA KEJRIWAL	ACS - 19154	15737	NIRC	155	MR. DEVENDER	ACS - 42705	15790	NIRC
103	SH. ANKIT DOSHI	ACS - 23857	15738	NIRC	156	MS. KOMAL SAURABH DESHMUKH	ACS - 21142	15791	WIRC
104	MR. JATIN KUMAR	ACS - 39445	15739	NIRC		SAMANT			
105	MS. SONAL PAWAN THAKUR	ACS - 40894	15740	WIRC	157	MS. CHANDA BHAVANDAS RAWLANI	ACS - 25617	15792	WIRC
106	MR. ANKUSH SETHI	ACS - 42050	15741	SIRC	158	MS. MOKSHALI MINAL SINGHI	ACS - 27152	15793	WIRC
107	MR. JYOTIRMAYA PANIGRAHI	ACS - 42257	15742	EIRC	159	MS. LEENA SANTOSH AMBWANI	ACS - 42551	15794	WIRC
108	MS. AARTI PAPALAL LAHOTI	ACS - 42364	15743	WIRC	160	MS. GUNJAN TYAGI	ACS - 37888	15795	NIRC
109	MS. NIDHI ANAND	ACS - 42380	15744	NIRC	161	MS. SHIKHA MEHRA	ACS - 34986	15796	NIRC
110	MS. NEHA DASS	ACS - 42443	15745	NIRC	162	MR. RAHUL RANJAN	ACS - 40423	15797	EIRC
111	MR. HIREN HASMUKH SHAH	ACS - 42463	15746	WIRC	163	MS. SAILAKSHMI D	ACS - 32945	15798	SIRC
112	MS. LUCKY AGRAWAL	ACS - 42464	15747	WIRC	164	SH. NILESH N SHAH	ACS - 3303	15799	WIRC
113	MS. BHAIRAVI SANJIV JOSHI	ACS - 42473	15748	WIRC					
114	MS. SWATI AGARWAL	ACS - 42554	15749	NIRC					
115	MS. SAKSHI GANDHI	ACS - 42604	15750	NIRC					
116	MS. NIKITASHA MANGAL	ACS - 30641	15751	WIRC					
117	MR. MAHESH KUMAR	ACS - 38766	15752	NIRC					
118	SH. SUMIT KUMAR KHETAN	FCS - 3853	15753	EIRC					
119	MS. SUDHA SARMA	FCS - 6278	15754	EIRC					
120	SH SHYAMAL KUMAR BISWAS	FCS - 7038	15755	EIRC					
121	SH. CONJEEVARAM SANTHANAM	ACS - 5715	15756	EIRC					
	ASHOK KUMAR								
122	MR. VIKAS LALANI	ACS - 26455	15757	NIRC					
123	MS. ABHIJIT NAGEE	ACS - 31765	15758	EIRC					
124	MS. HEMAKSHI HARESH PATEL	ACS - 34444	15759	WIRC					

CANCELLED*

SL. No.	NAME	MEMB NO	COP NO.	REGION
1	MS. SUMITRA E	ACS 20198	11636	SIRC
2	MS. ROSHAN ABDUL SATTAR KAZI	ACS 26490	14004	WIRC
3	MR. GAGAN KHANDELWAL	ACS 40627	15192	WIRC
4	MS. TUSHITA SISODIA	ACS 30752	12089	NIRC
5	MRS. SHANNU CHATURVEDI	ACS 22792	10063	WIRC
6	MS. RIMPY RANI	ACS 26602	10408	NIRC
7	MR. ANKUR GUPTA	ACS 37030	14016	NIRC
8	MR. RAJENDRA SAND	ACS 37428	15221	NIRC
9	MS. SUCHETA PANICKER	FCS 4367	11162	WIRC

*Cancelled during the Month of December, 2015.



10	MS. SOMYA MITTAL	ACS 31171	11546	NIRC	29	MR. VENKATESH N	ACS 32213	12323	SIRC
11	MS. POOJA BAHETI	ACS 38468	14395	SIRC	30	MS. PRATIBHA SHARMA	ACS 21548	12605	NIRC
12	MR. BHANU MISHRA	ACS 35858	13328	NIRC	31	MS. PUJA KUMARI	ACS 32295	12395	WIRC
13	MR. SHASHI SHEKHAR	ACS30145	15123	NIRC	32	MR. KAMALJIT SINGH	ACS 40780	15237	NIRC
14	MR. KAPIL SHARMA	ACS 37154	13950	NIRC	33	MRS. NISHA AGARWAL	ACS 30668	11238	EIRC
15	MS. SWATI AGARWAL	ACS 28917	15230	NIRC	34	MS. PRIYANKA DADHICHI	ACS 32101	12685	WIRC
16	MRS. PREETY KANODIA	ACS 29188	10584	EIRC	35	MS. ALMA M S	ACS 25769	13257	SIRC
17	MS. DEEPA RANA	ACS 33944	12631	NIRC	36	MR. K SATYA NAGU	ACS 16713	10555	SIRC
18	MS. SWATI KHATTER	ACS 40594	15427	NIRC	37	MS. DIMPLE BANSAL	ACS 38339	14944	NIRC
19	MR. PRAVEEN SINHA	ACS 38383	14531	EIRC	38	DR. R N CHAKRABORTY	FCS 452	4498	EIRC
20	MR. THIRUMALAI RAJU G	ACS 33024	15343	SIRC	39	MR. HARISHANKAR KHANDELWAL	ACS14253	5295	NIRC
21	MS. SHIKHA MEHRA	ACS 34986	13786	NIRC					
22	MR. RAJEEV KUMAR	FCS 5027	3509	NIRC					
23	MS. HEENA PUKHRAJ JAIN	ACS 40005	14951	WIRC					
24	MR. DILIP KUMAR SENAPATI	ACS 35117	14366	SIRC					
25	MS. SONIA SINGH	ACS 24442	14279	NIRC					
26	MS. VINODHINI KANAGARAJ	ACS 24822	11375	SIRC					
27	MS. SHRISHTY KHAITAN	ACS 32298	12232	SIRC					
28	MR. PRAKASH SINGH	ACS 39563	14768	WIRC					

LICENTIATE ICSI**

Sl. No.	L.No.	NAME	Region
1	6807	MR. PIYUSH RAMESHCHAND AGARWAL	WIRC
2	6808	MS. SHAHEEN RAFIQUE SHAIKH	WIRC
3	6809	MR. MOHIT KHANNA	EIRC
4	6810	VENKATARAMANAN L	SIRC

**Admitted during the month of December, 2015.

Ethics and Code of Conduct

“Business is not unethical, it is the individual action which influences the business activities and places the business in unethical situation.”

Ethics arises from three main factors, moral attitudes as a result of consciousness or awareness-raising, culture as a result of education and the use of know-how and the application of standards as a result of learning and training. Ethics amount to fundamental moral attitudes, binding values and irrevocable standards.

A Code of Conduct is a set of Principles outlining the responsibilities of, or proper practices with values for, an individual, party or organization. Code of professional conduct is a necessary component to any profession to maintain standards for the individuals within that profession to adhere. It brings about accountability, responsibility and trust to the individuals that the profession serves. In other words the Code of Conduct is a set of Principles outlining the responsibilities of, or proper practices with values for, an individual, party or organization.

A distinguishing characteristic of a profession is the ability to combine ethical standards with the performance of technical skills. The professionals being exclusive custodian of expertise need to profess high ethical and moral values, and to redeem their noble traditions. There is therefore, a need for introspection and a dynamic movement is desired to promote a value revolution with deeper conviction and creative consciousness, leading us to be good professional citizens. Let the collective wisdom prevail to inculcate highest standards of professional ethics, and moral values and adherence to the code of conduct of the Institute in its true letter and spirit. The societal expectations or norms are referred to as ‘values’ which are nothing but generalised beliefs or expected standards of conduct. The study of what values a society ought to have is the subject of a branch of philosophy known as ethics. The principles which govern the conduct of a professional broadly encompass (i) integrity (ii) professional independence (iii) professional competence (iv) objectivity (v) ethical behavior (vi) conformance to technical standards, if any, prescribed; and (vii) confidentiality of information acquired in the course of professional work. The Professionals are expected to conduct themselves in such a manner so as to uphold the grace, dignity and professional standing of the Institute.

The provisions relating to Misconduct by the members are given in Chapter V of the Company Secretaries Act, 1980 (Act) read with the First and the Second Schedule to the Act. The procedure to deal with the Misconduct cases are specified by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 made by the Central Government.





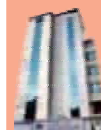
Company Secretaries Benevolent Fund



MEMBERS ENROLLED REGIONWISE AS LIFE MEMBERS OF THE COMPANY SECRETARIES BENEVOLENT FUND*

Region	LM No.	Name	Membership No.	City	Region	LM No.	Name	Membership No.	City
EIRC					20	11099	MR. R MADHUSUDHAN	ACS - 31064	CHENNAI
1	11083	MR. SUMEET KUMAR	ACS - 35071	KOLKATA	21	11101	SH. PARAMESWARAN M.B.	ACS - 19377	CHENNAI
2	11089	MR. RASHMI RANJAN SATAPATHY	ACS - 28225	BHUBANESWAR	22	11102	MR. A MOHAN	ACS - 21633	TRIPPUR
NIRC					23	11103	MR. RANJITH KUMAR SHETTY	ACS - 35368	HYDERABAD
3	11076	MR. SANDEEP JOSHI	ACS - 34701	GHAZIABAD	24	11104	MR. MUKUNDA G S	ACS - 40188	DHARWAD
4	11077	SH. HARISH KUMAR KHURANA	FCS - 4835	DELHI	25	11105	MS. NEETHU S	ACS - 37460	THIRUVANANTHAPURAM
5	11078	MS. MANISHA RAWAT	FCS - 7228	NEW DELHI	26	11106	MR. RAMESH A	ACS - 42943	HYDERABAD
6	11079	SH. DINESH CHANDRA ARORA	FCS - 8425	KOTA	27	11108	MR. SUDHEER REDDY GUNDU	ACS - 35278	RANGAREDDY
7	11080	MR. SURESH CHAUDHARY	ACS - 34955	GHAZIABAD	28	11110	MR. A SELVAM	ACS - 43070	KOCHI
8	11085	MS HARMEET KAUR GUJRAL	FCS - 7104	DELHI	29	11111	MR. M KARUNAKAR REDDY	ACS - 43035	ANANTAPUR
9	11090	MR. JITENDRA JANGID	ACS - 41561	JAIPUR.	WIRC				
10	11094	MR. MANISH	ACS - 38865	PANCHKULA	30	11074	MS. DAKSHA JAGATSINGH NEGI	ACS - 41607	AHMEDABAD
11	11095	MS. JYOTI PARIHAR	FCS - 5102	HOSHIARPUR	31	11075	MS. DHARABEN BHUPENDRABHAI PUROHIT	ACS - 37924	VADODARA
12	11100	MR. PULKIT	ACS - 40905	NEW DELHI	32	11091	SH. MANOJ JOSHI	FCS - 7902	MUMBAI
SIRC					33	11092	SH. AMIT NARENDRA SHAH	ACS - 18027	MUMBAI
13	11081	MR. PRASANNA BAIRY G	ACS - 35584	BANGALORE	34	11093	SH. ANKIT SINGH	FCS - 8438	MUMBAI
14	11082	SH. GOKUL MANNUR CHERUKARA	ACS - 21065	CHENNAI	35	11096	SH. NILESH N SHAH	ACS - 3303	MUMBAI
15	11084	MS. K J LAKSHMI	ACS - 21246	CHENNAI	36	11098	SH. DEVANG KATUDIA	ACS - 23573	AHMEDABAD
16	11086	MR. AJAY G PRASAD	ACS - 40647	BANGALORE	37	11107	MR. RAKESH KASAR	ACS - 43018	JALGAON
17	11087	SH. T P SIVADAS	FCS - 4791	THRISSUR	38	11109	SH. VINAY TUKARAM NAGAONKAR	FCS - 6113	MUMBAI
18	11088	MR. ZADDU NAGI REDDY	ACS - 42757	HYDERABAD					
19	11097	MS. M. K. KAMAKSHI	ACS - 16632	CHENNAI					

*Enrolled during the period from 21/12/2015 to 20/01/2016.



FORM – D APPLICATION FOR THE ISSUE/RENEWAL/RESTORATION OF CERTIFICATE OF PRACTICE See Reg. 10, 13 & 14			
To The Secretary to the Council of The Institute of Company Secretaries of India 'ICSI HOUSE', 22, Institutional Area, Lodi Road, New Delhi -110 003 Sir,			
I furnish below my particulars :			
(i) Membership Number FCS/ACS:			
(ii) Name in full			
(in block letters) Surname Middle Name Name			
(iii) Date of Birth:			
iv) Professional Address:			
(v) Phone Nos. (Resi.)		(Off.)	
(vi) Mobile No		Email id	
(vii) Website of the member, if any			
(viii) Additions to or change in qualifications, if any			
Submitted for (tick whichever is applicable): (a) Issue _____ (b) Renewal _____ (c) Restoration _____			
(a) Particulars of Certificate of Practice issued / surrendered/ Cancelled earlier			
Sl. No.	Certificate of Practice No.	Date of issue of CP	Date of surrender / Cancellation of CP
(b) Unique Code Number (i) Individual/Proprietorship concern (ii) Partnership firm			
3. Area of Practice			
Sl. No.	Area of Practice	Please tick (If Applicable)	
1	Corporate Law		
2	Financial Service and Consultancy		
3	Securities/Commodities Exchange Market		

4	Finance including Project/Working Capital/Loan Syndication(Specify the areas handling)		
5	Corporate Restructuring (Handling Merger, acquisitions, demerger issues etc). Specify the areas handling as drafting of scheme, appearing before various regulatory bodies for approval of scheme, getting the scheme implemented, legal compliances with various regulatory bodies etc)		
6	Excise/CUSTOMS (Filling of returns, Handling assessment, appearing before the appellate authority)		
7	Sales Tax/VAT Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
8	Income Tax Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
9	Service Tax Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
10	Foreign Exchange Management (Specify the areas being handled i.e. filling of various forms/returns, appearing before RBI etc)		
11	Foreign Collaborations & Joint Ventures		
12	Intellectual Property Rights (Specify the areas being handled)		
13	Depositories		
14	Monopolies/Restrictive Trade Practices/Competition Law		
15	Consumer Protection Laws		
16	Arbitration and Conciliation		
17	Import and Export Policy & Procedure		
18	Environment Laws(Specify the areas)		



News From the Institute

19	Environment Laws(Specify the areas)		
20	Societies/Trusts/Co-operative Societies & NCTs (Non Co-operative Trust Societies)		
21	Financial Consultancy		
22	Other Economic Laws		
23	SEBI / Securities Appellate Tribunal		
24	Banking and Insurance		
25	Any Other Service (Please specify)		

4. i. I state that I am/shall be engaged in the profession of Company Secretary only on whole-time basis and not in any other profession, business, occupation or employment. I am not enrolled as an Advocate on the rolls of any Bar Council and do not hold certificate of practice from any professional body including ICAI and the ICWAI.
- ii. I state that as and when I cease to be in practice, I shall duly inform the Council and shall surrender forthwith the certificate of practice as required by the Company Secretaries Act, 1980, and the regulations made thereunder, as amended from time to time.
- iii. I hereby undertake that, I shall adhere to the mandatory ceiling as regards issuing of Secretarial Audit Report (pursuant to Section 204 of the Companies Act, 2013) and certification/ signing of Annual Return (pursuant to Section 92 of the Companies Act, 2013) in terms of the GUIDELINES FOR ISSUING SECRETARIAL AUDIT REPORT, SIGNING AND CERTIFICATION OF ANNUAL RETURN respectively issued by the Institute from time to time.
- iv. I state that I have issued / did not issue _____ advertisements during the year 20__ in accordance with the **Guidelines for Advertisement by Company Secretary in Practice** issued by the Institute*.
- v. I state that I issued _____ Corporate Governance compliance certificates under Clause 49 of the Listing agreement during the year 20__ ... *
- vi. I state that I have / have not undertaken _____ Audits under Section 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 during the year 20... - ... *
- vii. I state that I have / have not maintained a register of attestation/certification services rendered by me/my firm in accordance with the **Guidelines for Requirement of Maintenance of a Register of Attestation/Certification**

Services Rendered by Practising Company Secretary/ Firm of Practising Company Secretaries issued by the Institute*.

- viii. I hereby declare that I have complied with KYC norms issued by the Council of the ICSI.
- ix. I undertake to subject myself to peer review as and when directed by the Peer Review Board.
5. I send herewith Bank draft drawn on _____ Bank _____ Branch bearing No. _____ dated _____/ online payment vide acknowledgement No. _____ dated _____/ Cash payment at ROs/Chapters vide Acknowledgement No. _____ dated _____ for Rs. _____ towards annual certificate of practice fee for the year ending 31st March _____.
6. I hereby declare that I attended the following professional development programmes held during the financial year _____:

Sr. No.	Name of Programme	Organised by	Place	Date	Duration*	No. of Program Credit Hours Secured**	Details of Certificate for Program Credit Hours ***

* Please specify whether full day/half day/number of hour

** Extra sheet can be attached...

*** The extracts from ICSI portal about the Credit hours with self certification

7. I further declare that the particulars furnished above are true and correct.

Yours faithfully,

(Signature)

Place:

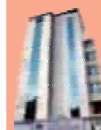
Date :

***Encl.

* Applicable in case renewal or restoration of Certificate of Practice

** Rs. 1000/- Annual Certificate of Practice Fee (Rs. 500/- if applied during October-March)

- Copy of the relieving letter in case earlier in employment.
- Copy of Form DIR 12 regarding cessation of employment in case working earlier as Company Secretary.
- Copy of letter of cancellation of Certificate of Practice of other professional bodies if applicable.



List of Practising Members Registered For The Purpose of Imparting Training During The Month of December, 2015

Name of Practising Company Secretary	Membership Number	Address	City
AMIT JAGDISH NEGANDHI	A37046	28, KANTHI BHAVAN, RAJAWADI HOSPITAL, OPP. , NR. SAI LEELA HALL, GHATKOPAR (EAST) PINCODE:400077	MUMBAI
AMRITANSHU BALANI	A33746	I-10 A FRIENDS COLONY, LALKHOTI, PINCODE:302015	JAIPUR
ANAND ROCHLANI	A32633	111/153, HARSH NAGAR, OPPOSITE MEERA PAINTS. PINCODE:208012	KANPUR
ARPIT AGRAWAL	A42000	40, PROFESSOR COLONY, NEAR BHAWARKUA SQUARE, PINCODE:452010	INDORE
ARUN KUMAR PANDEY	A36811	47/1, BON BEHARI BOSE ROAD	HOWRAH
B VENKA REDDY	A17439	# 401, SIDDARTHARESIDENCY, BEHIND HOTEL JUBILLE RIDGE, KAVURI HILLS, MADHAPUR PINCODE:500034	HYDERABAD
BHAGWATI CHARAN	F7479	C/O ICA, AG 4, LOWER GF, SHALIMAR BAGH, MAIN RING ROAD PINCODE:110088	NEW DELHI
BHAIRAVI CHIRAG KADAKIA	A25916	C-412, OM SHEEPAL CHS, SATYA NAGAR, SAI BABA NAGAR ROAD, BORIVALI (WEST) PINCODE:400092	MUMBAI
BHARAT CHOUDHARY	A36818	158, NORTH AYAD	UDAIPUR
BINU HRIDAY NARAYAN SINGH	A32440	B/305, SHIVANGI APT, NEAR NITYANAND SAGAR, SHEETAL NAGAR, MIRA ROAD (E) Pincod:401107	THANE
CHANDNI PODDAR	A41725	BIBEKANANDA COMPLEX, ROOM NO. T 3, OPP RAJIB BHAVAN, ABC, G.S. ROAD PINCODE:781005	GUWAHATI
CHHAMA GOEL	A20274	28 DEEPALI, PITAMPURA, Pincod:110034	NEW DELHI
DAVENDRA SINGH	F4788	AMAR NIWAS, 509/163, NEW HYDERABAD PINCODE:226007	LUCKNOW
DHRUMIN MAYUR PARIKH	A30398	802-ABHIJIT-3, OPP MAYORS BUNGLOW, MITHAKHALI SIX ROADS, ELLISBRIDGE PINCODE:380006	AHMEDABAD
GAURAV SHARMA	A41365	B-175/6, LOHIA NAGAR, PINCODE:201001	GHAZIABAD
GUNJAN VIJENDRA JAIN	A35428	201, JAY SURAJ RESIDENCY, CHANDULAL PARK , OPP DENA BANK, BHAYANDER (W) Pincod:401101	MUMBAI
HARI BABU P	A41781	NEW NO.25, OLD NO.16, IIND FLOOR, EAST MADA STRETT, MYLAPORE, PINCODE:600004	CHENNAI
JAY ASHOK BHAI GOHIL	A41828	RAM NIVAS', 3 NEW GOPUANDNA, SOCIETY, NR. SHYAM HALL, AHIR CHOWK PINCODE:360004	RAJKOT
K SHANMUGAM	A37566	NO.71, APPAR STREET, TIRUVALLIESWARER, TIRUMANGALAM PINCODE:600040	CHENNAI
KAVITA KHATRI	A25076	207, HEMKOOT, B/h, LIC BUILDING, NR. GANDHI GRAM RAILWAY STATION, ASHRAM ROAD Pincod:380009	AHMEDABAD
KRUPA JAGDISH JOISAR	A41023	B 101/102, PRANAY KIRAN, OPP.NEW SNDI, CAMA(HANSOTI)LANE, GHATKOPAR WEST PINCODE:400086	MUMBAI
KUMKUM RATHI	F6016	A4B/2, 1, RAJA RAM MOHAN ROY, Pincod:700041	KOLKATA
KUSHAL BHARAT BAGADIA	A35077	C/O K V BADGES, 2ND FLOOR, ABOVE UNITED BANK OF INDIA, BHARALUMUKH Pincod:781009	GUWAHATI
MADHU VERMA	A30985	D-12A, LANE NO.7, DASHRATH PURI, PALAM PINCODE:110045	NEW DELHI
MADHURA MADHAV OAK	A28992	719-724, SADASHIV PETH, KUMTHEKAR ROAD, KESKAR VITTHAL CHS PINCODE:411030	PUNE



News From the Institute

MONIKA GANDHI	A37372	C-19, KAMLA NEHRU NAGAR, EXT. IST, Pincode:342001	JODHPUR
NITISH VISHWANATH SHETTY	A40067	H-00-32, VINAYAK COLONY, NEAR JK HIGH SCHOOL, Pincode:580032	HUBLI
PARMINDER SINGH	A41652	RAMGAR HIA STREET, GURU KI NAGRI WARD NO.1, PINCODE:147301	MANDI GOBINDGARH
PARMY SHAILESHBHAI KAMANI	A27788	Y/603,VEENA DYNASTY, LAST BUS STOP EVERSHINE CITY, VASAI (E) PINCODE:401208	MUMBAI
PRASANJITKUMAR AJIT BAUL	A34347	B/701, ASTOR PLACE BLDG., CHARLOP,CHETAN CO-OP. HOUSING SOCIETY LTD., SECTOR NO. 3 CHARLOP KANDIVALI (W) PINCODE:400067	MUMBAI
PRATIBHA JOSHI	A38535	102 A, NEHA APPARTMENT, 3, LAL BAGH ROAD, PINCODE:452001	INDORE
RANJEET KUMAR	A41715	FLAT # 933, FIRST FLOOR, POCKET -1, SECTOR 14, DWARKA PINCODE:110078	NEW DELHI
RANJEET KUMAR GOLA	A39119	H NO. 180, NEETI BAGH COLONY, TAJGANJ, PINCODE:282001	AGRA
RITIKA VIDYASARIA	A36443	10 C, MIDDLETON ROW, GROUND FLOOR, Pincode:700007	KOLKATA
RITU KATHURIA	F8119	J-94, KIRTI NAGAR, PINCODE:110015	NEW DELHI
S S KRISHNA SWARUP	F4748	FS-1, F-BLOCK, II FLOOR, PARAMOUNT PEARLS, SEETHARAM NAGAR, VELACHERY PINCODE:600042	CHENNAI
SACHIN SONI	A40400	S-664 B, STREET NO.7, SCHOOL BLOCK, SHAKARPUR PINCODE: 110092	NEW DELHI
SAKET KUMAR	A40686	ROY SUBODH & ASSOCIATES, 9/12, LAL BAZAR STREET, MERCANTILE, BUILDING, 2MD FLOOR, BLOCK -E PINCODE:700001	KOLKATA
SAMEER RAVINDRA SIDDHESHWAR	A41842	KIMAYA, B BUILDING, FLAT NO. 1004, 10TH FLOOR, BEHIND CHINTAMANI HOTEL, BIBVEWADI PINCODE: 4110037	PUNE
SANDEEP GAMBHIR	A16097	G-2/38, FIRST FLOOR, SECTOR 16, ROHINI Pincode:110085	DELHI
SHIKHA GOEL	A31970	D-142, GANESH NAGAR,PANDAV NAGAR COMPLEX, PINCODE:110092	DELHI
SHWETA LATHI	A37258	99, TILAK NAGAR EXTENSION,NEAR JAIN SHWETAMBER TEMPLE, PINCODE:452018	INDORE
SUDHIR BABAJI SUTAR	A41953	#12-D, 1ST FLOOR, LENGADE,HOSTEL, BESIDE GOGTE PETROL, PUMP, KHANAPUR ROAD,TILAKWADI PINCODE:590006	BELGAUM
SUSHANTA PRADHAN	A29239	C/O RAMKAMANI PRADHAN, AT: BUILDING NO:F/3, SAHAYOG NAGAR, BHUDHARAJA PINCODE:768004	SAMBALPUR
SWETA MATHUR	A35617	H.NO. 294/16, BHATTI KI BAWARI, CH. RD, SUNCITY ZIM WALI GALI	JODHPUR
SYED SHAHABUDDIN	A4121	NO. 85/2, MUNISWAMPPA ROAD, 1ST CROSS ROAD, J C NAGAR PINCODE: 560006	BANGALORE
TANVI JAIN	A30914	1ST FLOOR,M D PLAZA, MESTON ROAD PINCODE:208001	KANPUR
TRILOKI NATH BANSAL	A3723	14/102A, CIVIL LINES,OPP. LAL IMLI GATE, PINCODE:208001	KANPUR
UDAY SOHONI	A29359	E/82, MAYFLOWER, SECOND FLOOR, NEAR CANOSSA PRIMARY SCHOOL, GABRIEL STREET, MAHIM (WEST) PINCODE:400016	MUMBAI
VIKAS BANSAL	A40309	A-12, EAST ARJUN NAGAR,GALI NO. 1, NEAR KKD COURT PINCODE:110032	DELHI
VINAY SUBHASH DESARDA	A39850	FLAT NO.1, NAVRATNA APT, BEHIND RIVER, VIEW BLDG, OPP WADRA BUNGLOW, NAGAR ROAD, YERWADA PINCODE:411006	PUNE
VIPIN KUMAR SINGH	A41938	F-28, ZOOM PLAZA, NEAR GORAI BUS DEPOT, BORIVALI (WEST) PINCODE:400092	MUMBAI
VISHAL MEHRA	A41751	402, FORTH FLOOR, JANPATH,COMPLEX, OPP SANYAS ASHRAM, ASHRAM ROAD NEAR ELISH BRIDGE PINCODE:380006	AHMEDABAD
YATIN WAHI	A31800	15/28 A,FIRST FLOOR, TILAK NAGAR PINCODE:110018	NEW DELHI



List of Companies Registered for Imparting Training during the month of December, 2015

ANDAZ TRADING COMPANY PRIVATE LIMITED
186, DADI SETH AGIARY LANE, HIRA MANEK BUILDING
OFF J.S.S ROAD, MUMBAI

DUKES PRODUCTS (INDIA) LIMITED
7-4-112, MADHUBAN COLONY ROAD, KATTEDAN,
HYDERABAD

GALAXY SURFACTANTS LIMITED
C-49/2, TTC, INDUSTRIAL AREA, PAWNE, NAVI MUMBAI-
400703, NAVI MUMBAI

GENESIS LA MODE PRIVATE LIMITED
51-52, UDYOG VIHAR, PHASE IV, GURGAON

HOTEL POLOTOWERS PVT.LTD.
POLO GROUNDS, SHILLONG 793001, INDIA, SHILLONG

IOT INFRASTRUCTURE & ENERGY SERVICES LIMITED
IOT HOUSE, PLOT NO. Y2, CEAT TYRE ROAD, BHANDUP
(WEST), MUMBAI

JAIDEEP ISPAT & ALLOYS PRIVATE LIMITED
103, LAXMI TOWER, 576 M.G ROAD, INDORE

JKB FINANCIAL SERVICES LIMITED
J&K BANK LTD., CORPORATE HEADQUARTERS, M A
ROAD, SRINAGAR

KARVY DATA MANAGEMENT SERVICES LIMITED
46, AVENUE-4, STREET NO. 1, ROAD NO. 10, BANJARA
HILLS, HYDERABAD

LONE STAR HOLDINGS PRIVATE LIMITED
MILLENIUM CITY, DN-62, SECTOR V, SALT LAKE CITY,
KOLKATA

NETWORK INDUSTRIES LIMITED
171/1 MAHATMA GANDHI ROAD, KOLKATA

NIVARA HOME FINANCE LTD
NO 22,23,24,25/101/3 3RD FLOOR, BNR COMPLEX,SRI
RAMA LAYOUT, J.P.NAGAR 7TH PHASE, BANGALORE

SK LUBRICANTS & OILS INDIA PRIVATE LIMITED
309, 3RDFLOOR, SEWA CORPORATE PARK
MG ROAD, BEHIND HP PETROL PUMP, IFFCO CHOWK
GURGAON , HARYANA-122002, GURGAON

SRL LIMITED
GP-26, MARUTI INDUSTRIAL ESTATE, UDYOG VIHAR,
SECTOR-18, GURGAON-122015

TATA POWER TRADING COMPANY LIMTIED
SHATABDI BHAWAN, 2ND FLOOR, B-12 & 13,
SECTOR - 4, NOIDA

AANCHAL ISPAT LIMITED
MOUZA-CHAMARAILNATIONAL HIGHWAY 6, LILUAH
HOWRAH, HOOGHLY

GILADA FINANCE & INVESTMENTS LTD
105, "RR TAKT", 37, BHOOPASANDRA MAIN ROAD,
BANGALORE

JAMES HOTELS LIMITED
BLOCK NO. 10, SECTOR 17A, CHANDIGARH,
CHANDIGARH

KALPATARU POWER TRANSMISSION LIMITED
101,PART-III G.I.D.C ESTATE, SECTOR-28
GANDHINAGAR
GANDHINAGAR, GANDHINAGAR

NAVIGANT CORPORATE ADVISORS LIMITED
OFFICE NO. 6, GROUND FLOOR, BANDUKWALA
BUILDING,
BRITISH HOTEL LANE, OFF. BOMBAY SAMACHAR
MARG,
FORT, MUMBAI - 400001

PSL FINANCIAL SERVICES LIMITED
45 HAZARA ROAD, KOLKATA

SARVODAYA BEOPAR LIMITED
183/N, KALIPADA MUKHERJEE ROAD, BARISHA,
KOLKATA

ZEN TECHNOLOGIES LIMITED
B 42 INDUSTRIAL ESTATE, SANATHNAGAR,
HYDERABAD



News From the Institute & Regions

EASTERN INDIA REGIONAL COUNCIL

HOOGHLY CHAPTER

Name of the programme	website link
Reports of the Programmes Organised by The Hooghly Chapter During The Months of November, December, 2015 & January, 2016 One Day Class Room Teaching For CS Students Held on 1st November, 2015:	https://www.icsi.edu/hooghly/Home/NewsEventsandAnnouncements.aspx
Half-Day Workshop Held on 20th December, 2015	
2nd Annual Members' Conference Held on 10th January, 2016	
Investor Awareness Programme on 17th January, 2016 At Ratnakar North Point School, Howrah	
Investor Awareness Programme On 23rd January, 2016 At Vikram Vidyalaya (Main), Salkia, Howrah	
Republic Day Celebration on 26th January, 2016:	
Half-Day Workshop Held on 31st January, 2016:	
Career Awareness Programmes:	

RANCHI CHAPTER

Name of the programme	website link
01st 5-days Entrepreneurship Development Programme	www.icsi.edu/portals/21/5-days PEDP_Ranchi.pdf
01st 5-days Skill Development Programme	www.icsi.edu/portals/21/5-days PSDP_Ranchi.pdf
Career Awareness Programme	www.icsi.edu/portals/21/CAP_Ranchi.pdf
Academic discussion on 04th ICSI Corporate Governance Week	www.icsi.edu/portals/21/Observation of 4th CG week_Ranchi.pdf
Observation of Communal Harmony-Flag Day	www.icsi.edu/portals/21/Observation of Flag Day_Ranchi.pdf
Interactive meet with President, ICSI	www.icsi.edu/portals/21/President meet_Ranchi.pdf
Press Conference on 12.12.2015	www.icsi.edu/portals/21/Press Conference_Ranchi.pdf

Seminar on Secretarial Standards	www.icsi.edu/portals/21/Seminar on Secretarial Standards_Ranchi.pdf
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NORTHERN INDIA REGIONAL COUNCIL

Name of the programme	website link
8.12.2015 - Inauguration of 225th MSOP	http://www.icsi.edu/Portals/70/News%20from%20NIRC%20-%20jan%202016.pdf
10.12.2015-Inauguration of 226th MSOP	
10.12.2015-Session on How to be an Effective Communicator	
20.12.2015- ALUMNI MEET for MSOPians organised by NIRC in 2015	
22.12.2015 - Valedictory Function of 225th MSOP	
26.12.2015 - UP State Conference on Change-Challenge-Opportunity	http://www.icsi.edu/Portals/70/News%20from%20NIRC%20-%20jan%202016.pdf
28.12.2015 -Valedictory Function of 226th MSOP	
30.12.2015 - ICSI Convocation-2015 (1st Session)	
30.12.2015 - ICSI Convocation-2015 (2nd Session)	
1.1.2016- New Year Eve Celebration & Dinner for its members and their families	
3.1.2016 - Rajasthan State Conference (Host: Bhilwara Chapter) On CS - Spectrum of Opportunities	
4.1.2016 - Inauguration of 227th MSOP	
5.1.2016 - Program on More Governance Less Government	
7.1.2016 -Symposium on Doing Business in the UK	



9.1.2016 - Regional Conference of PCS on "PCS-A Premier Corporate Strategist (Professional Opportunities & Challenges)" held at Lucknow	http://www.icsi.edu/Portals/70/News%20from%20NIRC%20feb%202016.pdf	
13.1.2016 - Inauguration of 228th MSOP		
15.1.2016 - Seminar on Company Secretaries – Challenging Opportunities Ahead" (covering NCLT, GST, Secretarial Audit and LODR) jointly with Gurgaon Chapter of NIRC		
16.1.2016 - A Symposium on "Living A Life You Love"		
17.1.2016 - Soft Skills Development Scheme for students		
18.1.2016 - Campus Placement for Students (students seeking training either 15 months or as per Modified Training Structure)		
18.1.2016 - Inauguration of Renovated NIRC-ICSI Auditorium		
21.1.2016 - Valedictory Function of 227th MSOP		http://www.icsi.edu/Portals/70/News%20from%20NIRC%20feb%202016.pdf
26.1.2016 - 67th Republic Day Celebrations		

SOUTHERN INDIA REGIONAL COUNCIL

BANGALORE CHAPTER

Name of the programme	website link
24th MSOP from 3rd – 19th December 2015	http://bit.ly/1RmKACm
Full Day Seminar on Understanding & Implementing GST – 12th December 2015	http://bit.ly/1Q71PGP
Student Study Circle Meetings	http://bit.ly/1KeBnV3
28th November 2015 - Joint Seminar with Hiregange Academy on "Companies Act 2013 - New Concepts & Trends"	http://bit.ly/1O4LJYi
November 2015 - Students Study Circle Meetings	http://bit.ly/1Zbg2Vj

KOCHI CHAPTER

Name of the programme	website link
Blood Donation Camp	http://www.icsi.edu/kochi/NewsEvents.aspx
Special Session on Companies Act 2013	
Professional Development Programme On 'Principles Of Interpretation Of Statutes'	
Career Awareness Session	
Career Awareness Session	

SALEM CHAPTER

Name of the programme	website link
Special Lecture on the Companies Act, 2013	http://www.icsi.edu/salem/Activities/StudentsMeetGuidanceProgrammeLecture.aspx
Career Awareness Programmes	http://www.icsi.edu/salem/Activities/CareerAwarenessProgrammeCareerFair.aspx

WESTERN INDIA REGIONAL COUNCIL

INDORE CHAPTER

Name of the programme	website link
Study Circle Meeting on SEBI LODR 2015	http://www.icsi.edu/indore/NewsBulletin.aspx
Udai Diwas	
Career Awareness Program	

PUNE CHAPTER

Name of the programme	website link
FREE LECTURE ON "BASIC ACCOUNTING CONCEPTS"	http://www.icsi.edu/portals/32/CHARTERED_SECRETARY_DATA_JAN_2016.pdf
1st BATCH OF FIVE DAYS PROFESSIONAL SKILL DEVELOPMENT PROGRAMME	

INSOLVENCY AND BANKRUPTCY CODE, 2015 INTRODUCED IN LOK SABHA

Highlights

- The Insolvency and Bankruptcy Code, 2015 was introduced in Lok Sabha on December 21, 2015.

- The preamble of the code reads as under:

To consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Fund, and for matters connected therewith or incidental thereto.

- The Code seeks to repeal the Presidency Towns Insolvency Act, 1909 and Provincial Insolvency Act, 1920.

- The code seeks to amend the following 11 Legislations.

- The Indian Partnership Act, 1932
- The Central Excise Act, 1944
- The Income Tax Act, 1961
- The Customs Act, 1962
- Recovery of Debts Due to Banks and Financial Institutions Act, 1993
- The Finance Act, 1994
- The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
- Sick Industrial Companies (Special Provisions) Repeal Act, 2003
- The Payment and Settlement Systems Act, 2007
- The Limited Liability Partnership Act, 2008
- The Companies Act, 2013

- The Code proposes to establish an Insolvency Regulator (The Insolvency and Bankruptcy Board of India) to exercise regulatory oversight over

- Insolvency Professionals,
- Insolvency Professional Agencies and
- Information Utilities.

- The insolvency resolution process (IRP) for individuals varies from that of companies. The Debt Recovery Tribunal ("DRT") shall be the Adjudicating Authority with jurisdiction over individuals and unlimited liability partnership firms. Appeals from the order of DRT shall lie to the Debt Recovery Appellate Tribunal ("DRAT"). The National Company Law Tribunal ("NCLT") shall be the Adjudicating Authority with jurisdiction over companies, limited liability entities. Appeals

from the order of NCLT shall lie to the National Company Law Appellate Tribunal ("NCLAT"). NCLAT shall be the appellate authority to hear appeals arising out of the orders passed by the Regulator in respect of insolvency professional Agencies or information utilities.

- The code proposes to regulate insolvency professionals and insolvency professional agencies. Under Regulator's oversight, these agencies will develop professional standards, codes of ethics and exercise a disciplinary role over errant members leading to the development of a competitive industry for insolvency professionals.
- The Code proposes for information utilities which would collect, collate, authenticate and disseminate financial information from listed companies and financial and operational creditors of companies. An individual insolvency database is also proposed to be set up with the goal of providing information on insolvency status of individuals.
- The code proposes for a fast track insolvency resolution process for companies with smaller operations. The process will have to be completed within 90 days, which may be extended upto 45 more days if 75% of financial creditors agree. Extension shall not be given more than once.

OBITUARIES

"Chartered Secretary" deeply regrets to record the sad demise of the following members:

CS P M JOSHI (31.12.1931 – 29.11.2015), an Associate Member of the Institute from Ahmedabad.

CS PABITRA KUMAR DASGUPTA (11.06.1931 – 21.11.2015), an Associate Member of the Institute from Lucknow.

CS SANTOSH KUMAR BHADRA (10.01.1939 - 24.11.2015), an Associate Member of the Institute from Kolkata.

CS RAMKRISHNA G. SOVANI (12.09.1950 – 31.10.2015), an Associate Member of the Institute from Dombivli.

CS SRINIVASAN T R (05.04.1967 – 08.10.2015), an Associate Member of the Institute from Chennai.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the Departed souls rest in peace.

CORPORATE GOVERNANCE CORNER

The Institute has always been in the frontline to promote good corporate governance and it has been the constant endeavour of the Institute to raise awareness among the members and students in Corporate Governance arena. This corner gives an update of the latest happenings in the area of Corporate Governance and Corporate Social Responsibility.

“The real mechanism for corporate governance is the active involvement of the owners.”

- Louis V Gerstner, Jr.

DEVELOPMENTS IN 2015

1. Corporate Governance Codes launched in 2015

- Italian Code of Corporate Governance (Codice di autodisciplina (“Codice”)):** This was issued on 15 July, 2015 by the CONSOB, Italy. The Code framework is patterned after the principle of flexibility which allows issuers to comply, in whole or in part, with some of its recommendations. This Code is in line with comply or explain principle, explicitly set out in the Consolidated Law on Finance, however, the reasons of each non-compliance is required to be explained. The code is available at <http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/code2015.en.pdf>
- German Corporate Governance Code:** This Code presents essential statutory regulations for the management and supervision (governance) of German listed companies and contains internationally and nationally recognized standards for good and responsible governance. This Code was amended on May 5, 2015. The code is available at http://www.ecgi.org/codes/documents/cg_code_germany_5may2015_en.pdf
- Japan’s Corporate Governance Code:** Japan’s Corporate Governance Code was issued on 1 June, 2015 by Tokyo Stock exchange. This Corporate Governance Code establishes fundamental principles for effective corporate governance in listed companies in Japan. The Code seeks to contribute to the development and success of companies, investors and the Japanese economy as a whole through

individual companies’ self-motivated actions so as to achieve sustainable growth and increase corporate value over the mid- to long-term. This is available at http://www.ecgi.org/codes/documents/japan_cg_code_1jun15_en.pdf

- The New Zealand Corporate Governance Forum Guidelines:** These were issued by The New Zealand Corporate Governance Forum in July, 2015. These guidelines supplement the Financial Markets Authority’s Principles for Corporate Governance. These are intended to be used by both companies and institutional investors. They are designed as a contemporary governance reference for shareholders, chairpersons, directors and senior executives of listed companies. This is available at <http://www.nzcgf.org.nz/assets/Uploads/guidelines/nzcgf-guidelines-july-2015.pdf>

Remember:

4 February	World Cancer Day
6 February	International Day of Zero Tolerance to Female Genital Mutilation
11 February	International Day of Women and Girls in Science
13 February	World Radio Day
20 February	World Day of Social Justice
21 February	International Mother Language

Source: <http://www.un.org/>

Feedback & Suggestions

Readers may give their feedback and suggestions on this page to Ms. Banu Dandona, Joint Director, ICSI (banu.dandona@icsi.edu)

Disclaimer:

The contents under ‘Corporate Governance Corner’ have been collated from different sources. Readers are advised to cross check from original sources.





INTERVIEW WITH BHASKER SUBRAMANIAN*, FCS INDUSTRY PRINCIPAL INDIA BUSINESS UNIT INFOSYS LIMITED GURGAON

Chartered Secretary (CS): Please tell us a little about yourself and your role in the organisation.

Bhasker Subramanian (BS): I originally belong to Tamil Nadu and brought up entirely in undivided Andhra Pradesh and presently living in New Delhi. Before I moved to Delhi in 2002, I was working in the Indian Audit and Accounts Department, Hyderabad from 1985 to 2002. With overall 30 years of experience in Government/Semi-Government and private sector to my credit, I am presently working as Industry Principal leading the Domain team of MCA21 Project and the Government vertical of Management Consulting-India for the India Business Unit (IBU) of Infosys Limited.

(CS): What has been your most significant achievement? And significant failure?

(BS): I consider my selection in Infosys Limited for a role at the age of 50 years with predominant Public Sector background/experience as my significant achievement and consider my inability to crack civil services examination as a significant failure.

(CS): What do you feel about the current state of macro economy? Would you like to suggest any specific measure which can improve growth rate?

(BS): Indian economy has weathered many challenges successfully in recent times and is oozing new optimism. Happy to mention that India is one of the very few countries for which IMF and World Bank have raised their growth assessment. In my opinion, implementation of GST across goods and services is expected, to provide gains to India's GDP somewhere between 1 to 2 per cent. I have no doubt that the additional gains in GDP, originating from the GST reform, would be earned during all years in future over and above the growth in GDP which would have been achieved otherwise. Further, studies show that GST would instantly spur economic growth.

(CS): What do you generally feel about the new Company Law?

(BS): The Companies Act, 2013 is set to bring in far-reaching implications to the corporates operating in our country. Directors and auditors' reporting responsibilities with specific reference to internal financial controls, approvals for related party transactions or loans and investments may prove very

cumbersome and prove to be a great hurdle for corporate growth.

(CS): The provision relating to CSR has attracted a lot of attention. The prescribed rules enable contribution to not-for-profit organisations to meet the requirements of CSR. Do you think that the governance of not-for-profit organisations is just as important as governance of other companies? Do you believe that the CSR and sustainability can be combined?

(BS): Yes. I think that governance of not-for-profit organizations is as important as governance of other companies to ensure that the not-for-profit organizations do not deviate from the objects for which they have been set up.

On combining CSR and sustainability I would like to draw attention to the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by the DPE in April 2013 wherein it has been mentioned that 'Since corporate social responsibility and sustainability are so closely entwined, it can be said that corporate social responsibility and sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.'

(CS): The professionals are being increasingly called upon to discharge second order state functions. (For example, the law requires various certifications/due diligence by company secretaries, chartered accountants, etc. as Government does not have the capacity to exercise direct oversight over 13 lakh companies and, therefore, relies on certifications by professionals for compliance and governance in companies). Given this kind of responsibilities, would you suggest any modification in the regulatory framework governing such professionals?

(BS): I feel that the regulatory functions exercised by the three professional institutes viz. the Institute of Company Secretaries of India/Institute of Chartered Accountants of India and the Institute of Cost Accountants of India to discipline their members is adequate. However, these Institutes should try to re-write their regulations to cover the qualified professionals who have not acquired the membership of their respective Institutes as well to discipline them in case of professional misconduct.

Introduction of Know Your Member Proforma

(CS): A professional like company secretary is engaged and paid by an employer or a client. However, he is expected to serve also the society and the public, which relies on his testimonials. How does a professional acquit such dual loyalty?

(BS): *A professional should always be guided by the principle of 'Objectivity' than 'subjectivity' in his approach.*

(CS): What, according to you, are the two or three major challenges for the corporate sector in India?

(BS): *Competition, and Innovation are two major challenges for the corporate sector in India.*

(CS): What are the few reforms or changes that you would like to see for the better working of the Indian corporate sector?

(BS): *Promoting ease of doing business, dismantling government controls, better labour laws and easy exit routes may improve*

the working of the Indian corporate sector.

(CS): Traditionally companies used to believe that the sole purpose of their existence is to make money, the more the better. This is no more the, or the most important objective. What contributed to this shift and what is the prime objective now?

(BS): *Though traditionally underlying principle of companies is to make money and more money, their outlook has changed in the recent past due to infusion of young and professional blood in their Board rooms. The companies have started to focus more on sustainability, innovation and growth along with corporate social responsibility. In my opinion, their prime objective is to deliver more value at reduced costs with the help of technology.*

(CS): What is your advice for the young professionals?

(BS): *My advice to the young professionals would be to focus on their strengths and improve on their weaknesses. They should constantly add value to their clients and deliver the best!*

Disclaimer: Opinions expressed in the questionnaire are purely personal and do not represent that of my employer or the ICSI.

Introduction of "Know Your Member" (KYM) Proforma for ICSI Members w.e.f. FY 2016-17

Members of the Institute are presumably aware about the Regulation 3 of The Company Secretaries Regulations, 1982, wherein every member is required to communicate to the Institute any change of professional address, within one month of such change. Presently the members can change their professional / residential address and contact details online. However, it has been observed that many members are not very proactive in updating their details with the Institute.

Accordingly, the Council has in principle decided to introduce a "Know Your Member" (KYM) proforma (attached as Annexure-1) to be submitted by all the members of the Institute w.e.f. payment of annual membership fee for the year 2016-17. The KYM proforma has to be submitted by the members once in three years starting with payment of annual membership fee for the year 2016-17 and thereafter every time there is a change in job/profession/professional address. The fee shall be accepted only on receipt of the proforma duly filled in and signed. The proforma can be submitted through offline mode initially and then also through online mode subsequently.

The "Know Your Member" (KYM) proforma submitted by the members of the Institute, shall be used to verify their identity/details, on similar lines with that of KYC used by banks. Such KYM facility is expected to prevent identity theft of members by fraudulent elements and shall help the Institute to maintain updated information about the members and to understand the members better. The members should submit

the KYM proforma for their own safety and security.

The members would be required to submit two documents along with the KYM proforma duly filled and signed – one document which serves as Proof of Identity (PoI) and another document which serves as Proof of Address (PoA).

A member would be required to submit any one of the following five documents notified as 'Officially Valid Documents (OVDs) by the Government of India as proof of identity 1) Passport, 2) Driving Licence, 3) Voters' Identity Card, 4) PAN Card, 5) Aadhaar Card issued by UIDAI. If any of these documents also contain his/her address details, then it would also be accepted as a 'proof of address'. If the document(s) submitted by the member for proof of identity does not contain address details, then the member will have to submit another officially valid document which contains address details such as Water bill, Telephone (landline or post-paid mobile bill), Electricity bill, Income Tax Assessment Order, Proof of Gas Connection, Certificate from Employer of reputed companies on letter head, Applicant's current and valid ration card, Photo Passbook of running Bank Account (Scheduled Public Sector Banks, Scheduled Private Sector Indian Banks and Regional Rural Banks only).

Members are invited to give their suggestions and comments before 29th February, 2016 at email id: subhashis.bagchi@icsi.edu as the proforma is to be introduced w.e.f. 1st April, 2016 for the Council to take a final decision in the matter.



Proforma For Know Your Member



PROFORMA FOR KNOW YOUR MEMBER

1	NAME [in BLOCK LETTERS ONLY]	Mr./Ms./Dr.		
2	MEMBERSHIP NO.	ACS :	FCS :	CP :
3	NAME OF THE ORGANISATION			
4	DESIGNATION			
5	COMPANY INDEX NO.			
6	BLOOD GROUP			
7	PROFESSIONAL ADDRESS	RESIDENTIAL ADDRESS		
	Pin: Mobile No E-mail ID:	Pin: Mobile No E-mail ID:		
8	Domicile		State	
9	You are in	If in Employment Please specify:		Business Please specify:
10	If in Practice [Please tick]	Proprietor: Yes / No		Partner : Yes / No
11	You are working with [Please tick]	<ol style="list-style-type: none"> 1. Central Govt. 2. Regulatory Authority 3. State Govt. 4. Public Sector 5. Private Sector 		
12	If in Practice [Please tick]	<ol style="list-style-type: none"> 1. CS 2. CA 3. ICWA 4. Management Consultant 5. Advocate 6. Any other 		
13	Post Qualification Experience	Whether in Employment / In Practice [Please mention no of years]	Worked with the following organizations during the last one year. <ol style="list-style-type: none"> 1. 2. 3. 	
14	Areas of your specialization			
15	Please indicate subject/topic of the research projects carried out/being presently carried out by you including dissertation for M.Phil/Ph.D.			
16	Are you a member of any of the committees constituted by any Govt. regulatory Authority /University/Colleges [Please specify]			
17	Whether you are a Central Council Member, an Office Bearer, MC Member of the Regional Council /Chapter of any professional bodies. [Please Tick]	<ol style="list-style-type: none"> 1. ICAI 2. ICSI 3. ICWA 		
18	Whether you are member of ICSI Benevolent Fund, if yes the Life Membership (LM) No.			
19	Whether your Company/Firm is registered with the ICSI for imparting training			
20	Please indicate the activities of the ICSI for which you are willing to act as a Resource Person [Please tick]	<ol style="list-style-type: none"> 1. Guest Speaker/Faculty 2. Paper setter/examiner 3. MSOP Faculty /Writing Articles/Books 4. Any other please specify. 		
21	Your personal Contacts with any of the following [Please specify]	<ol style="list-style-type: none"> 1. Central Ministers 2. Chief Minister 3. State Ministers 4. MP/MLA 5. Vice Chancellor 6. Regulators 7. Any other please specify. 		
22	Would you like to act as a ICSI Counsellor to guide the prospective students about the CS course in your City [Please visit www.icsi.edu for guidelines and honorarium etc]			

I _____ do hereby declare that the particulars given above are true and correct and this form has been personally signed by me. I also hereby attach _____ as my proof of identity and _____ as my proof of address.

Thanking you,
Yours sincerely,

Date: _____

Signature: _____



THE INSTITUTE OF Company Secretaries of India

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

Invites Applications for Panel of Examiners of CS Examinations

The Institute prepares and updates the panel of Examiners at regular intervals for conduct of CS Examinations for Executive Programme and Professional Programme. In this regard, the Institute invites applications from suitably qualified, competent and experienced persons having academic flair and willingness to undertake such confidential academic assignments in the following subjects of Company Secretaries examinations:

	Executive Programme		Professional Programme
1	Company Law	1	Advanced Company Law and Practice
2	Economic and Commercial Laws	2	Secretarial Audit, Compliance Management and Due Diligence
3	Company Accounts and Auditing Practices	3	Corporate Restructuring, Valuation and Insolvency
4	Capital Markets and Securities Laws	4	Information Technology and Systems Audit
		5	Financial, Treasury and Forex Management
		6	Ethics, Governance and Sustainability
		7	Advanced Tax Laws and Practice
		8	Drafting, Appearances and Pleadings
		9	Banking Law and Practice
		10	Capital, Commodity and Money Market
		11	Insurance Law and Practice
		12	Intellectual Property Rights – Law and Practice
		13	International Business – Laws and Practices

OPEN BOOK EXAMINATION

Qualifications

A person applying for empanelment of his/her name as Examiner should be holding professional qualification as member of the Institute of Company Secretaries of India/Institute of Cost Accountants of India/Institute of Chartered Accountants of India for at least five years and/or a Doctorate Degree/Postgraduate Qualification with at least second class in the discipline of Law, Management, Finance, Accounting, Insurance, Banking, Information Technology, etc., along with five years experience either in an academic position or in practice or in employment in the respective field/discipline having relevance to the subject(s) of examination(s).

Desirable Experience

Persons having adequate experience of teaching and as Head Examiner/Moderator/Paper Setter/Examiner in the above subjects or relevant work experience directly related to the above said subject(s) of examination(s) will be preferred.

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Sl. No.	Stage of Examination	Rate
(i)	Executive Programme	Rs.90/- per answer book
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How to Apply

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ICSI celebrates Year 2016 as

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ICSI moots the idea of observing a day as an

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THE STANDING AND OTHER COMMITTEES / BOARDS* OF THE COUNCIL FOR THE YEAR 2016-17

Executive Committee		
Mamta Binani	Chairperson	Kolkata
Shyam Agrawal	Member	Jaipur
Amardeep Singh Bhatia	Member	Delhi
Ashish Garg	Member	Indore
Atul H Mehta	Member	Mumbai
C Ramasubramaniam	Member	Chennai
Vineet K Chaudhary	Member	Noida
Finance Committee		
Mamta Binani	Chairperson	Kolkata
Shyam Agrawal	Member	Jaipur
Ahalada Rao V	Member	Hyderabad
Ashish C Doshi	Member	Ahmedabad
Makarand M Lele	Member	Pune
Rajiv Bajaj	Member	Noida
Yamal A Vyas	Member	Ahmedabad
Examination Committee		
Mamta Binani	Chairperson	Kolkata
Shyam Agrawal	Member	Jaipur
C Ramasubramaniam	Member	Chennai
Gopal Krishna Agarwal	Member	Noida
Mahavir Lunawat	Member	Mumbai
Ranjeet Kumar Pandey	Member	Delhi
S K Agrawala	Member	Kolkata
Disciplinary Committee		
Mamta Binani	Presiding Officer	Kolkata
Ahalada Rao V	Member	Hyderabad
S K Agrawala	Member	Kolkata
S Balasubramanian	Govt. Nominee	Gurgaon
S K Tuteja	Govt. Nominee	Delhi
Financial Services Committee		
Makarand M Lele	Chairman	Pune
Ashish C Doshi	Member	Ahmedabad
Ashish Garg	Member	Indore
Atul H Mehta	Member	Mumbai
Mahavir Lunawat	Member	Mumbai
Rajiv Bajaj	Member	Noida
Satwinder Singh	Member	Delhi
Corporate Laws and Governance Committee		
Vineet K Chaudhary	Chairman	Noida
Ahalada Rao V	Member	Hyderabad
Ashish Garg	Member	Indore
Atul H Mehta	Member	Mumbai
C Ramasubramaniam	Member	Chennai
Gopalakrishna Hegde	Member	Bangalore
Ranjeet Kumar Pandey	Member	Delhi
Professional Development Committee		
Mamta Binani	Chairperson	Kolkata
Ashish C Doshi	Member	Ahmedabad
Atul H Mehta	Member	Mumbai

Gopalakrishna Hegde	Member	Bangalore
Makarand M Lele	Member	Pune
Rajiv Bajaj	Member	Noida
Satwinder Singh	Member	Delhi
Vineet K Chaudhary	Member	Noida
Rajesh Sharma	Member (Govt. Nominee)	Delhi
Yamal A Vyas	Member (Govt. Nominee)	Ahmedabad
Training & Educational Facilities Committee		
Shyam Agrawal	Chairman	Jaipur
Ahalada Rao V	Member	Hyderabad
Ashish Garg	Member	Indore
C Ramasubramaniam	Member	Chennai
Mahavir Lunawat	Member	Mumbai
Ranjeet Kumar Pandey	Member	Noida
S K Agrawala	Member	Kolkata
Amardeep Singh Bhatia	Member (Govt. Nominee)	Delhi
Gopal Krishna Agarwal	Member (Govt. Nominee)	Noida
Practising Company Secretaries Committee		
Ashish Garg	Chairman	Indore
Ahalada Rao V	Member	Hyderabad
Ashish C Doshi	Member	Ahmedabad
Atul H Mehta	Member	Mumbai
Rajiv Bajaj	Member	Noida
Ranjeet Kumar Pandey	Member	Delhi
S K Agrawala	Member	Kolkata
Vineet K Chaudhary	Member	Noida
Information Technology Committee		
C Ramasubramaniam	Chairman	Chennai
Ashish Garg	Member	Indore
Gopalakrishna Hegde	Member	Bangalore
Mahavir Lunawat	Member	Mumbai
Makarand M Lele	Member	Pune
Rajiv Bajaj	Member	Noida
Ranjeet Kumar Pandey	Member	Delhi
Vineet K Chaudhary	Member	Noida
Peer Review Board		
Shyam Agrawal	Chairman	Jaipur
Gopalakrishna Hegde	Vice-Chairman	Bangalore
Ashish Garg	Member	Indore
Rajiv Bajaj	Member	Noida
Satwinder Singh	Member	Delhi
Anil Murarka	Member	Kolkata
Ashok Tyagi	Member	Delhi
Milind B Kasodekar	Member	Pune
Savitri Parekh (Ms.)	Member	Mumbai
Sudhir Babu C	Member	Hyderabad
Placement Committee		
Mahavir Lunawat	Chairman	Mumbai
Ahalada Rao V	Member	Hyderabad
Ashish C Doshi	Member	Ahmedabad

* Names are in alphabetical order.

THE STANDING AND OTHER COMMITTEES / BOARDS* OF THE COUNCIL FOR THE YEAR 2016-17

C Ramasubramaniam	Member	Chennai	T R Ramamurthy	Member	Delhi
Gopalakrishna Hegde	Member	Bangalore	Tushar Gunderia	Member	Mumbai
Satwinder Singh	Member	Delhi	T V Narayanaswamy	Member	Delhi
Vijay Kumar Jhalani	Member (Govt. Nominee)	Delhi	U K Chaudhary	Member	Delhi
PMQ Course Committee			V K Shankararamann	Member	Chennai
Ranjeet Kumar Pandey	Chairman	Delhi	Editorial Advisory Board		
Ashish Garg	Member	Indore	S K Agrawala	Chairman	Kolkata
Atul H Mehta	Member	Mumbai	Ashu Gupta (Ms.)	Member	Delhi
Gopalakrishna Hegde	Member	Bangalore	Deepak Kukreja	Member	Delhi
Satwinder Singh	Member	Delhi	D K Jain (Dr.)	Member	Indore
Board of Discipline			D P Gupta	Member	Delhi
Ashish C Doshi	Presiding Officer	Ahmedabad	G R Bhatia	Member	Delhi
C Ramasubramaniam	Member	Chennai	H M Choraria	Member	Kolkata
Shyam Agrawal	Member (Ex-Officio)	Jaipur	N K Jain	Member	Noida
Secretarial Standards Board			P Jaganatham	Member	Hyderabad
Pavan Kumar Vijay	Chairman	Delhi	Pradeep K Mittal	Member	Delhi
Ahalada Rao V	Member	Hyderabad	Prithvi Haldea	Member	Delhi
Anil Kumar Murarka	Member	Kolkata	R Radhakrishnan	Member	Gurgaon
B Shanmugasundaram	Member	Chennai	Sanjeev Kapoor	Member	Mumbai
Dipti Mehta (Ms.)	Member	Mumbai	Tridib Kumar Barat	Member	Delhi
Geetika Anand Talwar (Ms.)	Member	Mumbai	ICSI-CCGRT Management Committee		
K S Ravichandran (Dr.)	Member	Coimbatore	Ashish C Doshi	Chairman	Ahmedabad
Lalit Jain	Member	Noida	Ahalada Rao V	Member	Hyderabad
Milind B Kasodekar	Member	Pune	Ashish Garg	Member	Indore
Narayan Shankar	Member	Mumbai	Atul H Mehta	Member	Mumbai
Parvatheesam	Member	Mumbai	C Ramasubramaniam	Member	Chennai
Kanchinadham			Gopalakrishna Hegde	Member	Bangalore
Ranjeet Kumar Pandey	Member	Delhi	Makarand M Lele	Member	Pune
Sandeep Poddar	Member	Hyderabad	Satwinder Singh	Member	Delhi
Savitri Parekh (Ms.)	Member	Mumbai	Abhijeet Jain	Member	Kolkata
S C Vasudeva	Member	Delhi	Om Prakash Bagdia	Member	Nagpur
S H Rajadhyaksha	Member	Mumbai	Kaushik Jhaveri	Member	Mumbai
S M Gupta	Member	Kolkata	Jatin R Jalundhwala	Member	Ahmedabad
S Sudhakar	Member	Mumbai	Regulations and Chapter Guidelines Reforms Committee		
Subhash C Setia	Member	Delhi	Makarand M Lele	Chairman	Pune
Representatives of ICAI, ICoAI, MCA, SEBI, RBI, NSE, BSE, CII, FICCI & ASSOCHAM			Ahalada Rao V	Member	Hyderabad
Expert Advisory Board			Ranjeet Kumar Pandey	Member	Delhi
Rajiv Bajaj	Chairman	Noida	S K Agrawala	Member	Kolkata
Alok Kalani	Member	Kolkata	Vineet K Chaudhary	Member	Noida
Arun Gupta	Member	Delhi	Research Committee		
Avinash Bagul	Member	Mumbai	Ahalada Rao V	Chairman	Hyderabad
A V Rao	Member	Hyderabad	Ashish C Doshi	Member	Ahmedabad
Bina Chandarana (Ms.)	Member	Mumbai	Atul H Mehta	Member	Mumbai
Manoj Maheshwari	Member	Jaipur	C Ramasubramaniam	Member	Chennai
Manoj Kumar Purbey	Member	Delhi	Mahavir Lunawat	Member	Mumbai
Minal Agarwal (Ms.)	Member	Delhi	Makarand M Lele	Member	Pune
Sanjeev Agarwal (Dr.)	Member	Jaipur	S K Agrawala	Member	Kolkata
Sanjeev Kumar (Dr.)	Member	Noida	Vineet K Chaudhary	Member	Noida
S D Israni (Dr.)	Member	Mumbai	Election Reforms Committee		
Sudhir Khullar	Member	Gurgaon	Satwinder Singh	Chairman	Delhi
Suresh V Deulkar	Member	Pune	Ahalada Rao V	Member	Hyderabad
			Ashish C Doshi	Member	Ahmedabad
			C Ramasubramaniam	Member	Chennai
			Gopalakrishna Hegde	Member	Bangalore

* Names are in alphabetical order.



Committees/Boards

THE STANDING AND OTHER COMMITTEES / BOARDS* OF THE COUNCIL FOR THE YEAR 2016-17

Ranjeet Kumar Pandey	Member	Delhi
S K Agrawala	Member	Kolkata
Vineet K Chaudhary	Member	Noida
Brand Promotion Committee		
Shyam Agrawal	Chairman	Jaipur
C Ramasubramaniam	Member	Chennai
Mahavir Lunawat	Member	Mumbai
Vineet K Chaudhary	Member	Noida
Quality Review Board		
U C Nahta	Chairman	Delhi
A M Bajaj	Member	Delhi
Ilam Kamboj	Member	Delhi
Navneet Chouhan	Member	Delhi
Vineet K Chaudhary	Member	Noida

Syllabus Review Board		
C Ramasubramaniam	Chairman	Chennai
Ashish C Doshi	Member	Ahmedabad
Mahavir Lunawat	Member	Mumbai
Makarand M Lele	Member	Pune
Ranjeet Kumar Pandey	Member	Delhi
Yamal A Vyas	Member (Govt. Nominee)	Ahmedabad

Kind Attention

The ICSI announces constitution of 'ICSI Auditing Standards Board' to develop the Secretarial Auditing Standards (SAS), Guidance Notes, Standard Auditing processes and practices and perform other functions in this regard. CS Makarand Lele, Council Member is appointed as the Chairman of the Board.

* Names are in alphabetical order.

Appointments

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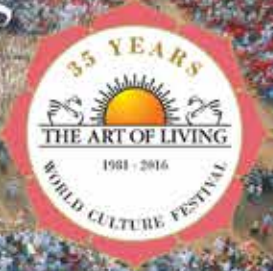
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PROGRAM

FRIDAY, 11TH MARCH 2016

5:00 pm Onwards
Opening Ceremony
Cultural Showcase
Keynote Address
Meditation

SATURDAY, 12TH MARCH 2016

10:00 am Onwards
Global Leadership Forum
5:00 pm Onwards
Inter-Faith Meeting
Cultural Showcase
Keynote Address
Meditation

SUNDAY, 13TH MARCH 2016

10:00 am Onwards
Global Leadership Forum
5:00 pm Onwards
Cultural Showcase
Keynote Address
Meditation
Closing Ceremony

12th March, 6 to 7:30 am - YOGA AND MEDITATION
13th March, 6 to 7:30 am - YOGA AND MEDITATION
14th March, 6 to 7:30 am - VEDIC CHANTING AND RUDRA POOJA

GLOBAL LEADERSHIP FORUM (10 am to 2 pm) for Ethics in Business addressed by eminent speakers on 12th & 13th March 2016 at the Leela Ambience Convention Hotel, Near Yamuna Sports Complex, New Delhi. www.GlobalLeadershipForum.in

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FOR MORE DETAILS ABOUT THE WORLD CULTURE FESTIVAL CONTACT:

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