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CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS



CROSSED
50,000
MEMBERSHIP
MARK



**THE INSTITUTE OF
Company Secretaries of India**

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

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Leaders' Wishes on Crossing 50,000 Membership Mark



I am delighted to know that the membership of the Institute of Company Secretaries of India has reached the figure of 50,000. The fact that such a large number of very enterprising and bright young people are becoming Company Secretaries also indicates the width of opportunities that is available to them in the Profession. As larger and larger corporatisation of Indian business is taking place, it is absolutely necessary that they are run on professional lines. Recently, the taxation rebate that we have given to smaller companies will also encourage

a lot of sole proprietorship and private partnership firms to convert themselves into companies. So, I foresee a future where number of the companies is going to increase and obviously the need for Company Secretaries is going to increase, because, they are professionally trained and qualified as to how to run these companies and to complete all the legal formalities in the establishment and the counselling of the Companies. The fact that the Institute has come of age with such a large membership is a great occasion. I wish all its members and the Institute a Big Success.

Thank You.

Arun Jaitley (Hon'ble Union Minister of Finance and Corporate Affairs)

The Institute of Company Secretaries of India has attained a remarkable mark by reaching the milestone of 50,000 members. On this occasion, I congratulate ICSI, President CS (Dr.) Shyam Agrawal, and all ICSI members.

At the same time, I have an expectation from the Institute and its members that they should play their role as Corporate Governance professionals with full dedication and responsibility while act as 'Conscience Keepers' of the companies and watch over those black sheeps in the corporate sector who play foul by taking advantage of some existing legal loopholes. For ensuring setting up Good Governance practices, I think, ICSI members have a monumental role to play while acting as 'advisor' to the corporate sector.

I know ICSI will keep on guiding the way of its professionals to establish best governance practices in Indian Corporate Sector and contribute to a great extent to the objective of Government of India for making India a world leader in Governance.

Arjun Ram Meghwal (Hon'ble Union Minister of State for Finance & Corporate Affairs)



On the occasion of the Institute of Company Secretaries of India enrolling 50,000 members, I would like to congratulate the Institute for its continued endeavours for the Indian Corporate Sector. The challenges faced by the Corporate Sector can be resolved by adhering to the best practices in Corporate Governance wherein Company Secretaries have an important role to play. The Institute must, therefore, strive to empower its members to achieve greater professional heights by enhancing the quality standards and reaffirming commitment to the highest standards of professional excellence & transparency.

I wish the Institute the very best in all endeavours in this direction.

Tapan Ray (Secretary, Ministry of Corporate Affairs)

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Phones : 41504444, 45341000, Grams : 'COMPSEC'
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Website : <http://www.icsi.edu>

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सत्यं वद। धर्मं चर।
 'इहा, पुत्राल चवदेव: वैधर्म्यलाल लोहार'।
 'इहा, के the truth. अबदे by the law.'



My Valued Colleagues

I deem myself to be lucky being Torch-bearer of this prestigious Institute for this year when ICSI has the dual honor of entering its Golden Jubilee year as well as crossed the strength of huge **50,000 members** in its eventful journey of approaching 50 golden years. This celebrated membership was conferred through the gracious hands of Hon'ble Union Minister of Finance and Corporate Affairs, Sh. Arun Jaitley ji on 8th March 2017. This feat comes with an inspiring message that now we are a strong collective force of 50,000 which stands committed to extend positive contribution towards Nation building by creating an environment of best Governance practices in Corporate India. Our message is very clear to the outside world "We are determined to keep the fire burning within us and are going to break our comfort zones and explore the roads less travelled."

To mark these celebrations, ICSI formally launched its '**Motto**' for the first time in the history of the Institute through the gracious hands of esteemed Secretary, Ministry of Corporate Affairs, Sh. Tapan Ray. After deep deliberations and study of our ancient Indian scriptures and relating these to the role our Company Secretaries have been playing since inception of the Institute, '**Satyam Vada, Dharmam Chara**', one the quotes of Taityrya Upanishad has been taken

up as the Motto of ICSI. We Company Secretaries; are viewed as the 'Conscience Keepers' of the companies we belong to. We Company Secretaries are the 'Krishna's' of today's 'Corporate Mahabharat'. This is why, after much introspection, ICSI has chosen this Motto to match the spirit that guides us while playing such roles in the broader interest of the stakeholders, society and nation. Dharma, as many times misinterpreted in its English translation, is not a 'religion', but, the natural instinct in all of us that stimulates us at a subconscious level to discharge our duty keeping the force of moral values in mind, the moral values instilled in us throughout our life. Dharma encompasses the natural, innate behaviour of things, duty, law, ethics, virtue, etc. So, every one of us should abide by the moral laws of our CS dharma.

This Motto also reminds me of a magnificent story I read once. A Yogi was performing his regular routine of taking a bath in the river, while his followers waited for him on the shore. When the Yogi noticed a scorpion fallen accidentally in the water, the Yogi immediately picked up that scorpion. Despite deep pain of the scorpion sting racing through his veins, the great Yogi struggled through the water towards the shore, and salvaged the scorpion. His followers

who were watching this feat of kindness of Yogi were taken aback at the Yogis' determination to save the scorpion despite repeated stings. The perplexed followers hurried to the struggling Yogi and were stunned to witness the smile on the content Yogi's face. One of them could not stop asking how he can still smile as scorpion was about to kill him almost and he was still rescuing his killer. The Yogi responded quietly ***'the Scorpion was only following its dharma, or nature, which is to sting. And I followed my dharma, which is to save the lives of needy ones.'*** Therefore, Dharma becomes your duty, the moral law you are supposed to abide by despite all hardships.

Moving on, I wish to express my gratitude for your support and ecstasy for my election as the Secretary of the Corporate Secretaries International Association (CSIA), an International Federation of professional bodies that promotes best practice in Corporate Secretarial, Corporate Governance and compliance services at Johannesburg, South Africa. We, at ICSI and CSIA are committed to improve the recognition and understanding of the practice of corporate secretaryship, the role of a Corporate (Company) Secretary, and work to improve governance standards globally during my tenure as Secretary, CSIA.

At ICSI, we continuously strive to create opportunities for our CS professionals, so that they can widen their professional horizon day by day. Recently, Ministry of Commerce & Industry, and Department of Industrial Policy & Promotion, Government of India notified the Trade Marks Rules, 2017 which replaced the erstwhile Trade Marks Rules 2002 with an objective to provide a boost to the Intellectual Property Rights (IPR) regime in India. We are pleased to share that as per Rule 144 of the Trade Marks Rules, 2017, a Member of the Institute of Company Secretaries of India is duly qualified to be registered as a **Trademarks Agent**. I urge all esteemed members to continue to reap this opportunity to the fullest.

For carving out best quality professionals in the time to come and aims to equip them with all required professional knowledge at this stage, The Council of the ICSI approved the new Syllabus (2017) for the Foundation Programme of the Company Secretaryship Course. We believe this step will take the institute further on the path of excellence.

'Improvement' begins with 'I' and 'I' is the beginning of 'ICSI'. Therefore, at ICSI, our continuous focus is improvement of our profession. The following initiatives are in pipeline, the details of which will be shared very soon with all of you:

- With the aim of excellent grooming the freshly inducted members of ICSI and to develop their leadership skills which will facilitate them to take up all challenging assignment in their career, ICSI is planning to start a 90 days (or so)

Residential Training Program for Professional pass students. ICSI plans to provide substantial fee concessions so that every student can afford the administrative cost of this program. This new initiative will raise the bar of the profession further and set a new benchmark.

- Our heartiest effort at ICSI is that no student wishing to become a future CS professional has to drop this dream due to financial limitations at his/her end, therefore, ICSI would be aiding such students. Also, the students from North Eastern States and for Jammu & Kashmir would also be providing fee concession to ensure contribution of ICSI towards Nation all round growth.
- The Institute is planning to organize short duration Capacity Building Programmes for newly inducted members in employment (ECS) and in practice (PCS) at IIMs, National Law Universities and other similar institutes of repute. This will fulfil dream of all those young CS members who wish to pursue education from these prestigious intuitions but are not able to do the same due to financial constraints.
- Enhancing our focus on E-Learning orientation to reap the dividend of technology as per contemporary requirements
- Providing Video Conferencing and webcasting facilities for virtual teaching
- Setting up the Dispute Redressal Cell of ICSI at all the four regional offices of the ICSI to conciliate the redressal arise between (i) among the members (ii) Trainer and Trainee (iii) Member and a Company (iv) Others viz. Member and Organization, Member and Employer Company etc.
- Providing Complementary PDF copies of publications of the Institute in the year 2017 to the members of the Institute so augment their knowledge base.
- Organizing the Convocation for Company Secretaries who had obtained their Associate Membership prior to 2012
- To constitute a committee under Regulations 55A of the Company Secretaries Regulations, 1982 to deal with cases of dispute between trainee and trainer
- Organizing a National Conclave for Company Secretaries in employment
- The adoption of one Chapter by the Council Members in order to develop and strengthen the Chapters to develop these chapters on the same line as Adarsh Gram Yojna of Government of India.
- Carve the niche of **"CS to CEO"** expedition which can lead them to climb up to the highest rung of the ladder and take up the responsibilities of a Chief Executive Officer (CEO) and many more....!!

The ICSI this year is focusing on creating employment opportunities for Young Company Secretaries to get gainful employment. As a part of its Mega Placement

Drive, the Institute has taken a new Initiative for making registration of the FCS Members as Mentors for Placement Drive 2017. The Senior Members in Practice as well as in employment will voluntarily be registered as mentors for such drive to help the Young and newly inducted members to get the employment in Corporate and also in professional firms through the Institute.

Our efforts for further empowering our woman members in letter and in spirit this year have touched the hearts of our fraternity and we are getting appreciation from all stakeholders and regulators for the same. The whole world has noticed the celebration of International Women's Day 2017 as well as our unique issue of Chartered Secretary Journal dedicated to our women members in March. In view of this, I am confident that you will admire reading our new monthly column 'CS Women: Empowered and Empowering...!!' which aims to inspire our young women members so that their belief in their abilities becomes even more firm. You will gain a huge inspiration from our First Women Past President 'Preeti Malhotra' whose story and views have been touched upon in this column this April.

In a novel initiative, we would be enriching our readers knowledge by making them well aware with the views of dignitaries of various regulators, fellow professionals on various issues pertaining to our profession. In this regard, we are launching a new column '**Rendezvous with ICSI' and first in this series is the Interview of Hon'ble Union Minister of State for Finance and Corporate Affairs, Sh. Arjun Ram Meghwal.** We have tried our level best to take his views on diversified issues concerning CS profession such as Corporate Governance, GST, Bankruptcy Code, CSR compliance, Position of Women Directors in Indian Boardrooms in particular and regulatory environment in country in general. Hope you would find this column radically valuable and provide your specific views on enriching this feature further.

Our endeavour to take out pearls of wisdom from ancient Indian scriptures concerning Good Governance has also been taken up widely and we will go an extra mile to take these pearls to every nook and corner of this Globe so that world becomes aware that Governance is not a novel concept for India but it is prevalent in our spirits through the ages and described well in our ancient Indian scriptures. You will be delighted to find a daily quote on our website home page named '**Gyan Moti: A Knowledge Pearl a Day**' from our ancient Indian Scriptures to disseminate Indian views on governance to the whole world.

We are working on creating a niche for our CS members to take up the role of Independent Directors on the Indian Boardrooms, therefore, we are coming up with a communication shortly which make an attempt to collect a database of CS members who are already acting as Independent directors in various listed as well as unlisted companies. We will try to convince the regulators to our level best about the capabilities of our members to act in this capacity and create further opportunities for our members. Further, we are also working on projecting our CS women members as the most suitable choice to act as women directors on Indian Boardrooms. In this initiative, we require your support to provide us with the factual information voluntarily, so that we may project our strength before all regulators and stakeholders.

On a signing off note, I couldn't stop myself mentioning an excerpt from the quote of Interview of Union Minister of State for Finance and Corporate Affairs, Sh. Arjun Ram Meghwal published in this issue, wherein, he narrated a story of Swami Vivekananda, the well known spiritually genius monk of India. Sh. Meghwal quoted that once Swami Vivekananda was in Chicago for world's religious conference and he stole some time for himself and was roaming around in his robe as worn by 'Sanyasis'. An American who was watching him couldn't control his curiosity and asked him, "Can't you wear proper clothes to look like a Gentleman?" Swami Vivekananda smiled and replied very patiently "In your culture, 'a Tailor' makes a Gentleman; but, in Indian culture, 'Character' makes a Gentleman." Therefore, let us all esteemed members follow the wisdom of Swami Vivekananda and project such a strong character in whatever capacity we represent our profession that it sets examples not only before our stakeholders in India but to the whole globe as Swami Vivekananda did.

जब किसी भी देश के निर्माण में संत, शासन और समाज का समागम होता है तब उस देश को ऊंचाईयां छूने से कोई नहीं रोक सकता है। हम कंपनी सचिव, कार्पोरेट जगत के 'संत' की भूमिका निभाते हैं। आज समय है हम 'कार्पोरेट संत' शासन और समाज में मिलकर राष्ट्र को विश्व गुरु बनाएं। मुझे उम्मीद है कि 'सत्यं वद। धर्मं चर।' की राह पर चलते हुए हम 'कार्पोरेट संत' इस कार्य को निभा पाएंगे।

सत्यं वद। धर्मं चर।



सी एस (डॉ.) श्याम अग्रवाल
अध्यक्ष, भारतीय कंपनी सचिव संस्थान

RECENT INITIATIVES TAKEN BY ICSI

1. Meeting with Dignitaries

Taking forward our pursuit for exploring opportunities for the profession and also for joint participation in flagship government initiatives, the Institute met the following dignitaries:

- Shri Arun Jaitley, Hon'ble Union Minister of Finance and Corporate Affairs
- Shri Ashok Gajapathi Raju Pusapati, Hon'ble Union Minister of Civil Aviation
- Shri Arjun Ram Meghwal, Hon'ble Union Minister of State for Finance and Corporate Affairs
- Shri Upender Gupta, Commissioner GST, Ministry of Finance
- Smt. Mukta Tai Tilak, Hon'ble Mayor, Pune

2. President, ICSI elected as Secretary, CSIA

CS (Dr.) Shyam Agrawal, President, the Institute of Company Secretaries of India (ICSI) has been elected as the Secretary of the Corporate Secretaries International Association (CSIA) during the Council Meeting of CSIA held on March 15-16, 2017 at Johannesburg, South Africa. CSIA is an international federation of professional bodies that promotes best practice in corporate secretarial, corporate governance and compliance services.

3. Furthering the “Make in India” Initiative

ICSI delegation met Shri Naresh Kumar, Consul (HOC) and commercial representative, at Indian Consulate General in Johannesburg and deliberated on furthering the initiatives taken by the Consulate in providing its services to South African companies for setting up business in India under the Make in India Initiative of Government of India.

4. ICSI FINANCS

Under the perspective of our continuous efforts to stride across professional discipline, gaze upon the efficacy and opportunities bestowed in the current economic and legislative scenario, the ICSI has started a new initiative “ICSI FinanCS – Financial Opportunities -The ICSlans Way”. Through this interactive platform, identified opportunities and key developments in Financial Services space alongwith an executive brief is communicated to the members of ICSI on weekly basis.

5. ICSI Financial Services e-helpdesk

ICSI launched ‘ICSI Financial Services e-helpdesk’ for all the members and students of ICSI by the

gracious hands of Shri Ajay Tyagi, Chairman, Securities and Exchange Board of India (SEBI).

Shri Tyagi lauded the efforts of ICSI as a great step towards capacity building of members and students. The members and students of the Institute can send their views, feedback, queries and suggestions on professional opportunities in financial services sector at a dedicated email Id : financialservices.helpdesk@icsi.edu.

6. ICSI-Quest Assist and FAQs thereon

The Institute organised the sessions of “Quest Assist-ICSI” to address the queries and difficulties of members pertaining to the Companies Act, 2013, Rules and Notifications thereunder,:

- Issue and allotment of share capital by private and unlisted public company
- Alteration of Memorandum and Articles of Association under the Companies Act, 2013
- Registration of Charges & Condonation
- Oppression and Mismanagement
- Mergers and Amalgamation of Companies
- Questions raised at various sessions of ICSI-Quest Assist have been uploaded at ICSI website.

7. Empanelment of Professionals

With a view to have a pool of professionals from across the length and breadth of the country who are willing to contribute with their knowledge, experience and expertise, the Institute invited professionals for empanelment on honorary basis and be a part of the specialised Task Forces to Core Groups in the following areas :-

- Companies Act, 2013 and Rules made thereunder
- SEBI Laws and Regulations
- Goods and Service Tax
- Labour Laws
- Intellectual property Rights
- Financial Services
- Any other related areas

8. Companies Act, 2013 – “Enable, Evaluate, Excel”

As a capacity building initiative, the Institute is organising weekend webinar series “Enable, Evaluate, Excel” on the Companies Act, 2013 specially for the young members who have been admitted during the transition period of the notification of the Companies Act, 2013. This special drive will facilitate to revive, refresh and sharpen the knowledge of members on the Companies Act, 2013.

Further, ICSI, on completion of webinar series, will provide an opportunity of online self-evaluation, on optional basis.

9. Registration of FCS as Mentors for ICSI Mega Placement Drive-2017

The ICSI this year is focusing on creating Employment Opportunities for Young Company Secretaries to get gainful employment. As a part of its Mega Placement Drive, the Institute has taken a new Initiative for Registration of the FCS Members as mentors for Placement Drive 2017. The Senior Members in Practice as well as in employment will voluntarily be registered as mentors for such drive to help the Young and newly inducted members to get the employment in Corporates and also in professional firms through the Directorate of Placement of the Institute.

10. Literature Review for International Corporate Governance Code (ICGC)

The ICSI is playing a lead role in corporate governance by promulgating the concept of "International Corporate Governance Code – ICGC". In this context, ICSI has invited interested researchers in the area of Corporate Governance. The Institute has so far received ten Research Papers, which would definitely be very useful in strengthening its initiatives towards good Governance Practices.

11. Model Code on Meetings of Panchayats

ICSI is developing a "Model Code on Meetings of Panchayats", keeping in view the prevalent practices with respect to convening and conducting of Meetings of Panchayats.

12. Depositors' Education and Awareness Programme

ICSI is registered under RBI's Depositor Education and Awareness Fund Scheme, 2014 for imparting financial education and spread awareness about the same in the rural, semi urban and urban area. In this direction, the Institute has organized its 1st Depositors' Education and Awareness Programme under the aegis of RBI's (DEA) Fund Scheme, 2014 on March 19, 2017 at Jaipur.

13. International Women Day Celebration

With a view to celebrate women empowerment and to bestow upon auxiliary opportunities for empowering

the women in coming future, the Institute celebrated the International Women Day through organizing a full day national seminar on March 8, 2017 at New Delhi. The event was also screened live through webcast across India. In addition to this, a Special edition of Chartered Secretary has been published theming up "CS Women – Empowered and Empowering".

14. Program on Business Collaborations- Strategic Alliances, Joint Ventures and Acquisitions

With a view to provide a comprehensive coverage of the entire process of setting up of joint ventures and alliances, right from the strategic planning and negotiating phase through the drafting and implementation of the contracts, the Institute jointly with Administrative Staff College of India, Hyderabad organized a three day intense program on Business Collaborations – Strategic Alliances, Joint Ventures and Acquisitions on March 16-18, 2017 at Hyderabad.

15. 7th National Legal Summit, 2017

The Institute has joined hands with the Indian Chamber of Commerce (ICC) as Knowledge Partner in organizing 7th National Legal Summit, 2017 on March 18, 2017 at India Habitat Centre, New Delhi. The summit focussed on deliberating the issues related to improving the trade and commerce ecosystem along with the converging on legal reforms. The Institute released a Knowledge Paper "Recent Development in Financial Laws in the country" at the event.

16. ICSI – NSE Workshop on Secretarial Audit

With a view to sensitize the professionals on regulatory expectations from secretarial audit and to provide a platform for advancing in-depth understanding on Audit Process and alike, the Institute in collaboration with National Stock Exchange organised a Joint Workshop on Secretarial Audit on March 10, 2017 at Kolkata.

17. National Seminar on Insolvency and Bankruptcy Code

With a view to provide the advanced understanding on the opportunities and concerns under Insolvency and Bankruptcy Code for professionals, a National Seminar on 'Insolvency and Bankruptcy Code' was organised on March 23, 2017 at Hyderabad.

18. Workshops on Secretarial Audit

ICSI and NSE jointly conducted two workshops on

Secretarial Audit in Kolkata and Bangalore on March 10, 2017 and March 24, 2017 respectively. The major focus of the workshop was on regulatory expectations of Secretarial Audit, issues and challenges in audit process and giving guidance on how to prepare for secretarial audit. NSE also shared its useful observations regarding the secretarial audit reports filed with the NSE.

19. Seminar on Business Responsibility Reporting

The Institute joined hands with PHD Chamber of Commerce in organising a Seminar on Business Responsibility Reporting on March 22, 2017 at PHD House, New Delhi, prepare the corporates for better understanding of Business Responsibility Reporting and its related principles and provisions.

20. ICSI Signature Award Scheme

As you are aware, top rank holders in B.Com. Final Examinations in reputed universities, specialised programmes/ papers of IITs / IIMs are awarded a Gold Medal and a Certificate under ICSI Signature Award Scheme.

In furtherance to the existing Twelve MOUs, four Gold Medals / Certificates were awarded to the toppers of the following Universities/Institutes: -

- Guru Nanak Dev University, Amritsar
- Indian Institute of Management, Tiruchirappalli
- Panjab University, Chandigarh
- Indian Institute of Management, Indore

21. Launch of newly-fangled IT enabled Facilities:

With a view of serving the stakeholders with the ground-breaking, convenient and user friendly services in the world of cybernetic communication, the Institute has launched the following IT enabled facilitations for the members, students and other users:

- Home page of the website has been revamped with enhanced look, impression and user friendly features;
- The President's portal has been refurbished with associated information and communication;
- An exclusive suggestion/feedback system has been facilitated for the stakeholders under

President's portal in the website to receive the suggestion / feedback directly from the President;

- An exclusive system has been facilitated for the stakeholders through the website to upload their testimonials for information of the Institute;
- A Quick link to view the credit hours has been generated for the members through the website of the Institute;
- A Quick link to facilitate the online payment of membership fees without login has been enabled for the Members through the website of the Institute.

22. Extension of time for obtaining the mandatory Programme Credit Hours

The Council has approved extension of 3 months' time for obtaining the mandatory Programme Credit Hours for the block of three years ended on March 31, 2017. Members who have not completed the mandatory PCH till date are advised to obtain their remaining PCH for the Block Year 2014-17, by June 30, 2017. Members may view their credit hours information at: http://www.icsi.edu/Quick_Links.aspx

23. Dress Code for a CS appearing before Judicial/Quasi – Judicial bodies and Tribunals like NCLT – NCLAT, etc.

The Council prescribed the Professional Dress Code for Company Secretaries to appear before judicial / quasi-judicial bodies and tribunals like NCLT- NCLAT, SAT, etc. The details are published elsewhere in this issue of Chartered Secretary. Members are advised to strictly adhere to the Dress Code prescribed by the Council.

24. New syllabus (2017) for Foundation Programme of CS Course

New syllabus (2017) for Foundation Programme of CS Course has been made effective from April 01, 2017. New syllabus will be applicable for Students who register in Foundation Programme on or after 1st April, 2017. The first examination for Foundation Programme under the new syllabus shall be held in June, 2018.

Rendezvous with ICSI

Hon'ble Union Minister of State for Finance and Corporate Affairs
Sh. Arjun Ram Meghwal



Dr. Harpreet Raman Bahl, ICSI interacting with Sh. Arjun Ram Meghwal

A role model for every common man who has uncommon thoughts and wants to aims high in life, an example for every person hailing from Rural India where heart of the country resides, a live exemplar for every person who believes in seeing dreams with open eyes and wants to see these dreams coming true, a paragon who believes in soundness of character and not outlook of personality, an environmentalist at heart who can be often seen cycling on the roads to head for Parliament, a regulator who wishes to take Governance in every nook and corner of the country, he is **Union Minister of State for Finance and Corporate Affairs Sh. Arjun Ram Meghwal**, who rose from a common Indian hailing from a village of Rajasthan and hugged success through his sheer hard work and became an IAS officer, Member of Parliament, Sansad Ratna (Gem of Parliament) and today a Union Minister.

ICSI is initiating a new series of making its readers well versed with such gem of personalities who can inspire and guide our way named 'Rendezvous with ICSI'. First in the series is a conversation on behalf of ICSI by Dr. Harpreet Raman Bahl where we attempted to get his views on different spheres pertaining to governance. ICSI believes you will find this conversation a knowledge enriching initiative for its stakeholders.

Dr. Harpreet: My research about you revealed that it was a humble beginning of a common man representing Rural India who started his career as an operator in Telephone exchange, today, you are discharging such a colossal responsibility as a Union Minister of State for Finance and Corporate Affairs of Government of India. This is really inspiring. You played various roles in the position of an IAS Officer, Member of Parliament, the Best MP of the Year, and today, Union Minister of State for Finance and Corporate Affairs. Please throw a light on this

journey in your own words.

Sh. Meghwal: First of all, I would like to congratulate ICSI and President, ICSI to provide me this opportunity to interact with its stakeholders and to make an attempt to put my story before whole world and especially people who represent a large pie of rural India. My congratulations to you too for stealing time to do this in depth research about my journey so that it can make everyone believe in his/her abilities and reach pinnacle of success. Yes, this is a fact that I represent a common man

from Rural India and my father was a weaver by profession, we lived in a village, and in village too, like a majority population of those times, I lived in that undeveloped strata of India villages where even basic facilities of life were not available during my childhood. There were no roads, no sewage, no potable water and people had to go 3 km far to fetch potable water, no electricity and many basic facilities were lacking too. Till the time I got the job of an operator in a telephone exchange in the year 1974, still there was no electricity in my village. But, like many other personalities who struggled and came out brilliantly to serve India despite all these hurdles, I studied and completed my graduation in the lamp light, so, this is the glimpse of rural India I represent and I am proud of that I came this far as I never yielded to these circumstances and being well versed with the requirement of providing basic needs in every village in India, I am able to contribute to the goals of development of Rural India with more zeal and understanding even.

Dr. Harpreet: You have been honoured with ‘Sansad Ratna Award (Best Parliamentarian)’ in the year 2012 for being one of the Best MPs of Indian Parliament. What leadership lessons you would like to give to our CS professionals so that they can be ‘the Best version of themselves’ in their life too.

Sh. Meghwal: In Bikaner, which is my Parliamentary Constituency, I often interact with students of CS, CA through various seminars, and tell them the importance of a strong character building, I tell them happily how, when and who can bring India in the category of developed nations.

If an individual has a spectacular motivational level and power of self-introspection; which is called ‘screening’ in spiritual language, if you imbibe a habit of ‘screening’ and do self-introspection’ at the end of the day and then based on that you screen your good and bad deeds during the day and try to enhance the magnitude your good deeds and trim down the number of deeds which don’t benefit other human beings, you will automatically become best version of yourself and an inspiration for others as well.

Dr. Harpreet: You said 19th Century was Europe’s and 20th belonged to America and now it is said that 21st century will belong to Asia and in Asia too, India is going to take the lead in shaping the outcomes of the Continent. How this growth saga would be recognized across the Globe?

Sh. Meghwal: I go to meetings, conferences and seminars of ASSOCHAM, CII, ICSI, ICAI, CMA. I always put a question that who is going to lead in 21st century in when recession is going on? Historians gave a verdict that 19th century belonged

to Europe. But, when America dropped atom bomb on Hiroshima, Japan in 1945, it was projected that 20th century belonged to North America in historian conferences.

In the Annual Singapore Lecture 2002 by then Prime Minister Sh. Atal Bihari Vajpayee on India’s perspectives on ASEAN and the Asia Pacific Region, where he opined **“the 21st century is to be the century of Asia, it devolves upon the democracies of our region (ASEAN and Asia Pacific Region) to take the lead in making it happen.”**

Maybe world have perceived this statement out of imagination, yet, contemporary developments such as United Kingdom decision to leave the European Union, Greece problem, African continent having 54 countries, yet, country has matching GDP as of Asia. So, no continent feels close to Asia and emerge as a leader in 21st century. Oil producing countries thought so, but oil price up down, their economy tumbled, the lay-off in their corporate world started happening, banks closed or went for size reduction, their economic growth tumbled too. As far as Latin American countries are concerned, only Brazil was growing faster, but, during the last 2-3 years, their currency has taken a nose dive to fall as fast as 300-400%. So, Brazil is out of competition also.

Coming to American Economy, adopting of Mantra ‘Buy American, Hire American’ signals to the problem of dire unemployment there. American GDP is ranging between 1-2%, bankruptcy of notable American banks, American Visa rules are going to be stricter, therefore, America also seems out of race, so Asia is emerging as ‘*the hero*’ of the 21st century.

Further introspection in Asian situation points out that there would be four countries that would be participating and leading in this race i.e. India, China, Japan, Russia. As far as Russia is concerned, After disintegration, I feel, economy is supposedly growing, but the country’s human potential has declined. Though it is world’s biggest energy exporter, yet, its consumer demand continues to slump and the outlook for oil remains dim. Chinese economy performing worst in last 26 years in 2016 with a growth rate of 5-6%, And to lead in race, there need to be competitors, it a good phenomenon. So, in this competition, china is not a democratic country. Though, may be, today we are lagging Japan as far as Information Technology is concerned, but in times to come, we may also cover this Gap as per vision of present Government to take this lead through Digital India. Some intelligence reports have already predicted that India will become 3rd largest economy overtaking Japan in 2050. Our growth rate is proud 7 per cent even today and IMF report says it will touch 7.8 per cent. So, in 21st century, leader will be Asia and

India will emerge as a hero of Asia.

Dr. Harpreet: Sir, I feel from your factual interpretation about this growth saga as if we are saying “Mein Bhartiya hu, aur mera Bhartiya hona hi mere hi mere liye prayapat hai”

Sh. Meghwal: Yes, Mera Bhartiya hona mere liye prayapat hai aur mere liye garv ki bat hai. We failed all negative predictions by all economists and maintained our growth rate of 7 per cent. To project India as the leader on world map, our Prime Minister Sh. Modi ji has set a deadline of 2022 for all plans which coincides with India celebrating 75 years of Independence and jubilee celebrations will be there in that year. It makes sense that after 2022, we will surpass our growth targets for ‘Digital India’, isn’t it? Till 2022, Government will also realize the vision of Mahatma Gandhi “Swatch Bharat” which has been taken up by Ministry of Corporate Affairs as well, and then in 2022, in this 21st century only, this country will celebrate 100 years of independence.

So Govt. of India is trying level best for all round development of the country such as basic infrastructure, development of rural India, and demographic dividend which is an asset owned by India only out of all these 4 competing countries, so India is taking a visible lead.

So, if once the then Prime Minister, Atal Bihari Vajpayee ji had opined before whole world, or APJ Abdul Kalam had dreamed for India in Vision 2020, he mentioned “Dream is the one, which we see while our eyes are open”, so till we make our golden jubilee, whole world will say 21st century belongs to Asia.

Dr. Harpreet: we can say that in 21st century, every Indian will see the dream with open eyes as our revered Past President of India, Abdul Kalam ji wished for every India and India will take the lead certainly.

Dr. Harpreet: You opined that 2017 will be remembered as a ‘Year of Economic Reforms’. Is it due to demonetization drive and ‘Cashless/Digital Economy’ or some other factors too? What are the main challenges involved?

Sh. Meghwal: The year 2017 is certainly ‘Year of Economic Reforms’. This is so because, in 2017, for the first time after independence, the Union budget was presented on 1st Feb, departing from the colonial era tradition of presenting the Union Budget on the last working day of February, so that the legislative approval of annual spending plans and tax proposals could be completed before the beginning of new financial year on April 1 instead of June.

Second reform is ‘demonetization’, the number of

digital transactions has multiplied after this move. As per directions of Prime Minister, NITI Ayog has organized Digi-dhan Melas’ from 25 Dec 2016 to 14 April 2017. And, in these digi-dhan Melas’, both consumers and traders have been encouraged through daily and weekly reward system and also a mega draw. So, this budding awareness about digital transactions, will result in enhancing of tax net, increase in government revenue, reduced scope of Corruption as human element wont creep in due to digitization.

Next reform of 2017 is definitely GST. Due to GST, ease of doing business will be facilitated as it would be easier there would be automatic reduction of trade barriers. GST is one indirect tax for whole nation, replacing 17 types of indirect taxes w.e.f 1st July 2017 and putting an end to octroi which itself consumed so many precious physical and financial resources. Therefore, ease of doing business ranking would increase automatically of India will certainly soar. So, 2017 will certainly be Year of Economic Reforms.

Dr. Harpreet: You mentioned about India’s biggest tax reform GST and how it will lead to ease of doing business, is there still any hurdle in implementation of GST in your view as all are curious to know whether India will come under a single tax net after independence for the first time?

Sh. Meghwal: On 29th March 2017 only, GST bill was passed in Lok Sabha. Now, in first week of April, Rajya Sabha will also start discussion on the same and Government is confident that it will be passed in upper house of Parliament too. Coming to execution part, many officials have been trained both at central and state governments level. The registration of GST has been opened up. As far as there is a concern about multiple returns under GST, GST council is working on the same. Professional bodies under Ministry of Corporate Affairs like ICSI, ICAI, CMA, have played their role to create awareness about the same to aid the efforts of the Government.

GST is the historical reform putting an end to 17 indirect taxes. As human interface will reduce, so, corruption will be checked automatically, further, there will be no misuse of power as scrutiny will reduce to only 5 percent cases.

Government is also facilitating filing return under GST, and open up centres at appropriate places for facilitating tax payers. In rural India too, we are using Atal Seva Kendra to facilitate rural tax payers, suvidha kendras will be created, so that the return is filed properly through automated mode and cases falling under scrutiny are reduced to minimum.

Dr. Harpreet: Your views about recent amendments in Companies Act 2013.

Sh. Meghwal: In 2013, Companies Act was amended. But, Government was in receipt of many representations from stakeholders, therefore, Parliamentary Standing Committee was formed chaired by Veerappa Moily, the report has been submitted by the committee and such amendments have been approved. Therefore, there would certainly be an amendment in Companies Act in the times to come. The compliance requirements would be eased now which will further lead to ease of doing business in India.

Dr. Harpreet: About compliance requirements, a question arises how Government is planning to tame those companies who are Non-compliant in CSR Rules as MCA has noticed discrepancies in data and lapses lately.

Sh. Meghwal: I have been invited to CSR workshops. A strata considers CSR as non-mandatory, I convince them, this is mandatory and you have to take it in your Boards. For non-compliant companies, Ministry is serious and our RoCs have sent notices and for those companies who have not bothered replying to such notices, directions have been sent to take action against these defaulter companies under Companies Act 2013 as prescribed u/s 135.

Yet, there are other honest companies who are contributing a lot to do their bit through their contribution to the Swatch bharaat drive, are making sanitation facilities available in rural India.

Yet, we are trying our level best that the survival aspect is ensured, efforts have been made that if they are undertaking plantation drives, such trees have survived or not. We are not making any partiality in action against defaulting companies and even PSUs who have evaded rules have been served notice too.

Dr. Harpreet: Yeah, it seems that follow up is necessary for checking up effectiveness of CSR initiatives of corporate sector and doesn't this call for role of CSR audit?

Sh. Meghwal: CSR audit is an integral part of Social audit. Corporate houses such as Tatas, Birlas have been undertaking it since long voluntarily. I hail from Rajasthan. There are examples of those who excelled in this area from Rajasthan such as Birla, Dalmia, and Banger. They used to build water wells, hospitals, school, provided scholarship and numerous other voluntary initiatives for the well being of the society to give it back, they used to do it earlier times also. Now when mandate has been given, CSR will be well taken by others seriously too. We can go for taking some steps for CSR audit under social audit in future if the concept of CSR is not well taken by companies.

Dr. Harpreet: we have learnt that you have been a role model for corporate world for undertaking CSR activities leading to environment conservation as you yourself ride a bicycle for contributing your bit to 'go green' drive and reducing carbon emissions. Even we watched you on your bicycle today morning for this interview while entering.



He is often visible on Delhi roads riding his bicycle to be a trend setter in environment conservation and reduction in corporate emissions.

Sh. Meghwal: Yeah, I am doing it for a long time and this fact has been noted by various foreign delegates too. Once a foreign official recognized me from this unique identity of mine in abroad too and appreciated this endeavour a lot. I am the policy maker and I need to lead by example which others may follow.

Dr. Harpreet: Whether Ministry of Corporate Affairs is planning some concrete steps for 'Companies without Women Directors'.

Sh. Meghwal: In Lok Sabha too this issue has been

well taken that every board should must have at least one women director. Companies take a shield and make an excuse of non-availability of suitable woman candidates. The stand is that women are excelling in any other sector your name, then how boards are not finding suitable woman candidates, this is inappropriate reason cited by them.

To take up this matter seriously, we have formed a Group of Ministers (GoM), and we will discuss the matter in this GoM, and we will place suitable candidates on Boards.

Dr. Harpreet: How Bankruptcy Code will help to improve Ease of Doing Business?

Sh. Meghwal: This is a new intervention, Insolvency and Bankruptcy Board of India, Mr. Sahoo, is the Chairman of IBBI. The Code had to brought because there were cases pending since long, arbitration mechanism was not proper; therefore, country's physical resources were lying idle. There were IBFR cases that were pending, land, building, Human resources were not being utilized. Now all these will be put to use. IBBI will not let this happen now, there would not be any scope for defaulters to escape by running out of country, and enforcement will be looked after by IBBI now. All this will lead to ease of doing business itself.

Dr. Harpreet: How India may achieve its vision to be a 'Global Leader in Corporate Governance'?

Sh. Meghwal: India MSME sector is playing a prominent role and we have to promote this sector. Handloom, handicrafts, KVIC activities have to be pushed up. Skill India, Make in India program, start-up India, stand up India have to have a push.

All these initiatives require following of good governance practices and taken together the introduction of governance to the root level through MSME sector will push India as a global leader in governance.

While taking governance to global level, we have to stick to our ancient roots. We have to teach Indian governance values to the world. I wear this typical Rajasthani attire and turban and I am told that it will project me as an 'illiterate'. I tell them, let them project so, when I will speak my values, they will come to know. Lately, I was in Kenya for an International Conference, and was supposed to be in western attire, I became adamant to wear my traditional Indian dress. I told them Vivekanand ji did the same while in Chicago and upheld our values there. He told them "In your culture, tailor makes a gentleman, in my culture, character makes a gentleman". I believe so.

I congratulate ICSI and that has initiated finding roots of Corporate Governance in ancient Indian

scriptures from Vedas and upnishads and to take this treasure at global level. I congratulate President, ICSI for that. Even when he speaks, he quotes Vedas. I urge him to come out with some good publications on spiritual management.



His traditional attire is evidence of his firm belief in rich Indian heritage and he feels proud representing India on international platforms in this typical Rajasthani Turban and Kurta Pyjama and Ethnic Indian Jacket

Dr. Harpreet: What role do you see Company Secretaries to play in realizing goal of India taking lead in Asia and shaping its growth saga especially Company Secretaries in Rural India.

Sh. Meghwal: Company Secretaries should acquire best of technical knowledge related to good governance in their field, look after legal aspects and stakeholders interest. At the same time, they should also be the conscious keepers of their boards and guide them about dharma and adhama. They should take the lead and move towards the broader vision of national governance. It takes dedication to make your country stand in the league of developed nations, Company Secretaries should play a vital role in that.

Dr. Harpreet: 'Heart of India resides in villages.' How happiness index and prosperity of Indian villages may be enhanced, so that rural-urban divide be bridged up.

Sh. Meghwal: President, ICSI CS (Dr.) Shyam Agrawal has already discussed this vital issue with me. I view that there are many rural banks, financial institutions that have no audits yet. Such banks and financial institutions may be tapped and should be pushed for complying the rules. Rural CS should not migrate to cities. This will create a further imbalance. Yes, I am aware of the

regional imbalance issue of is with ICSI too. We will work on that in times to come and trace the avenues for rural CS professionals. Cities can take any more population move. Smart cities will take care of that for cities. In rural sector, we are trying to provide basic infra. Companies Act will try to make provisions for checking such rural migration.

Dr. Harpreet: By the year 2019, you plan to turn 2 villages in all parliamentary constituencies to be developed as Adarsh Grams. As Minister of Corporate Affairs, what is your dream and expectation from ICSI for realize this vision?

Sh. Meghwal: Yes, there is such a plan. I have myself adopted 3 villages, Bikampur, Toliyasar and Rozri village bordering Pakistan. In my view, to check rural migration urban cities, we have to focus on start-up India and encourage Jugaad entrepreneurs. ICSI should help these entrepreneurs in aspects relating to incorporation and compliance. Further, governance aspects must be instilled deep in these entrepreneurs to make India lead globally in governance. I have a firm belief that President, ICSI will take steps in this direction and realize this vision of Government of India.

Dr. Harpreet: What/who is your inspiration?

Sh. Meghwal: In the childhood, my father warned me to pull me out of school if I was to fail ever. However, rather getting demotivated, I got motivated from this warning. In fact, this motivation level went so high that I made it to the Indian Administrative Services owing to sheer hard-work and diligence. So, I see the glass half full rather than half empty in every situation.

Then, I learn a lot from mother nature. Presently, when I witness our Prime Minister Sh. Modi Ji working for such long hours, that inspires me too. Further, The vision of Dr. APJ Abdul Kalam inspires me. Atal ji poems for 'New India' provide me a zeal too. And I wish that that new generation should read biographies, motivational stories, childhood leaning and character building related stuff too.

Dr. Harpreet: Your worthy message to Young

Company Secretaries

Sh. Meghwal: To all ICSI members, Nav Varsh 2074 (Indian New Year 2074), I wish you to progress, grow, lead, guide the way of others, gain unending knowledge, become guide to your companies and give them inputs on governance and lessons on niyati.

Dr. Harpreet: Few words for the Institute of Company Secretaries of India

Sh. Meghwal: The Institute of Company Secretaries of India has attained a remarkable mark by reaching the milestone of 50,000 members. On this occasion, I congratulate ICSI, President CS (Dr.) Shyam Agrawal, and all ICSI members. At the same time, I have an expectation from the Institute and its members that they should play their role as Corporate Governance professionals with full dedication and responsibility while act as 'Conscious Keepers' of the companies and watch over those black sheeps in the corporate sector who play foul by taking advantage of some existing legal loopholes. For ensuring setting up Good Governance practices, I think, ICSI members have a monumental role to play while acting as 'advisor' to the corporate sector. I know ICSI will keep on guiding the way of its professionals to establish best governance practices in Indian Corporate Sector and contribute to a great extent to the objective of Government of India for making India a world leader in Governance.

I would like to conclude this month's rendezvous on this self note:

"Simplest definition of success is when your 'signatures' become an 'autograph', let us all start this journey today and 'create' our autographs."

Dr. Harpreet Raman Bahl
Office of the President, ICSI
harpreet.bahl@icsi.edu

CS WOMEN EMPOWERED AND EMPOWERING...!!!

8 March, 2017, celebrated as International Women's Day, became a historical day in CS profession as the vision of President, ICSI, CS (Dr.) Shyam Agrawal, to bring to limelight the fact that how empowered all CS women are, by setting a common platform for the first time in the history of CS profession, so that they can join hands to motivate and mentor upcoming young women members in particular and all women on this Globe in general as how their perseverance, struggle and determination led to magnificent achievements in a mega program hosted by ICSI on International Women's Day 2017. Not only this, a live webcast was also hosted by ICSI viewed by millions of stakeholders. This huge response to celebration of International Women's Day 2017 by ICSI across the length and breadth of the country made Team ICSI even more determined to shell its level best to provide a platform to CS women to further empower them to scale unimaginable heights in the times to come.

While hearing success stories of all of these role models live, I couldn't stop myself from weaving their feelings in these words as I felt as if they wanted to tell the whole world loud:

Haa mein hu dhadkan meri chaar diwari ki,
Haa mein hu vo hansii, mere jeevansathi ki
Haa mein hu vo khushi kuch nanhi saanso ki,
haa mein hu vo chamak, maa baap ki aankho ki
Hu mein sard si dhoop, mere ghar ke aangan ki.....!!!

Phir bhi hai sapna, aakash churana hai,
Phir bhi hai sapna, kuch kar ke dhikhana hai
Phir bhi hai sapna, ek naam kamana hai,
Phir bh hai sapna, badi door tak jana hai.....!!!

Haa mujhe hai vo mili, Maa Durga ki shakti,
Haa mujh me hai basti, Maa Saraswati aur Laxmi
Haa mein hu garvit, mera naam hi Nari hai,
Haa mein hu garvit, mene Shristi ye sawaari hai.....!!!

In the last issue, ICSI introduced you to some determined women who empowered themselves in the journey of their careers with the promise to share their stories in the upcoming issues. First in this series, we are presenting interaction with **Ms. Preeti Malhotra**, the most popular CS woman in ICSI, as she has distinctive feather in her cap of being the Past President of the Institute of Company Secretaries of India (ICSI) and she was also the **first woman to be elected as President amongst the premier National Professional Bodies in India**. She has created her own space and reached pinnacle of success owing to her perseverance and passion for excellence.

Preeti Malhotra's Profile

- A Fellow Member of the Institute of Company Secretaries



■ GLIMPSE OF PREETI MALHOTRA IN BOARDROOM

- of India, and Director on the Board of several Companies with more than 25 years of rich experience in Corporate & Legal affairs, Corporate and Business Strategy, Business Operations, Strategic Alliances & JVs, Corporate Communications & Project Management etc.
- Currently, **Partner and Executive Director, Smart Group** (Dr BK Modi Group -a \$2 Billion diversified conglomerate having its footprints across India, China, ASEAN, Middle East, US, UK and Africa.)
- Bestowed with the prestigious "**Recognition of Excellence Award**" from **Her Excellency Smt. Pratibha Devi Singh Patil** (the then Hon'ble President of India).
- Had the honour of becoming the First Woman Chairman of the NIRC-ICSI in the year 2002.
- A member on various expert panels and is an active contributor to various policy initiatives of the Government of India.
- She was also a member of Dr. J. J. Irani Committee constituted by the Ministry of Corporate Affairs (MCA), to advise the Government on the framing of the New Company Law and Limited Liability Partnership Law in India. Her suggestions on issues related to incorporation and registration of companies, as well as management and board governance including KMP's etc were taken on board.
- A member of the Board of Governors of the Indian Institute of Corporate Affairs (IICA), Ministry of Corporate Affairs. Also the Member of 'Appellate Authority of Ministry of Corporate Affairs', a Founder-Member of

the Global Citizen Forum which an International Not for Profit Organization working towards creating one interconnected world, going beyond nationality, gender, religion and boundaries.

As a Supreme Torch-bearer of ICSI

Her future oriented and participative leadership style as a President made a role model for all women professionals. She played a significant role in popularising the profession and also creating a pan India talent pool by launching an e-learning portal that enables CS aspirants living in smaller towns to take up the CS course.

She was invited by OECD to speak at the Asian round Table Discussions on Corporate Governance. Preeti is strongly committed to the cause of establishing and building Corporate Social Responsibility amongst Indian corporates. To promote CSR as Chairperson of the ASSOCHAM National Council for Corporate Affairs, Corporate Governance and CSR she has instituted the ASSOCHAM CSR Excellence Awards and ASSOCHAM Corporate Governance Awards. As a champion of new and innovative technologies, Preeti has taken up the added responsibility of being the Chairperson of Smart Cities India Forum of ASSOCHAM.

A Conversation with Preeti Malhotra

- **‘Who a woman is’ in your words?**

Anatomical differences aside, both men and women are born with similar mental capabilities to comprehend and respond to situations in life. Thanks to increasing social awareness, both – boys and girls are being given similar tools to develop their minds and hone their skills. Admittedly, on account of their natural differences, women are perceived (and indeed proven) to be better multi-taskers, more resilient and empathetic. But, this is also because women are culturally celebrated as caregivers and raised to also prioritise home. Each gender brings its own set of competencies and understanding to the workplace.

Because of the inequalities women face in the workplace,



■ PREETI WITH HON'BLE PRESIDENT OF INDIA SHRI PRANAB MUKHERJEE

there is a marked difference in the career graph of men and women – this is the difference that comes to be manifested in the behaviour of women employees. Women have repeatedly proven that given the right environment and support, they can outperform men to reach leadership positions and be super achievers. Data available shows that while women participation in the Indian workforce is low, women lead the charge, especially, in the country's financial and aviation sectors. Both these sectors are methodical, diligent and unrelenting – showcasing thereby a snapshot of what women are capable of. Women professionals have fought harder for their success, which makes them more determined.

- **As per you, what are the five most important insights into a CS's role?**

CS's get an opportunity to enter the corporate boardrooms at a very young age and interact with the board members, chairman and top management. Therefore, they get the opportunity to be recognised for their true potential early on in their career life cycle. Also, the new Companies Act bestows on them responsibility of a Key Managerial personnel putting them at par with the CEO and CFO of the company. Their knowledge, passion and commitment will define their success.



■ RELEASE OF SPECIAL ISSUE OF CHARTERED SECRETARY ON INTERNATIONAL WOMEN'S DAY DEDICATED TO CS WOMEN



■ PREETI WITH PAST PRESIDENT SMT. PRATIBHA DEVI SINGH PATIL

While, it may be difficult to delineate functional boundaries, however, the key roles that they play involve overseeing the Corporate Affairs function that encompasses secretarial, corporate law and legal matters etc. The Company Secretary also plays a vital role in advising the boards on corporate/board governance & compliance to ensure that the company maintains the highest standards of Corporate Governance. They are a part of the strategic management team and, as strategic planner, a key link with all stakeholders. Their education, training and experience gives them the capability to be very effective directors – whether Independent director or Executive Directors and hold other key positions in the company.

- **Do you perceive women bring exclusive element of 'heart' with 'mind' in boardrooms?**

Given their natural disposition as a caregiver, women are perceived to be more emotional, sympathetic and caring than men. But, it may not be correct to assume that only women can do this, I think both men and women have a 'heart'.

In 2011/2 the International Finance Corporation and the Global Corporate Governance Forum had come out with a report on Gender Diversity. This was a collection of interviews of select corporate male directors on women's participation in work. Unsurprisingly, most interviewee's ascribed a similar set of characteristics to all women corporate leaders - 'attention to detail', leading to "significantly in-depth discussions", "more comprehensive decision- making" and "less risks/ speculation" etc. On the surface, none of these characteristics are gendered. So, while both genders experience empathy, I feel women can express it better. This leads to better and nuanced decision making in corporate boardrooms. Reports initiated by various organisations like Credit Suisse and McKinsey on gender diversity in corporates prove that women directors outperform those with the least on ROIC by at least 26%. The 'Business Case' for gender diversity in boardrooms is strong and robustly in favour of women.

- **Steps ICSI should take to become a global leader in Corporate Governance.**

We are fortunate that ICSI is one of the biggest CS institutes globally. It has the maximum number of members and students vis-à-vis its counterparts internationally. ICSI should therefore take a lead in setting global standards for education and training for CS and also global secretarial & governance standards for corporates through the CSIA (Corporate Secretaries International Association) and other bodies. I congratulate the President, Mr Shyam Agrawal, who has now become the Secretary of CSIA and he will, I am sure, play a key role in making this happen.

At the same time, we must ensure that we have the best standards for education and training for CS in our own country, implemented with rigour so that we nurture professionals who can compete at the global level.

Personally, I feel Corporate Governance has to be not only be followed in letter but also in spirit. ICSI should work towards ensuring effective implementation of the CG code so that excellence in Corporate Governance practices becomes the DNA of every corporation. It needs to be embedded in their corporate philosophy through its Company Secretaries – the governance professionals. To this end, ICSI must also set the code and standards for Corporate Governance in India which can serve as a benchmark globally.

As a premier national statutory body on Corporate Governance, ICSI must strive to maintain and uphold this position to the point where it becomes the key stakeholder in issues of national governance in the corporate domain.

- **How Corporate Governance can contribute to National Governance?**

Technically, the corporate sector is the biggest sector in any economy driving the GDP and GVA. Be it services,



■ PREETI WITH SCIENTIST, PRESIDENT AND MENTOR DR. A.P.J ABDUL KALAM,

manufacturing or industries – corporates are everywhere. Corporate Governance therefore embraces a large number of people and institutions in its ambit.

The increasing ubiquity of digitisation and through the use of tools like Information Technology (MCA 21 etc.), information is being put in the public domain to enable all stakeholders to interact seamlessly & transparently and analyse information to take key decisions. In a similar manner, all disclosure of all information pertaining to SMEs, Trusts and other entities holding substantial assets in the country should also be made mandatory online and come into the public space for it to be effectively monitored. Company Secretaries can play a key role in making this happen.

There has to be a strict implementation and enforcement of the Corporate Governance guidelines and those not in compliance will anyways be publicly exposed, acting as a deterrent to others. Compliance inculcates a culture of ethical development that is percolated down to the lowest denominator. In a way, the corporate sector can be a testing ground as well as a success story when it comes to National Governance in a large country like India.

- **Your words of wisdom for working women to strike a 'work-family' balance.**

When you talk of work-family balance, we normally assume that women remain and will continue to remain the primary caregiver in the house. Studies have shown that some of the major barriers to women's growth in India are relocation due to marriage, conservative spouses or conservative families, lack of day-care options, zero flexibility of work hours etc. So, even when men and women are raised and educated in an atmosphere of complete equality; women continue to be raised with the idea that her career/social life is less significant than that of a man. Men are still not willing to be equal contributors to house work.

Of course, the situation is changing. I have seen that the younger generation of men are willing to take on the responsibility of the home as well and this must be encouraged. Instead of asking women to strike a 'work-family' balance, we must advocate for 'shared responsibility'. Men must be equal contributors to the home and we must strive to promote it. Only then women will be able to pursue their dreams, feel more accomplished and contribute in full to the corporate world and society at large.

- **Your message for young women aspiring to join the profession of CS.**

The 21st century is perhaps the best time to be a woman – a concerted effort by society and government has ensured that girls are accorded the same rights as boys. For those pursuing the CS profession, it is heartening to know that the student ratio is now equal between the two genders.

But, it is to be noted that not all women are converting these opportunities into winning careers. They succumb to family and social pressures by either giving up on their careers or compromising at some stage. Education is a gateway to financial independence and woman emancipation. The level of your success is defined by your assertiveness to demand equality and your endeavour to break the 'glass ceiling' by aiming for top managerial positions.

Aspiring women CS, must use their education to empower themselves. This profession offers them a superb springboard for professional growth, but it is ultimately their perseverance and commitment that can make them great achievers. Women professionals must make a conscious effort to network and broaden their horizons to make the best of the opportunity they have, whether you choose to involve yourself in institute activities or activities of other organisations, these experiences are crucial to your growth as an individual.

- **What should be the importance of goals in one's life?**

It is always important to have a vision in life but the significance of goals can vary from person to person. While it is always good to have a clear vision, it is crucial to translate it into success. At the end of the day, it is your attitude towards achieving your goals that will define your path in life.

• Your inspiration

I have always believed that everyone is born with their own strengths and weaknesses. It is how we use those strengths and control those weaknesses that define our ability to succeed in life, which is why I don't have any one person as my inspiration. Anyone with a positive, committed and solution oriented attitude – no matter how big or small - is an inspiration. We often get to hear success stories of people who have risen from nothing – one can always learn from the winning attitude of these people, because they have fought harder and longer to win and reach those levels.

It is an age old saying that your attitude determines your altitude. Positivity, perseverance, ingenuity of thought, willingness to learn and a passion for excellence can go a long way in helping one deal with the challenges of work and home and allow us to move beyond the mental boundaries that we have created for ourselves.

• An inspiring two liner for our readers

I particularly like this quote by Anais Nin - Life shrinks or expands in proportion to one's courage.

Whatever you do, however you choose to live your life, be courageous. Build your own life path - don't let others do it for you. As a woman, people will question you, judge you and censure you but one must have the courage to stand firm on one's beliefs till the time society accepts your choices and gives you the respect you deserve.

• Your formula of success

The formula of success is a gritty mix of perseverance, commitment, positivity and a passion for excellence. These pre-requisites are the same for both – men and women. I am inclined to believe that all of us, irrespective of our gender enters our desired profession with the inclination to work hard and achieve our ambitions. For over 25 years, this has propelled my professional actions as a Company Secretary, Company Director, Group Executive Director and now Partner with the Smart Group. But success does not happen overnight and neither does it exclusively belong to one person. Education, individual commitment, a family support system and a conducive professional environment – all have a crucial role to play in nurturing the individual – especially if you are a woman.

• Role of Family

Our ability to work hard is sometimes dependent upon our immediate circumstances, external pressures and foremost, our priorities. As Indian women, most of us are culturally ingrained to be homemakers. I consider myself blessed that while I belong to a traditional Indian family – such a thought process never came to define gender relations in our house. All my siblings and me were treated with equal respect and were given the same opportunities. For my parents, as I believe is the case with lot of Indian parents today, financial independence for each of their children trumped any social

construct that rigidly defined gender roles.

But, even while parents do all they can to make their daughters financially independent, careers are not the number one priority for women. It is sometimes a little disappointing to know that while more and more women are joining the profession with a near equal student gender ratio, not enough are joining the workforce and the conversion rates continue to remain low. This shows that women are succumbing to family pressures and putting themselves on the backburner and compromising on their careers and in turn their own identities.

I cannot stress enough the importance of economic empowerment for the individual. Married women have to walk the tightrope between family and work, and not enough of them are rising up to challenge of loving themselves as much as their family – while they have the tools to shape themselves, many of them are willingly not making use of these.

Shaloka of the Month: Women in Vedic Dharma

उदसौ सूर्यो मामको भगः ।
अहं तद्विदला पतिमभ्यसाक्षि विषसहिः ॥
अहं केतुरहं मूर्धामुग्धा विवाचनी ।
ममेदनुक्रंतु पतिः सेहानायाउपाचरेत् ॥
मम पुत्राः शत्रुहणो..अथो मे दुहिता विराट ।
उताहमास्मि संजया पत्यौ मे श्लोक उत्तमः ॥

Rigveda 10 Hymn 159

A woman speaks after rousing in the morning, "My destiny is as glorious as the rising sun. I am the pennant of my home and society. I am also their key caretaker. I can give splendid rhetorics to my family. My sons conquer enemies. My daughter illuminates the whole world. I myself am conqueror of enemies. My husband has unbounded glory. I have made all those sacrifices which make a king triumphant. I myself have been outstanding."

Our readers are also invited to share pearls of wisdom and make these reach all brilliant CS women through this column and send their views to us. Our wish for you is that may you all take standard of CS profession to glorious heights.

Let us all celebrate spirit of womanhood for all 365 days of the year.



Dr. Harpreet Raman Bahl
Office of the President, ICSI
Email: harpreet.bahl@icsi.edu



Since Inception of ICSI,
Our Esteemed Members have been
'Believing' and 'Living'
this Quote from
Taittiriya Upnishad

सत्यं वद। धर्मं चर।

इष्टवकं तदं त्रुपुते, अविदेहं तु तदं वाच

in 'Letter' and in 'Spirit'
to Uphold the Torch of
Corporate Governance Profession in India.

Therefore, to Mark the Beginning of
Golden Jubilee Celebrations of ICSI
and on Crossing 50,000th Membership Mark,
The Institute of Company Secretaries of India
Formally Adopts this Golden Quote as
'ICSI Motto'



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

ARTICLES

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Effect of Changes regarding Objects Clause of Memorandum under Companies Act 2013

Dr. K R Chandratre

The change made by the Companies Act 2013 with regard to the provision dealing with the objects clause of the memorandum was, indisputably, with a view to enabling companies to have a broader and liberal objects so as to facilitate ease of doing business. This article makes a critical examination of the objective of the change.

Guidance Note on Board Evaluation

Dipti Shah

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") contain broad provisions on Board Evaluation i.e. evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board. The provisions also specify responsibilities of various persons / committees for conduct of such evaluation and certain disclosure requirements as a part of the listed entity's corporate governance obligations. The OECD Principles of Corporate Governance (Principle VI (E)) envisages the post of lead independent director to chair the meetings of outside directors.

Employment Laws and Data Protection: A Global Perspective

S. Ravishankar

On account of wide spread use of the Social Media by the employer- employee community in India, it becomes important to understand how social media could be used in a manner serving the best interest of the employers and at the same time not attract any legal consequences. The primary focus of this article would be to understand the attitudes of the global employers towards the use of employee Data collected through the social media and otherwise, legal pitfalls in their use and the international practices.

Issues in International Taxation

Saurabhi Borthakur & Sujit Sikidar

Exchange of goods and services across the nations is a sine qua non for interdependence and survival of the nations along with human welfare. Intervention of regulating authorities becomes indispensable when it entails appropriate assessment of tax liabilities arising out of cross border transactions and recovering taxes therefrom. This article focuses on the complexities in bringing both these sides at a common platform, that is, levy of tax by the revenue authorities and compliance of the regulations by the assesseees which makes the issue complex and debatable. The complexities in generating fiscal resources in such matter have been elaborated with implications for the trading nations involved in such trade.

The Concept of 'Control'

Rajendra Sawant

The term 'control', is defined under various laws. The regulators such as MCA, SEBI, CCI, DIPP and IRDA have defined the term 'control' in their respective regulations. In light of the vast number and variety of regulators required to effectively regulate companies, and the diverse subjects that they cover, the term 'control' has been given various meanings depending on the domain of the concerned regulators.

This article analyse the expression 'control' used under various statutes, including the context in which the term has been used, the intent behind a particular way of defining the term and the adequacy of such definition in light of their context. The objective of this article is to examine whether the widely differing meanings of the term 'control' are sufficient in themselves or whether there is need for uniformity or harmonisation among the different statute defining the term 'control'.

Role of Internal Audit in Financial Services

Abin Kumar Mukhopadhyay

Financial service sector has come a long way from barter system to today's high end e-transaction system. This high risk, dynamic and quick evolving sector is highly regulated and requires stringent internal control and monitoring due to its unique nature. Internal audit plays a crucial role in enforcing internal control, evaluating risk identification & mitigation strategy and ensuring corporate governance in a flawless manner. Globally, regulations require formal internal audit as part of the internal control mechanism, risk management and governance framework. Indian law and the regulators' directives also have specific provisions on internal audit framework for financial service sector. Internal audit should not restrict itself in traditional limits of post facto checking of transactions and records but should work as a "live heart monitor" to identify control lapses and prescribe corrective actions on a real time basis to avert any mishap in this overly sensitive sector.

Are Masala Bonds Spicy Enough?

Sudipto Banerjee

The decision of the Reserve Bank of India to allow Indian companies to issue rupee denominated bonds is commendable. Addressing the risk of currency fluctuation faced by Indian borrowers, overcoming the problem of original sin, and internationalization of Indian currency are the prime objectives behind this policy decision. However, a theory must be tested in practical world to evaluate its worth. The article undertakes a reality check and briefly lists the hurdles like cost implications and peculiarities of Indian bond market which Indian borrowers would have to tide over to make masala bonds attractive enough for foreign investors. Given the current global slowdown, India stands a bright chance to market masala bonds as an international instrument, provided we constantly strive to strengthen our macro-economic fundamentals.

RESEARCH CORNER

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A Study on 'Business Valuation: Made or Spoiled M&A Deals'

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Meenu Gupta

From acquisition to Private Equities to Joint Ventures to IPOs, Valuation plays an important role in failure or success of deal. With the growth in business activities world around, valuation of shares and business gained significance through the Indian and cross-border mergers and acquisitions souring high. It ensures the fair price to be paid for an asset that has a set of uncertain future cash flows. But the risk of over-or-undervaluing a business and risk of not realizing expected synergies require a skill and a careful thought on part of business appraisers to truly understand the intricacies of using the method properly. One such case where no proper valuation diligence is exercised leading to biggest financial merger failure is expressed in the study. The author, through the study, analyses various valuation techniques as per the regulatory accounting standards and type of industry to be applied for and possible traits to be traced before deal finalization.

ICSI Research Competition on International Corporate Governance Code

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All India Research Paper Competition on Asset Reconstruction & Bridging the Link with Insolvency & Bankruptcy Code, 2016

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LEGAL WORLD

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- **LMJ 18:04:2017** An appeal challenging the rejection of petition under section 397 & 398 by Single Judge, cannot be dismissed in limine by the Division Bench of the High Court.[SC]
- **LW 25:04:2017** It would still be open to the respondent Company to seek its remedies under the provisions of Section 252 of the Insolvency and Bankruptcy Code read with what is laid down in Sections 13, 14, 20 and 25. [SC]
- **LW 26:04:2017** We find that the High Court committed an error in observing that the seat of arbitration itself is not a decisive factor to exclude Part-I of the Arbitration Act. [SC]
- **LW 27:04:2017** As a matter of fact, having regard to the nature of controversy involved in the suit and the issues arising in the case, the questions raised in the second appeal did constitute substantial questions of law within the meaning of Section 100 of the Code. [SC]
- **LW 28:04:2017** Awarding contract to operate berth-successful bidder was already operating a berth in the port- High court cancelled the award – whether correct- Held, No.

- **LW 29:04:2017** The CCI rightly observed that the protection in the name of the language goes against the interest of the competition, depriving the consumers of exercising their choice.[SC]
- **LW 30:04:2017** Since the OP is not in a dominant position in the relevant market, its conduct need not be examined in terms of the provisions of Section 4 of the Act. [CCI]
- **LW 31:04:2017** It is a well-settled principle that the High Court will not re-appreciate the evidence but will only see whether there is evidence in support of the impugned conclusion. [SC]

FROM THE GOVERNMENT

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- Companies (Indian Accounting Standards) (Amendment) Rules, 2017.
- Amendments in Notification No. S.O. 3118(E)
- Special courts purpose of speedy trial of offences
- Exclusively listed companies of De-recognized/Non-operational/Exited Stock Exchanges placed on the Dissemination Board
- Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957
- Submission of accounts for debt securities issued under the SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015
- Disclosures relating to regulatory orders and arbitration matters on websites of Clearing Corporations
- Review of advertisement guidelines for Mutual Funds
- SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ('SAST Regulations')
- Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957
- Redressal of complaints against Stock Brokers and Depository Participants through SEBI Complaints Redress System (SCORES)
- Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017
- Investments by FPIs in corporate debt securities

OTHER HIGHLIGHTS

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- Members Admitted/Restored
- Certificate of Practice Issued/cancelled
- Licentiate ICSI Admitted
- Revision in the Annual Membership fee
- List of Practising Members Registered For The Purpose of Imparting Training During The Month of February, 2017
- List of Companies Registered for Imparting Training during the month of January, 2017
- List of Companies Registered for Imparting Training during the month of February, 2017
- Ethics & Sustainability Corner
- New Syllabus for Foundation Programme
- The Standing and Non-Standing Committees of the Council/Boards – 2017-18
- GST Corner
- CG Corner



1. ➤ CS (Dr.) Shyam Agrawal seen presenting the ICSI Journal Chartered Secretary to Arjun Ram Meghwal (Hon'ble Union Minister of State for Finance and Corporate Affairs). Others standing from Left: CS Makarand Lele and CS Ranjeet Kumar Pandey.
2. ➤ Meeting of ICSI delegation with Hon.ble Minister of Civil Aviation – CS (Dr.) Shyam Agrawal presenting a bouquet to P Ashok Gajapathi Raju (Hon'ble Minister of Civil Aviation). Others standing from Left: CS M Jagadeeswara Rao, Dr. S K Jena, CS Dinesh C Arora and CS Ahalada Rao V.
3. ➤ Meeting of ICSI delegation with Mayor, Pune - Group photo – Standing among others (Second from Left): CS Makarand Lele, CS (Dr.) Shyam Agrawal and Mukta Tai Tilak (Mayor, Pune).
4. ➤ Launch of Financial Services e-helpdesk of the Institute by Chairman, SEBI – Standing from Left: Ajay Tyagi (Chairman, SEBI), CS (Dr.) Shyam Agrawal, CS Mahavir Lunawat, CS Atul Mehta and CS Prakash K. Pandya.
5. ➤ Meeting of ICSI delegation with Commissioner GST, Ministry of Finance - CS (Dr.) Shyam Agrawal presenting a letter to Upender Gupta (Commissioner GST, Ministry of Finance). Others standing from Left: CS Dinesh C Arora and CS Satwinder Singh.
6. ➤ 1st Depositors' Education and Awareness Programme, Jaipur - Standing from Left: CS Vimal Gupta, CS Mahavir Lunawat, CS (Dr.) Shyam Agrawal, P K Pradhan (GM-RBI), CS Sushil Daga, Mohan Lal Gupta (MLA, Jaipur City) and CS Dinesh C Arora.



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- 7.▶ Meeting of ICSI delegation with Consul (HOC) and Commercial Representative , South Africa – Standing from Left: CS Sonu Lakhani, CS Atul H Mehta, CS (Dr.) Shyam Agrawal and Naresh Kumar (Consul (HOC) and Commercial Representative , South Africa).
- 8.▶ Interface on the Opportunities & Challenges for Insolvency Professionals under the Insolvency and Bankruptcy Code, 2016 conducted by ICSI IPA. Release of publication titled Interim Resolution Professional – A Handbook – Standing from Left: Ashish Agarwal (Director, J R Laddha Financial Services Pvt. Ltd), CS Alka Kapoor, CS (Dr.) Shyam Agrawal, Justice S.J Mukhopadhaya (Chairperson, NCLAT), CS (Dr.) M S Sahoo (Chairman, IBBI), Anil Khaitan (Sr. VP, PHD Chamber), Sanjeev Gupta (Member, PHD Chamber and Managing Director-Nexgen Financial Solutions Pvt. Ltd.) and Babita Sharma (JS(Finance), PHD Chamber of Commerce and Industry).
- 9.▶ President ICSI CS (Dr.) Shyam Agrawal elected as Secretary of Corporate Secretaries International Association (CSIA) – Group photo of the dignitaries.
- 10.▶ ICSI jointly with NIRC celebrated International Women’s Day – Release of March `17 issue of Chartered Secretary dedicated to CS Women – Empowered and Empowering.
- 11.▶ Celebration of International Women’s Day at ICSI HQ. – President and the Secretary, ICSI with lady members of Team ICSI.



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- 12.► ICSI President's Meet with Chapters' Chairmen of EIRC – a glimpse of the meeting in progress.
- 13.► ICSI-NIRC Chapters Chairmen Meeting with President, Vice President, Council Member and the Secretary, ICSI – Group photo of the participants.
- 14.► ICSI-SIRC Chapters Chairmen Meeting with President, Vice President, some of the Council Members and Secretary, ICSI – Group photo.
- 15.► ICSI Signature Award Ceremony at Pre-convocation of IIM Indore on 29.3.2017 - Standing from Left: Students with Gold Medal, CS Manoj Bhandari, CS Ashish Garg, CS Dipika Kataria, Prof. Rishiksha T Krishnan (Director IIM Indore), IIM Student, Rohit Chawla (ED & Head Fixed Income DBS Banks Ltd), Sidhartha Sethi (Co-Founder& CEO, InfoBeans Technologies Ltd.).
- 16.► CS (Dr.) Shyam Agrawal seen administering the swachatta oath to Team ICSI on Swachatta Divas.

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ARTICLES



- EFFECT OF CHANGES REGARDING OBJECTS CLAUSE OF MEMORANDUM UNDER COMPANIES ACT 2013
- GUIDANCE NOTE ON BOARD EVALUATION
- EMPLOYMENT LAWS AND DATA PROTECTION: A GLOBAL PERSPECTIVE
- ISSUES IN INTERNATIONAL TAXATION
- THE CONCEPT OF 'CONTROL'
- ROLE OF INTERNAL AUDIT IN FINANCIAL SERVICES
- ARE MASALA BONDS SPICY ENOUGH?

Articles in Chartered Secretary Guidelines for Authors

1. Articles on subjects of interest to the profession of company secretaries are published in the Journal.
2. The article must be original contribution of the author.
3. The article must be an exclusive contribution for the Journal.
4. The article must not have been published elsewhere, and must not have been or must not be sent elsewhere for publication, in the same or substantially the same form.
5. The article should ordinarily have 2500 to 4000 words. A longer article may be considered if the subject so warrants.
6. The article must carry the name(s) of the author(s) on the title page only and nowhere else.
7. The articles go through blind review and are assessed on the parameters such as (a) relevance and usefulness of the article (from the point of view of company secretaries), (b) organization of the article (structuring, sequencing, construction, flow, etc.), (c) depth of the discussion, (d) persuasive strength of the article (idea/argument/articulation), (e) does the article say something new and is it thought provoking, and (f) adequacy of reference, source acknowledgement and bibliography, etc.
8. The copyright of the articles, if published in the Journal, shall vest with the Institute.
9. The Institute/the Editor of the Journal has the sole discretion to accept/reject an article for publication in the Journal or to publish it with modification and editing, as it considers appropriate.
10. The article shall be accompanied by a summary in 150 words and mailed to ak.sil@icsi.edu
11. The article shall be accompanied by a 'Declaration-cum-Undertaking' from the author(s) as under:

Declaration-cum-Undertaking

1. I, Shri/Ms./Dr./Professor..... declare that I have read and understood the Guidelines for Authors.
2. I affirm that:
 - a. the article titled "....." is my original contribution and no portion of it has been adopted from any other source;
 - b. this article is an exclusive contribution for Chartered Secretary and has not been / nor would be sent elsewhere for publication; and
 - c. the copyright in respect of this article, if published in Chartered Secretary, shall vest with the Institute.
 - d. the views expressed in this article are not necessarily those of the Institute or the Editor of the Journal.
3. I undertake that I:
 - a. comply with the guidelines for authors,
 - b. shall abide by the decision of the Institute, i.e., whether this article will be published and / or will be published with modification / editing.
 - c. shall be liable for any breach of this 'Declaration-cum-Undertaking'.

(Signature)

Effect of Changes regarding Objects Clause of Memorandum under Companies Act 2013



Dr. K R Chandratre, FCS

Practising Company Secretary

Pune

krchandratre@gmail.com

STATUTORY PROVISIONS

Section 4(1) of the Companies Act 2013 (the 2013 Act) entitled “Memorandum” provides, among other things, that

“The memorandum of a company shall state— (c) the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof.”

Schedule I, Table A prescribes the MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY SHARES and it is stated with regard to the Objects to be stated in the Memorandum:

“3rd.—(a) The objects to be pursued by the company on its incorporation are—
(b) Matters which are necessary for furtherance of the objects specified in

The change made by the Companies Act 2013 with regard to the provision dealing with the objects clause of the memorandum was, indisputably, with a view to enabling companies to have a broader and liberal objects so as to facilitate ease of doing business. This article makes a critical examination of the objective of the change.

clause 3(a) are:—”

In contrast, section 13(1) of the Companies Act 19156 (the 1956 Act), to the extent relevant, read as follows:

“(1) The memorandum of every company shall state —

.....

- (c) in the case of a company in existence immediately before the commencement of the Companies (Amendment) Act, 1965, (31 of 1965) the objects of the company;
- (d) in the case of a company formed after such commencement,—
 - (i) the main objects of the company to be pursued by the company on its incorporation and objects incidental or ancillary to the attainment of the main objects;
 - (ii) other objects of the company not included in sub-clause (i)...

Before the 1965 amendment to section 13(1)(c), the memorandum required to state “the objects of the company”.

PURPOSE AND INTERPRETATION OF THE CHANGE AND ITS EFFECT

The change made by the 2013 Act was, indisputably, with a view to enabling companies to have a broader and liberal objects so as to facilitate ease of doing business. Clause (c) of section 4(1) now requires to state under the “Objects”, the following:

- A. the objects for which the company is proposed to be incorporated; and
- B. any matter considered necessary in furtherance thereof.

While category ‘A’ should consist of “objects”, category ‘B’ are “matters”, and not objects, considered necessary in furtherance of the objects stated at ‘A’. In other words, what is stated at ‘A’ would be objects but what is stated at ‘B’ would not be objects but matters, such as powers. These matters should be those which are considered by the company to be

* Past President, The ICSI

It is against the principle of statutory interpretation to read or insert in a statute any words which are not there. Thus, as a result of the omission of the word “main”, the Legislature seems to have intended to dispense with the requirement of and the words “objects incidental or ancillary to the attainment of the main objects”; there is no statutory requirement to enlist the main objects nor a bifurcation of the objects into two groups namely main objects and objects incidental or ancillary to the attainment of the main objects.

necessary in furtherance of the company’s objects stated at ‘A’. There is no requirement of the objects to be divided into three categories that section 13 of the 1956 Act required, namely: Main Objects; Objects incidental or ancillary to the attainment of the main objects; and Other Objects. It would therefore be inconsistent with the express requirement of the law to either insist on or state in the memorandum any such division of the objects.

It is also inconsistent with the law to call any objects as “Main Objects” or restrict the number of objects to be stated under Main Objects as has been the practice in the past. In fact, under the new legal dispensation, all objects stated at ‘A’ are main objects or just objects for which the company has been incorporated whether to be pursued immediately on the incorporation or at any point of time during its existence.

This is clearly the effect of omission of the words “the main objects of the company to be pursued by the company on its incorporation” which existed in section 13(1)(d)(i) of the 1956 Act. Those words have been purposefully dispensed with by the Legislature and we cannot read those words into the new provision of the 2013 Act, inasmuch as it is against the principle of statutory interpretation to insert any words in a statute. No words can be added in, or deducted from, a statute. It is a corollary to the general rule of literal construction that nothing is to be added to or taken out from a statute unless there are adequate grounds to justify the inference the legislature intended something which it omitted to express.¹ The intention of the legislature is required to be gathered from the language used and, therefore, a construction, which requires for its support with additional substitution of words or which results in rejection of words as meaningless has to be avoided.²

As noted above, section 4 requires to state, inter alia, “the objects for which the company is proposed to be incorporated.” Contrary to what the statutory provision says, Table A in Schedule I requires to state “The objects to be pursued by the company on its incorporation”. These words seem to have been lifted from section 13(1)(d)(i) of the 1956 Act [“the main objects of the company to be pursued by the company on its incorporation”].

There is an apparent conflict between the language of section 4 and Schedule I, Table A, as the words used at the two places would seem to be different in substance. The two sets of words, namely “the objects for which the company is proposed to be incorporated” and “the objects to be pursued by the company on its incorporation”, seem to be not identical in their effect. The words “the main objects of the company to be pursued by the company on its incorporation” used in section 13(1)(d)(i) have been interpreted as meaning only those objects which the company proposes to pursue immediately on incorporation and cannot

include those that are to be taken up or pursued in the future, say several years after the company was incorporated. But the words now used in section 4, namely “the objects for which the company is proposed to be incorporated”, do not seem to be restricted to stating only those objects which the company intends to pursue after its incorporation, either immediately after incorporation or at any time thereafter, and any such interpretation would run contrary to plain and unambiguous statutory language used in section 13(1)(d)(i) of the 1956 Act (also used in Schedule I, Table A to the 2013 Act). It is against the principle of statutory interpretation to read or insert in a statute any words which are not there. Thus, as a result of the omission of the word “main”, the Legislature seems to have intended to dispense with the requirement of and the words “objects incidental or ancillary to the attainment of the main objects”; there is no statutory requirement to enlist the main objects nor a bifurcation of the objects into two groups namely main objects and objects incidental or ancillary to the attainment of the main objects. There is also no limit on the number of objects a company may want to state under “objects for which the company is proposed to be incorporated.”

HOW MANY OBJECTS CAN A MEMORANDUM HAVE?

The discussion above indicates that the words “the objects for which the company is proposed to be incorporated” used under section 4(1)(c) cannot be interpreted by importing any artificial and arbitrary restriction which is not there in the statutory provision to limit the number of objects to be stated under this category. There can be diverse and wide-ranging businesses that this category can contain. Any restriction will be contrary to the law.

There is no restriction (unlike in the past) on the number of main objects a company can have in its memorandum because there is no such thing as ‘main objects’ under the new statutory mandate. A company can, therefore, have any number of objects in the first category “the objects for which the company is proposed to be incorporated”.

INTERPRETATION OF “ANY MATTER CONSIDERED NECESSARY IN FURTHERANCE THEREOF”

As noted above, section 4(1)(c) of the 2013 Act says that the memorandum of a company shall state “any matter considered necessary in furtherance thereof” in addition to “the objects for which the company is proposed to be incorporated.” This provision dispenses with the requirement of bifurcation of the objects into three categories that section 13 of the 1956 Act required.

According to section 13(1)(c) of the 1956 Act, the memorandum of a company in existence immediately before the commencement of the Companies (Amendment) Act, 1965, was required to state the objects of the company. Therefore, the memorandum of such a company was not required to state the division of the objects as required by clause (d) of sub-section (1) of section 13.

¹ Maxwell on the Interpretation of Statutes, 12th edn, page 33

² State of Maharashtra v. Nanded Parbhani Z.L.B.M.V. Operator Sangh 2000 AIR SCW 261.

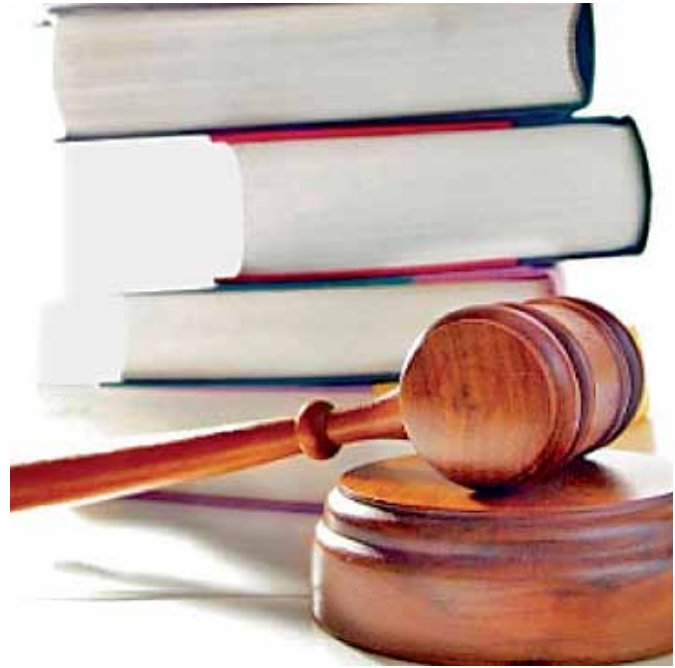
The need and importance of the Objects to be stated in the memorandum of association of a company was succinctly explained in the *Palmer's Company Law, 23rd edition, para 9-04*, as follows:

"The function of the objects clause in defining the capacity of the company is of great importance because a company incorporated by registration under one of the Companies Acts, like any other corporation created by Act of Parliament, has no existence, and cannot act as a legal person, outside the purposes (*ultra vires*) defined in the objects clause of the memorandum (or given to it by statute). A company incorporated under the Companies Acts does not enjoy full legal personality, as, e.g. a chartered company does, but its legal personality exists only for the particular purposes of its incorporation as defined in the objects clause. An act which is *ultra vires* the company is null and void in the same manner as an act done by a local authority outside its statutory authority. Such an act cannot be ratified by the general meeting but the general meeting may alter the objects in the prescribed manner and thus extend the objects of the company. Such alteration of the objects has no retrospective effect. In common law, if the company concludes a contract which is *ultra vires*, neither the company nor the other contracting party can sue on it."

The legal personality of a company incorporated under the Companies Acts exists only for the purpose of its incorporation, as defined in the objects clause, which have to be set out in its memorandum of association in the manner required by s 2(1)(c) of the Companies Act 1948. It does not, however, follow that any act is beyond its capacity unless expressly authorised by its objects clause. Any such company is treated as having implied powers to do any act which is reasonably incidental to the attainment or pursuit of any of its express objects, unless such act is expressly prohibited by the memorandum.³

The purpose of the memorandum is to enable shareholders, creditors and those who deal with the company to know what is the permitted range of enterprise, and for this information they are entitled to rely on the constituent documents of the company. The memorandum of a company must be construed in accordance with the accepted principles applicable to the interpretation of all legal documents, and it is incorrect to say that a specially rigid canon of construction is to be applied to such documents. A memorandum, like any other document, must be read fairly and its import derived from a reasonable interpretation of the language which it derives. The intention of the framers of the memorandum must be gathered from the language in which they have chosen to express it.⁴ As stated by the Supreme Court in *Dr. A. Lakshmanaswami Mudaliar v. Life Insurance Corporation of India* AIR 1963 SC 1185:[1963] 33 Comp. Cas 429(SC), a company is competent to carry out its objects specified in the memorandum of association and cannot travel beyond the objects. But power to carry out an object, undoubtedly includes power to carry out what is incidental or conducive to the attainment of that object, for such extension merely permitted something to be done which was connected with the objects to be attained, as being naturally conducive thereto.

In *Re Horsley & Weight Ltd* [1982] 3 All ER 1045, Buckley LJ referred to the distinction between objects and powers, and said:



"The Companies Act, 1948, section 2, requires the memorandum of association of a company incorporated under that Act to state the objects of the company. A company has no capacity to pursue any objects outside those which are so stated. It does not follow, however, that any act which is not expressly authorised by the memorandum is *ultra vires* the company. Anything reasonably incidental to the attainment or pursuit of any of the express objects of the company will, unless expressly prohibited, be within the implied powers of the company. It has now long been a common practice to set out in memoranda of association a great number and variety of 'objects' so called, some of which (for example, to borrow money, to promote the company's interests by advertising its products or services, or to do acts or things conducive or incidental to the company's objects) are by their very nature incapable of standing as independent objects which can be pursued in isolation as the sole activity of the company. Such 'objects' must, by reason of their very nature, be interpreted merely as powers incidental to the true objects of the company and must be so treated notwithstanding the presence of a separate objects clause."

In *Halifax Building Society v Meridian Housing Association Ltd* [1994] 2 BCLC 540 (Ch)

Meridian Housing Association Ltd (Meridian) was a housing association formed under the Provident Societies Act 1965. Meridian's Rules provided that its objects and powers were:

"2. The objects of Meridian shall be to carry on the industry business or trade of providing housing or any associated amenities. 3. The Association [Meridian] shall have power to do all things necessary or expedient for the fulfilment of its objects."

Meridian entered into a development agreement whereby it, inter alia, agreed to develop a site by constructing new buildings the ground floor of which would be used as offices and the upper stories as flats. The question arose as to whether it was within the capacity of Meridian to enter into a transaction involving the development of property for office purposes. It was held that, the relevant question was whether the development of the office units was

³ *Rolled Steel Products (Holdings) Ltd v British Steel & Corp and others* [1985] 3 All ER 52

⁴ *Egyptian Salt and Soda Co. Ltd. v Port Said Salt Association Ltd* AIR 1931 PC 182.

a transaction of a category which on the true construction of rule 3 of Meridian's constitution was capable of being performed as reasonably incidental to the pursuit of its objects as set out in rule 2. It would have been within the objects of Meridian to provide an estate office in connection with a residential development or a warden's office in residential accommodation for the elderly. Accordingly, the provision of office units was something that Meridian could do in pursuit of its objects.

WHETHER AN ALL-PERVASIVE CLAUSE IS VALID

A question that arises as to whether it would be consonant with the legal requirement if, after enumerating a few or several matters considered necessary in furtherance of the objects for which the company is proposed to be incorporated, the objects clause states what used to be there in most of the memorandums prior to 1965 after a long list of specific objects, something like this:

"To carry on any other trade or business, whether manufacturing, trading, agricultural or otherwise, which may seem to the Company, capable or being conveniently carried on in connection with any of the above businesses or calculated to enhance the cause of or render profitable any of the property or rights of the Company."

On true construction of the language used, it appears that such an all-pervasive clause as above would not be consonant with the requirement of section 4, because the words "The memorandum of a company shall state ... any matter considered necessary in furtherance thereof" would seem to contemplate specific mention of one or more matters similar to what used to be mentioned under Other Objects under the 1956 Act.

Where the objects clause contained a general clause with these words, "To do all such other things as are incidental or conducive to the attainment of the above objects or any of them", it was held that the operation of such general words should be considered to be limited to such things as are naturally conducive to the objects specified, *i.e.*, doing something bona fide connected with the objects to be attained and in the ordinary course of business adapted, to their attainment. [Palmer's Company Law, 23rd edition, para 9.32; *Joint Stock Discount Co. v. Brown* (1866) L.R. 3 Eq. at p. 150; same case, L.R. 8 Eq. at p. 395; *Ashbury Rly., etc., Co. v. Riche* (1875) L.R. 7 H.L. 653; *British and Foreign, etc., Co. v. Ashbury Carriage, etc., Co.* (1869) 20 L.T. 360; *Deuchar v. Gas Light and Coke Co.* [1925] A.C. 691.]

Where, however, the objects clause also incorporates a provision empowering the company to do anything which "in the opinion of the board of directors" can be carried on advantageously in connection with its other objects, or incidentally thereto, the above test is replaced by a subjective one. It has been held that, where such words appear, any act is within the company's powers if the directors honestly form the view that it can be advantageously combined with the other objects, even though the directors are mistaken, and in fact the business in question cannot be carried on as the directors believe. [In *Bell Houses Ltd. v. City Wall Properties Ltd.* [1966] 2 Q.B. 656, following *Keren Kayemeth Le Jisroel Ltd. v. I.R.C.* [1931] 2 K.B. 465; *Oxford Group v. I.R.C.* [1949] 2 All E.R. 537; and *Associated Artists Ltd. v. I.R.C.* [1956] 2 All E.R. 583].

CONSTRUCTION OF THE OBJECTS

It has been held that a memorandum of association, like any other document, must be read fairly and its import derived from a reasonable interpretation of the language which it employs. There is no specially rigid cannon of construction applicable to such documents. The purpose of the memorandum of association

is to enable shareholders, creditors and others who deal with the company to know what its permitted range of enterprise is and for this information they are entitled to rely on the constituent documents of the company. The intention of the framers of the memorandum must, therefore, be gathered from the language in which they have chosen to express it, and it is not proper to refer to other sources of information, such as antecedent transactions, to which persons who deal with the company have no access.⁵ In construing the objects clause of the memorandum of association there need be no rigidity or laxity but a reasonable construction is proper.⁶

ALTERATION OF OBJECTS


Section 13(1) of the 2013 Act provides that "Save as provided in section 61, a company may, by a special resolution and after complying with the procedure specified in this section, alter the provisions of its memorandum."

Section 13(9) states: "The Registrar shall register any alteration of the memorandum with respect to the objects of the company and certify the registration within a period of thirty days from the date of filing of the special resolution in accordance with clause (a) of sub-section (6) of this section.

And according to section 13(10), "No alteration made under this section shall have any effect until it has been registered in accordance with the provisions of this section."

Section 13(9) casts a duty in the Registrar to register any alteration of the memorandum with respect to the objects of the company and certify the registration and the Registrar has no power to refuse to register if the alteration is found to have been carried out by a duly passed special resolution. The Registrar cannot question the alteration as such unless it is found to be unlawful. No criteria or conditions can be brought into play to limit the company's power of alteration of the objects.

Section 17 of the 1956 Act laid down seven criteria against which validity of the alteration used to be tested. The most frequently applied test was clause (d) of section 17(1) which stated: "(d) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company". If the alteration failed to satisfy this criterion, the courts (and later the CLB) used to reject to confirm the alteration. Now, that is gone! No such or any other criteria can be applied by the Registrar to refuse to register the alteration to the objects clause of the memorandum. The reported case law shows that sometimes the alteration which could not satisfy this test was rejected if the company did not have a current business being carried on by it on the date of passing of a special resolution, on the ground that it there was no existing business with which the company could *conveniently or advantageously combine* the proposed business.

It will be observed that, unlike section 17 of the 1956 Act, section 13(1) of the new Act now gives unbridled power to alter objects clause of the memorandum, without satisfying any such test even if the new business proposed to be commenced is altogether different from the existing business or when the company has no existing business and it wants to take up a new business for which the objects clause is being altered. The term 'alter' is inclusively defined in section 2(3) of the 2013 Act and it includes the making of additions, omissions and substitutions. 

⁵ *Egyptian Salt & Soda Co. Ltd. v Port Said Salt Association Ltd.* (1931) 1 Comp Cas 285 (PC): AIR 1931 PC 182.

⁶ *Wamanlal Chhotalal Parekh v Scindia Steam Navigation Co. Ltd.* (1944) 14 Comp Cas 69 (Bom): AIR 1944 Bom 131.

Guidance Note on Board Evaluation



Dipti Shah, FCS

Company Secretary
Adani Ports and SEZ Ltd.
Ahmedabad

dipti.shah@adani.com

INTRODUCTION

The Securities and Exchange Board of India (SEBI) vide its circular no SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017 has issued guidance note on how companies should evaluate the performance of their directors to ensure objectivity and improve corporate governance. According to the guidelines, companies should consider whether discussions among board members are healthy and free-flowing, whether critical and dissenting suggestions are welcome and whether conflicts of interest are monitored and dealt with SEBI. The note is essentially intended as guidance note and does not constitute new rules. Its is to educate the listed entities and their board of directors about various aspects involved in the board evaluation process and improve their overall performance as well as corporate governance standards to benefit all stakeholders. Companies should check if they are allowing independent directors to perform their roles effectively and whether directors are allowed to exercise their own judgment and voice their opinions freely.

The concept of Board evaluation in India is at a nascent stage. It has been brought to SEBI's notice by market participants that as the number of listed entities in India is very large, many of them may not have much clarity on the process of Board Evaluation and hence, may need further guidance. Accordingly the SEBI has come out with Guidance Note on Board evaluation the details of which are outlined and examined in this article.

A 2016 report by proxy advisory firm In Govern said that, under its five-star rating system, only five of India's top 100 companies' merited three stars for providing effective board evaluations.

BACKGROUND

SEBI's Guidance Note on Board Evaluation is not intended to act as interpretation of the law, but serves as a great and much needed road map for implementation of several provisions in the Companies Act, 2013, and SEBI Regulations on corporate governance. Auditors have guidance from the Institute of Chartered Accountants in respect of several areas of their work and increasingly Company Secretaries have from their *alma mater*. However, the Board of Directors and individual directors generally find their role, obligations and even liabilities having increased manifold but yet do not have detailed formal guidance as to how they are to carry on their work. This knowledge gap is felt even more, since most directors may not be well conversant with the law. The Guidance Note, to reiterate, does not have a binding effect but diligent compliance in letter and spirit can be a good defense in case of action against independent directors by regulators. Such action can be expected to be manifold considering that corporate governance is now a law with severe consequences for violations. Indeed, it is possible.

OVERVIEW

Earlier the requirements as to corporate governance were mainly contained in the erstwhile Clause 49 of the Listing Agreement. However, now, they are part of the statute and indeed they are not only elaborate and detailed but overlapping too. They are now contained in the Companies Act, 2013 (the Act), and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR).

On the subject matter of the Guidance Note, there are requirements on how the Board, its Committees and its members would be evaluated, selected, recommended for removal, etc. The requirements of corporate governance in this sense are intended to be self-regulating. The law lays down that such evaluation should take place, who should carry out such

evaluation and what should be disclosed in respect of such evaluation. However, the manner in which the evaluation should be carried out has not been specified leaving a gap which companies may fill in different ways, some more elaborately and in detail and some summarily or even perfunctorily. The Guidance Note is intended to fill this gap to help companies and their boards to carry out this function.

EFFECTIVE DATE

They shall come into force with effect from the 5th January 2017

Whether Mandatory or Not

The Companies Act, 2013 and SEBI LODR provide for several mandatory provisions for Board Evaluation as to who is to be evaluated, who is to evaluate such persons, disclosure requirements, etc. The main provisions of Companies Act, 2013 and SEBI LODR on Board Evaluation as applicable to listed entities are summarized hereunder

Applicable Sections of the Companies Act 2013.

Sl. No.	Section	Provisions
1	134(3)(P)-	Financial statement, board's report, etc. (3) There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include— (p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, 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;
2	178(2)-	Nomination and Remuneration Committee The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

Applicable Schedule under Companies Act 2013.

Sl. No.	Schedule	Particulars
1	IV (CODE FOR INDEPENDENT DIRECTORS)	II. Role and functions. (2) The independent directors shall bring an objective view in the evaluation of the performance of board and management; V. Re-appointment: The re-appointment of independent director shall be on the basis of report of performance evaluation. VII. Separate meetings: (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management; (2) All the independent directors of the company shall strive to be present at such meeting;

		(3) The meeting shall: (a) review the performance of non-independent directors and the Board as a whole; (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. VIII. Evaluation mechanism: (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
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Applicable Rules under Companies Act 2013.

Sl. No.	Rules	Particulars
1	8 (4) of the Companies (Accounts) Rules, 2014	Matters to be included in Board's report Every listed company and every other public company having a 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

Applicable Regulations under SEBI (LODR) Regulations

Sl. No.	Regulations	Particulars
1	CHAPTER II: 4(2)(f)(ii):	Key functions of the board of directors (9) Monitoring and reviewing board of director's evaluation framework.
2	Chapter IV: 17(10):	Board of Directors The performance evaluation of independent directors shall be done by the entire board of directors: Provided that in the above evaluation the directors who are subject to evaluation shall not participate:
3	25(3)&(4)	Obligations with respect to independent directors (3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting. (4) The independent directors in the meeting referred in sub-regulation (3) shall, inter alia-

		(a) review the performance of non-independent directors and the board of directors as a whole; (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors; (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
	Schedule II (PART D) (A)	Role of Nomination and Remuneration Committee Role of the Committee shall, inter-alia, include the following: (2) formulation of criteria for evaluation of performance of independent directors and the board of directors; (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal. (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
	Schedule V: (Annual Report)	(C) Corporate Governance Report The following disclosures shall be made in the section on the corporate governance of the annual report. (4) Nomination and Remuneration Committee: (d) performance evaluation criteria for independent directors.

Aspects covered by the Guidance Note

As required under SEBI LODR and Companies Act, the evaluation of the Board involves multiple levels:

1. Board as a whole
2. Committees of the Board
3. Individual directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-Independent Directors etc.)

However, the concept of Board evaluation in India is at a nascent stage. It has been brought to SEBI's notice by market participants that as the number of listed entities in India is very large, many of them may not have much clarity on the process of Board Evaluation and hence, may need further guidance.

Criteria of Evaluation

The criteria for evaluation under different categories depend on the role the person/group plays in the Organization. The criteria for every evaluation may be decided at every level depending on the functions, responsibilities, competencies required, nature of business etc. As per SEBI LODR, the primary responsibility for formulation of criteria lies on the Nomination and Remuneration Committee.

Structure of the Board

Competency of directors, experience of directors, mix of

6 Competency of directors, experience of directors, mix of qualifications, and diversity in Board under various parameters are to be taken into consideration in structuring the Board. Further the appointment to the Board of Directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.

qualifications, and diversity in Board under various parameters are to be taken into consideration in structuring the Board. Further the appointment to the Board of Directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.

Meetings of the Board

Whether meetings are being held on a regular basis, whether the frequency of such meetings is enough for the Board to undertake its duties properly and whether the logistics for the meeting is being handled properly i.e. venue, format, timing etc are first requisite parameters.

Agenda of the Board

As far as agenda is concerned, the same should be circulated well before the meeting; it should contain all relevant information to take decision in the matter, the agenda should be having all board papers explaining the issues properly etc. Further the outstanding items of previous meetings are to be followed up and taken up in subsequent agendas. The Board should be able to finish discussion and decision on all agenda items. It should also include adequate information on Committee's activities. The Board should deliberate and discuss on all agenda points and there should be healthy debate and contribution by everyone without any fear or favour. All the members should actively participate in the meeting and overall, the Board should function constructively as a team.

Minutes

The minutes of the meeting should be recorded properly, clearly, completely, accurately and consistently. The minutes are to be approved properly in accordance with set procedures and should be circulated to all the Board members. Further, the Minutes should contain the views of the dissenting members. Also, the information pertaining to the meeting is to be disseminated to the members timely, frequently, accurately and regularly.

Functions of the Board

The functions of the Board should cover the following:-

(a)	Strategy and Performance evaluation
(b)	Governance and compliance
(c)	Evaluation of Risks

External assessment imparts an independence to the evaluation process and will complement the internal assessment and adds an objective aspect to the evaluation process. Care should be taken to ensure that the external assessor is not a related party or conflicted due to closeness of the Board to ensure impartiality.

(d)	Grievance redressal for Investors
(e)	Conflict of Interest
(f)	Stakeholder value and responsibility
(g)	Corporate culture and values
(h)	Review of Board Evaluation
(i)	Facilitation of Independent Directors.

Board and Management

The following should be covered under Board and Management:-

(a)	Evaluation of performance of the management and feedback.
(b)	Independence of the management from the Board
(c)	Access of the management to the Board and Board access to the management
(d)	Secretarial support
(e)	Fund availability
(f)	Succession Plan
(g)	Professional development.

Committees of the Board

The mandate, composition and working procedures of Committees of the Board of Directors should be clearly defined and disclosed. A Committee has to fulfil its functions as assigned by the Board and laws as may be applicable. There should be a laid down sub-criteria of evaluation for each Committee. Further, the Board should ensure adequate independence of a Committee and the Committee's recommendations should be effectively contributed to the decisions of the Board.

Directors and Chairperson

The Directors and Chairperson should have prior experience, especially the experience relevant to the entity so that the person can fare well across different competencies as identified for effective functioning of the entity and the Board. The Directors and Chairperson should have sufficient understanding and knowledge of the entity and the sector in which it operates. The Director should be available for meetings of the Board and should attend the meeting regularly and function as an effective team-member. The Director should also be expected to take initiative with respect to various areas of his functions and should understand the functions assigned to him so that he can effectively contribute to the entity and in the Board Meetings. Last but not the least, the director should demonstrate highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality etc.)

Additional criteria for Independent Directors

The Independent Director should be independent from the entity

and the other directors and there should not be any conflict of interest. Further, the independent director should exercise his/her own judgment and voice opinion freely.

Additional criteria for Chairperson

For Chairperson, certain additional criterion have been prescribed by SEBI. The Chairperson should display efficient leadership, should be open-minded, decisive, courteous, display professionalism, able to coordinate the discussion etc. and overall is able to steer the meeting effectively. The Chairperson should also be impartial in conducting discussions, seeking views and dealing with dissent etc. Further, the Chairperson should be committed to the Board and its meetings keeping in view the shareholders' interest in mind. It may be noted that different criteria may be assigned with different weights depending on the organization's requirements, circumstances, outcome of previous assessments, stage of Board's maturity etc. Instead of the questionnaire in a simple yes/no format, it is desirable that it provides scope for grading, additional comments, suggestions etc.

Method of Evaluation

Internal assessment

A detailed questionnaire to be circulated to individual directors, Committees, Board etc. and Oral assessments provided by the person on interviews. If deemed fit, the questionnaire may enable written answers to be submitted on a confidential basis. If due to certain reasons, members are not willing to provide written inputs, the Chairperson or any other person may take initiative and obtain views of such members on a confidential basis.

Assessment by external experts

External assessment imparts an independence to the evaluation process and will complement the internal assessment and adds an objective aspect to the evaluation process. Care should be taken to ensure that the external assessor is not a related party or has a conflict of interest due to closeness of the Board to ensure



impartiality.

Feedback

Any evaluation process would be successful, only if it is backed by feedback. After the evaluation process is complete, the feedback should be given

(a) Orally given by Chairman/ external assessor or any other suitable person to

(i)	Each member separately
(ii)	To the entire Board
(iii)	To the Committees.

(b) A written assessment to every member, Board and Committee. For effectiveness of the evaluation, it is essential that the feedback be given honestly and without bias. Further, if the members are not comfortable to open individual assessments, provision for confidentiality may be made wherever possible.

Action Plan

Based on the analysis of the responses, the Board may prepare an action plan on areas of improvement including training, skill building etc. as may be required for the Board Members. The detailed action plan may be prepared by the Board in a comprehensive manner. While drafting the action plan, suggestions under the external assessment, individual member, and feedback may be taken into account.

Disclosure Requirements

SEBI's guidance note has suggested that in addition to the disclosure requirements relating to formal annual evaluation of the Board, voluntarily companies should come forward to provide additional disclosures including the results of the Board evaluation, action taken on the basis of the evaluation, current status etc. to various stakeholders.

Frequency of Board Evaluation

As per SEBI LODR and the provisions of the Companies Act,

the Board Evaluation is required to be done once a year. Since Board evaluation is a continuous process, the entity, if so desires, may also conduct such evaluation more frequently, which will be more effective for continuous improvement and ideally complements the annual evaluation process.

Responsibility

The responsibility lies on the Chairperson for steering the whole process of Board evaluation and of effectiveness in improving the Board efficiency.

Review

Unless review of the Board evaluation is conducted, it will lose its effectiveness. The responsibility of such review of the evaluation process lies with the Board of Directors in accordance with SEBI LODR. The review should include whether objectives and criteria for evaluation are adequate, process/method, whether review of the process is being done on a regular basis, whether Board evaluation is followed up on a timely basis and feedback of the members to improve the process are being taken into account. Also review may be done based on feedback from management, Board members, Chairperson, external assessors and various stakeholders.

Template for Board Evaluation.

"Given below are a series of questions intended to stimulate your comments and suggestions. Please feel free to include written comments in the space provided at the end of each section of the questionnaire. Any suggestions for improving the Board evaluation process, including this questionnaire, are also welcome and will be appreciated. Please complete this questionnaire and return the hard copy by mail to [_____]. Thank you very much for your time and attention.

In addition your responses to the questions below, for which you are asked to provide a number rating, you should feel free to raise any other matters in the one-on-one interviews that you would like to include in this process. The following are a few suggested talking points for the interviews:

- What opportunities for improvement do you see for specific board members (including yourself)?
- Please comment on each director's competency in contribution as a Board member.
- Please indicate how you compare the Board to others of which you are (were previously) a member.
- Please indicate any matters not regularly considered by the Board or its committees which you believe to be necessary or appropriate for the Board to consider.
- Please provide any other comments regarding the Board, committees and sub-committees that you would like to be considered in connection with this annual evaluation.

Please circle the appropriate number below each question, using the following scale:

- 1 = strongly agree (outstanding)
- 2 = agree (consistently good)
- 3 = should be reviewed
- 4 = disagree



Sl. No.	Effectiveness Dimensions	Strongly agree (outstanding)	Agree (consistently good)	Should be reviewed	Disagree
1	COMPOSITION OF THE BOARD				
a	The Board has the right number of directors				
b	The composition of the Board, including the mix of independent and non-independent directors, is appropriate.				
c	The process for selecting new directors is effective.				
2	OVERSIGHT OF MANAGEMENT				
a	The Board is effective in reviewing, approving and monitoring operating, financial and other corporate plans, strategies and objectives.				
b	The Board is effective in evaluating the performance of the Company's senior executives.				
c	The Board is effective in evaluating the Company's compensation programs and determining the compensation of its senior executives.				
d	The Board is effective in reviewing and implementing senior executive succession plans.				
e	The Board is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.				
f	The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.				
g	The Board is effective in questioning and providing advice and assistance to the Company's senior executives.				
h	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.				
3	UNDERSTANDING THE COMPANY AND ITS BUSINESS				
a	The Board can clearly articulate and communicate the Company's strategic plan.				
b	The Board is knowledgeable about the competitive factors affecting the Company.				
c	The Board is effective in identifying threats and opportunities critical to the future of the Company.				
d	Board members keep themselves informed of trends and issues affecting the Company's performance.				

e	The Board is provided with sufficient information about the following matters-				
	(i) The principal operational and financial objectives and plans of the Company.				
	(ii) The financial results of the Company and its business segments.				
	(iii) The risks and problems that affect the Company's business and prospects.				
	(iv) The major long-term trends and strategic alternatives available to the Company.				
f	There is an adequate program for the orientation of new directors				
4	CONDUCT OF BOARD MEETINGS				
a	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues				
b	The Board strikes the right balance in discussing operational and strategic issues.				
c	The Board is given sufficient opportunity to meet with senior staff and operating management.				
d	The Board is provided with sufficient information and time to address issues that might present a conflict of interest.				
e	There is sufficient time and opportunity for outside directors to meet and discuss issues by themselves.				
f	The information provided to directors prior to Board meetings meets my expectations in terms of level of detail and focus.				
g	The presentations made to the Board at its meetings meets my expectations in terms of level of detail and focus.				
h	Board meeting time is appropriately allocated between Board discussion and management presentations.				
i	The length of each meeting is generally adequate for the Board to effectively cover appropriate business.				
j	The number of meetings during the year is sufficient for the Board to be effective.				
k	Board members come prepared to meetings and ask appropriate questions of management.				
5	BOARD COMMITTEES				
a	Responsibilities of the committees of the Board are well defined.				

b	The following committees are effective in performing their responsibilities.				
	(i) Audit Committee				
c	(ii) Nomination and remuneration committee.				
	Committee reports at Board meetings give the appropriate amount of information to the Board.				
d	Audit Committee (To be completed by Audit Committee members only)				
	(i) The Audit Committee is addressing effectively the matters delegated to it in its charter.				
	(ii) Audit Committee members receive sufficient background information prior to meetings.				
	(iii) Audit Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.				
	(iv) Audit Committee meeting time is appropriately allocated between Committee discussion and management presentations.				
	(v) There is enough time set aside for Audit Committee meetings.				
	(vi) The number of Audit Committee meetings is sufficient for it to accomplish its tasks.				
	(vii) The composition and size of the Audit Committee are appropriate				
	(viii) The Audit Committee makes effective use of its outside advisors.				
e	Nomination and remuneration committee (NRC) (To be completed by NRC members only)				

	The composition of Nomination and remuneration committee' is appropriate.				
	The Nomination and remuneration committee missions are clearly defined and adequate to insure good Corporate Governance.				
	Members of the committee receive adequate material in advance of the committee meeti				
	The reports & recommendations received from each of Board's committees are satisfactory.				

List of Directors and their Ascribed code number

Sl. No.	Name of the Director	Ascribed code number
1	Mr. X	1
2	Mr. Y	2
3	Mr. Z	3

Additional points to be covered through the guidance note.

1	Significant time of the Board is devoted for strategic issues and Board reviews overall corporate strategy and performance
2	Adequate time of the Board is devoted to analyse and examine governance and compliance issues
3	The Board evaluates and analyses the Compliance certificate from the practicing company secretaries regarding compliance of conditions of corporate governance
4	The Board evaluates and monitors management, especially the CEO and provides feedback and strategic guidance
5	The level of independence of the management from the Board is adequate
6	The Board and the management are able to access each other and exchange information
7	The minutes are recorded clearly, accurately and are circulated to all the Board members within stipulated time.
8	The Independent Directors are independent from the company and the other directors and there is no conflict of interest
9	The Directors exercises his/her own judgment and opinion freely

CONCLUSION

In large international corporations, Board evaluations are usually conducted by the Governance and Nomination Committees with the help of outside experts. However, there are many companies, especially those in Europe and particularly in the UK, who advocate that the exercise should be conducted only by an independent external expert who would be in a better position to make an independent assessment.

In India, Board evaluation was a non-mandatory requirement under Clause 49 of the Listing Agreement, prior to the announcement of the Securities and Exchange Board of India (SEBI) following its Board meeting on 13th February 2014, to amend the Clause 49. A few progressive companies however had been pursuing Board evaluation (and in some instances even peer evaluation of directors) voluntarily as they believed in its usefulness. In all these voluntary cases, the evaluation was led by the Chairperson and the assistance of independent external experts was seldom sought.

Good evaluations have quantitative and qualitative parts and usually the latter inform the evaluations with rich data, which brings greater objectivity to the evaluation exercise

CS



Employment Laws and Data Protection: A Global Perspective



S. Ravishankar, FCS

Company Secretary in Practice
ASR & Co., Bengaluru

rslegaleagle@gmail.com

Social Media is gaining popularity and immense significance in India for conducting business and as a main platform for socialising with friends, family and also plays a major role in the promotion of business. Use of social Media for personal and business is so much entangled with each other that it is difficult to identify which laws would be applicable for these use of social media and how and what would be an unlawful use of the same.

On account of wide spread use of the Social Media by the employer-employee community in India, it becomes important to understand how social media could be used in a manner serving the best interest of the employers and at the same time not attract any legal consequences. The primary focus of this article would be to understand the attitudes of the global employers towards the use of employee Data collected through the social media and otherwise, legal pitfalls in their use and the international practices.

While presently there is no specific statute which governs DATA privacy in India, the protection in this regard is largely based on the Constitutionally guaranteed "Right to privacy". Although the concepts of "privacy", "sensitivity", "personnel information" and "anti-discrimination" are recognised in India, the laws pertaining to social media is still in its infancy and emerging phase. Therefore, we have to be guided by the international development in this regard.

Right to life and personnel liberty are fundamental rights guaranteed by Article 21 of the Indian Constitution as decided by the Supreme Court in the case of *Kharak Singh v. State of UP* (AIR, 1963 SC 1295). However the jurisprudence of this revolves around rights of citizens against illegal invasion of privacy by the government agencies and not by private organizations and hence the invasion of privacy on social media sites, and the risk associated with accessing publically available information is tricky and risky.

According to statistics the total number of social networks users in India is expected to be around 145.6 Million by the end of the year and about 224.2 Million by the end of 2018. Facebook is estimated to have around 100 million monthly active users out of which 80% use it through their mobile phones. Twitter is estimated to have around 33 million monthly users, LinkedIn around 26 million users and finally Pinterest around 5.5 million users.

The use of social media by employers in India therefore raises questions as to what laws and rules will apply for workplace confidentiality and loyalty, and how they are balanced against the "freedom of expression" guaranteed by the Constitution.

Articles 19 (1) (a) and 21 of the Constitution do not patently grant right of privacy, but courts in India on many occasions have held that the right to privacy is a part of the fundamental rights of every citizen along with freedom of speech and expression, but this right is enforceable only against government agencies and bodies and not against private violations and invasions. Non-state invasions have to be necessarily governed by the general law of torts such as defamation, breach of confidentiality and so on and so forth. Currently the only relevant laws in India concerning DATA Protection are the Information Technology Law (IT Act 2000) read with the "Reasonable Practise and Procedures and Sensitive Personal Data or information Rules, 2011 (Data Protection Rules), the Indian Contract Act, 1872 and the general principals of Law of Torts. The IT Act is the only Act which addresses the Data

6 The use of social media by employers in India therefore raises questions as to what laws and rules will apply for workplace confidentiality and loyalty, and how they are balanced against the “freedom of expression” guaranteed by the Constitution.

Protection & privacy. Section 43A of the IT Act, states that “when a corporate body is negligent in implementing and maintaining reasonable security practises and procedures in relation to any sensitive personnel data information that it possesses and such negligence causes wrongful loss or wrongful gain to any person, the entity will be liable to pay damages by way of compensation to such affected person”.

Similarly, an employer who fails to properly implement security practises, resulting in wrongful loss or wrongful gains to any person could be liable to pay compensation to the aggrieved person. The adjudicating office appointed under the IT Act is empowered to award compensation up to INR 5 crores. Under the circumstances let us now examine the Employer- Employee relationships & DATA Protection in India when compared with Singapore, US & the UK through the following Table.

INDIA	SINGAPORE	US	UK
<p>DATA Protection: An employer is required to obtain employee consent prior to collection of SPDI (Sensitive Personnel Data and information). Employees have the right to withdraw such consent at any point in time and require that the SPDI be returned or destroyed. Employees shall also have the right to review the information provided and ensure that any personal information, SPDI or other information found to be inaccurate or deficient is corrected.</p>	<p>The PDPA (Personal Data Protection Act) requires organisations to notify the employee of the purposes for which it intends to collect, use or disclose personal data and obtain the consent of the employee for the same. However, some exceptions to this requirement are available, for example, where the collection, use or disclosure of an individual’s personal data is: (i) necessary for ‘evaluative purposes’ (i.e. determining the suitability, eligibility or qualifications of the individual for employment; promotion or continuance in employment; or removal from employment); or (ii) reasonable for managing or terminating the employment relationship. An employer who has sufficiently provided a general notification to employees on the purposes for which their personal data may be collected, used and disclosed need not notify employees of the same purpose prior to each time that it engages in such activities. Employees may request access to their personal data that is under the employer’s possession or control (“access request”). An employer need not provide the requested personal data if it is in respect of one of the exceptions in the Fifth Schedule of the PDPA (e.g. it is opinion data kept solely for an evaluative purpose). In addition, an employer shall not provide access where the provision of such data could reasonably be expected, amongst others, to threaten the safety or health of another individual, cause harm to the safety or health of the requestor, or to reveal personal data about another individual</p>	<p>Employee data protection laws in other countries are often much more restrictive, though the U.S. is trending toward more data protection obligations with an assortment of data protection laws that regulate the collection, use and transfer of employees’ personally identifiable information (“PII”) and personal health information (“PHI”). These laws are not limited to protecting active employee information, so employers’ obligations extend to former employees, job applicants, independent contractors and other non-employee groups whose personal information they may obtain (such as customers). There are five primary federal data protection laws that impact the employment relationship: the Health Insurance Portability and Accountability Act (“HIPAA”), which dictates under what circumstances and to whom PHI may be released; the Genetic Information Nondiscrimination Act (“GINA”), which covers genetic information; the Americans with Disabilities Act (“ADA”), which limits when an employer may obtain medical information, how such information may be used, and disclosure of such information; the National Labor Relations Act (“NLRA”), which prohibits employers from interfering with workers’ rights to engage in concerted activity, including such activity through social media, and the Fair Credit Reporting Act (“FCRA”), which applies to those who use consumer reports, including background checks conducted on applicants and employees. Another federal law, the Privacy Act, limits the type of information that federal government employers may keep on their employees. Additionally, most U.S. states have enacted some form of data protection legislation that often impacts the employment relationship, though these states impose a wide range of requirements. Almost all states have enacted laws requiring notification of security breaches</p>	<p>Employers must comply with the Data Protection Act 1998 (DPA) when processing employee data. In particular, data must be processed fairly and lawfully, for specified and lawful purposes, and adequate security measures must be in place. There are restrictions on transferring data outside the EEA. The Information Commissioner can impose fines of up to £500,000 for serious breaches of the DPA. Employees are entitled to make a subject access request (subject to payment of a £10 fee). Employers then have 40 days to tell the employee whether their personal data is being processed, the purposes for which data is processed and to whom it is disclosed, and to provide a copy of all personal data that is held unless this would involve “disproportionate effort”.</p>

		involving PII and many have enacted laws requiring companies to destroy, dispose, or otherwise make PII unreadable or undecipherable. Some states have laws providing expanded protections to PHI. More recently, a significant number of states have enacted employee social media privacy laws.	
<p>Pre-Employment Checks: There is no restriction upon the employer to carry out pre-employment checks. In case the employer collects employee's SPDI, (SENSITIVE PERSONNEL DATA & INFORMATION) the requirements of the Data Protection Rules need to be complied with which is clear that unless such information is required for a lawful purpose connected with a function or activity it cannot be collected. While dealing with the SPDI it becomes necessary for the employer to obtain prior written consent of the employee, allow the employee to review and correct the information and maintain reasonable.</p>	<p>An employer may collect, use or disclose the personal data of a prospective employee for the purposes of carrying out pre-employment checks, if the prospective employee is notified of such a purpose on or before such collection, use or disclosure, and gives his consent for the employer to do so. Alternatively, if the collection, use or disclosure of personal data for the purpose of conducting pre-employment checks falls within any of the exceptions under the Second, Third or Fourth Schedule to the PDPA (as applicable), or if the information is publicly available, the prospective employee's consent need not be obtained. In particular, the collection, use or disclosure of such personal data may be regarded as necessary for evaluative purposes.</p>	<p>There is no Federal law requiring current or former employees' access to their personnel records. There are, however, Federal laws regulating employee access to medical records, records of exposure to hazardous substances, and consumer reports. The Occupational Safety & Health Act ("OSHA") authorizes employees who may have experienced workplace exposure to a toxic substance or harmful physical agent access to their medical records and records of such exposure. The Fair Credit Reporting Act ("FCRA") grants applicants and employees access to their consumer reports, which is defined to include background check reports. Employee access rights to their personnel and medical records are guided by State law, and vary widely from State to State. In some States, employees have no legal right to these records. Many States, however, have some type of law authorizing access to personnel and/or medical records and outlining the terms of such access, though various Federal and State laws regulate the process for conducting such checks and how they may be used. A federal law, the Fair Credit Reporting Act ("FCRA"), requires employers to obtain written consent from applicants or employees before obtaining background reports from any company in the business of compiling background information. If an employer thinks it might take an adverse action against an applicant or employee because of something in a background report, it must give the applicant or employee a copy of the report and a notice of FCRA rights. Some States and even localities have their own laws that offer protections for screening applicants and employees similar to, or even greater than, those afforded by the FCRA. Various Federal and State anti-discrimination laws prohibit checking the background of applicants or employees or using background report information when that decision is based on a person's protected status, such as race, national origin, color, sex, religion, disability, genetic information, age, or other characteristics protected under state law. An employer's neutral practice of disqualifying applicants or employees based on criminal or credit history may disproportionately impact minorities, and therefore violate these anti-discrimination laws if not job</p>	<p>Employers can carry out pre-employment checks, but it is good practice to limit this to checking information provided by the candidate. More detailed vetting may be appropriate where the role entails risks to the employer, clients, customers or others. Criminal records checks can be made through the Criminal Records Bureau. Different levels of disclosure are available depending on the nature of the job applied for, with more detailed disclosures available where candidates will be working with children or vulnerable adults.</p>

		<p>related and consistent with business necessity. Beyond this general anti-discrimination rule, the law varies by State on whether, and to what extent, employers may consider background check information — especially criminal or credit histories — in making employment decisions. Some states impose very few restrictions on inquiries into and use of an applicant's criminal or credit history, while others take a much more restrictive position. For example, in some states, employers are prohibited from checking applicant credit reports altogether or may be allowed to do so only for certain types of jobs. Some States prohibit employers from asking about arrests, convictions that occurred beyond a certain time period, juvenile crimes, or sealed records. Some States permit employers to consider convictions only if the crime is job related, and others allow employers to consider criminal history only for certain types of jobs.</p>	
<p>Privacy During Employment: Indian law does not envisage any restriction on the employer's right to monitor employee emails, telephone calls or use of computer systems. As a best practice, surveillance rights and procedures are ordinarily built into the employee handbook/policy manual, to mitigate any privacy claims. While use of social media provides many benefits to employers, employers must be cautious of certain risk associated with this approach. Employers may have to think more strategically about the entire recruitment process & the DATA Collection and the employee's private life. Information that is freely available and accessible in public domain or furnished under the Right to Information Act, 2005 is excluded from the ambit of SPDI. To that extent the employer is free to collect & use the information during and post-employment. As per Article 14 of the Indian Constitution, a citizen shall not be ineligible for or discriminated against in respect of employment on any grounds like religion, caste, race, sex etc... In addition to this Article the "Equal Remuneration Act", 1976 (ERA) prohibits discrimination on the basis of sex in matters relating to employment and hence care should be taken to ensure that use of information during employment obtained from social media for the purpose of hiring does not lead to violation of ERA.</p>	<p>Generally, an employer is entitled to monitor an employee's emails, telephone calls or use of the employer's computer system, insofar as the employee is notified of and consents to the purpose(s) of such collection of his personal data. Further, it may not be necessary to obtain the employee's consent before such monitoring, if this is for the purpose of managing or terminating an employment relationship, or necessary for any investigation or proceedings. The PDPA does not specifically allow or restrict the ability of an employer to control an employee's use of social media in or outside the workplace. However, the employer may control an employee's use of social media contractually, such as by providing for a social media policy which the employee is bound to abide by under the contract of employment. Moreover, an employee would remain bound by a number of Singapore laws and regulations in relation to his use of social media, whether in or outside the workplace. These could include, amongst others: the laws of intellectual property and/or confidentiality; defamation; harassment; and internet content regulation.</p>	<p>Generally, employer are allowed to monitor e-mails of the employees, with some exceptions. An employer is usually entitled to monitor employees' use of its email and computer system if it owns the devices and runs the network. Employee monitoring has, however, become more complicated by the surge of employees utilizing personal devices for work activities. Various Federal and State laws prohibit unauthorised access to employees' personal electronic devices and personal email even when accessed on the employer's device and network. Generally speaking, a broad workplace usage policy (particularly one that speaks specifically to these "Bring Your Own Device" and personal email issues) serves to protect an employer's right to monitor activity on its network. An employer planning to monitor should maintain such a policy and obtain employee acknowledgments that they do not have a reasonable expectation of privacy when using the employer's devices and network. Some employees may have additional protection from email and computer monitoring, such as those in the public sector who may have constitutional privacy rights and those subject to union contracts that may restrict the employer's right to monitor. An employer's right to monitor employee telephone calls is more limited. Under federal law, employers may monitor employee calls made "in the ordinary course of business," but cannot listen to or record calls it knows are of a personal nature. Some States have additional</p>	<p>Monitoring may be permissible if there is a good reason for it and it is a proportionate response to the problem it seeks to address. An employer will normally need to conduct an impact assessment, weighing up the purpose of monitoring against the adverse impact for employees or others, to judge whether monitoring is justified. If electronic communications are being intercepted the employer will also need to make sure that it complies with the Regulation of Investigatory Powers Act.</p> <p>Misuse of social media in or outside the workplace may amount to misconduct, which an employer can deal with in the normal way through its disciplinary procedure. Whether a dismissal is fair will depend on the damage or potential damage to the employer's reputation, whether the employer has a clear policy on the issue, and whether dismissal is proportionate (as well as whether a fair procedure has been followed).</p>

		<p>restrictions on monitoring employee telephone calls, such as requiring employers to inform the parties to the call that the conversation is being recorded or monitored. Generally speaking, an employer may limit employees' use of social media during working hours and how employees use social media regarding the employer's business. For example, an employer usually has the right to discipline an employee who violates company policy by harassing other employees on social media or disclosing company proprietary information on social media. But, an employer's control over an employee's use of social media is limited. Many State and local laws prohibit employers from disciplining employees based on lawful, off-duty activity on social networking sites unless the activity implicates the employer's legitimate business interest. Additionally, the National Labor Relations Act ("NLRA") protects employees' rights to engage in "concerted activity," which includes such activity on social media. The NLRA applies to union and non-union employers alike, so all U.S. employers must be mindful of their social media policies and practices so as to not infringe upon these NLRA rights. Employer access to private social media content is also limited. The Federal law prohibits employer access to private social media accounts without consent from the employee or applicant. Many States have password privacy laws that prohibit employers from even requesting social media user name and password information from employees and applicants. These laws usually provide exceptions for employers when investigating workplace misconduct or complying with applicable law.</p>	
<p>The laws are silent on the employer's ability to control an employee's use of social media in or outside the workplace. That said, social media policies are gaining popularity and are being included as a part of employee handbooks/policy manuals.</p>			
<p>DATA Protection Post-Employment As per the Data Protection Rules, any SPDI so collected can be retained & used no longer than it is required for the purpose for which it was collected or as may be prescribed under the Law. It is also a good practise to conduct an Audit of the employee data at the time of exit to determine what data would be legitimately required and what data needs to be expunged. In case the data is required after the employee's exit then the employer must justify its requirement and its usefulness and also take the employee's consent to retain and use such data.</p>	<p>Under Singapore law, restrictive covenants post-employment are <i>prima facie</i> void unless: (i) there is a legitimate interest that the employer seeks to protect; and (ii) they are reasonable in the interests of the parties and in the interests of the public. Restrictive covenants should be no wider than necessary to protect the legitimate interests of the employer and employee.</p>	<p>Most States follow the general rule that restrictive covenants are enforceable, provided they are necessary to protect a legitimate interest of the employer and are reasonably limited in duration, geographic scope, and the restrictions placed on the employee in pursuing his or her profession. The minority position — held most notably by California — prohibits the use of restrictive covenants in virtually all circumstances.</p>	<p>Employers will only be able to enforce covenants if they can show that they have a legitimate business interest to protect (such as confidential information or customer connections) and that the covenant goes no further than reasonably necessary to protect that interest. If the covenant is too wide in its scope or duration, it will not be enforceable. Restrictions usually last between three and twelve months, depending on the seniority of the employee and the nature of the interest to be protected.</p>

Issues in International Taxation

INTRODUCTION

Man kind has a quest and general curiosity about novelty. The latest products and services are a result of innovation, entrepreneurial skill and intellectual capability arising out of this quest which has led to the production of newer goods and services to satisfy the demands of the ultimate users. There is a constant endeavor between supply of newer items available in the marketplace to draw the attention of the consumers and to enhance the market-share. On the other hand, the producers are also constantly engaged in supplying these items to the market forces. In addition to the Multinational Corporations (MNCs), digital trade is a newer phenomenon in the post-2000 scenario after the enactment of Information Technology Act, 2000. Technology driven market forces have created additional demand and the quickest way of satisfying such demands is through digital platform, portals and marketplaces. Digital trade without borders is a kind of revolution in trade and distribution mechanism of the present century. However, very often over-marketing or distribution spree compromises with ethics and moral suasion.

Saurabhi Borthakur

Department of Commerce,
Gauhati University, Guwahati

saurabhi.borthakur@gmail.com

This research study examines the transfer pricing mechanism followed by multinational corporations and other entities in respect of international transactions; analyses the determination of tax liability and some regulatory measures adopted in independent tax sovereigns over international transactions to counter base erosion and profit shifting and the steps initiated at international level to bring uniformity in handling such complex matters with special reference to OECD Guidelines.

Sujit Sikidar

Department of Commerce,
Gauhati University, Guwahati

sujitsikidar@gmail.com

According to a survey on digital shoppers in November, 2013 which was conducted by Accenture, a consulting firm of the United States, 78 percent of respondents reported preferring 'web roaming' or 'buy digitally after seeing a product in a store', which means consumers have merged online and offline into a single shopping experience. The average cross border spent is also higher than domestic online shopping spends. There are about a total of ten million online shoppers in India with roughly 3.8 million shops across borders. The average amount spent on cross border transactions was estimated to be about rupees 1.42 lakh per cross border shopper in 2015. A Goldman Sachs report in May, 2015 pegged the average transaction size of about Rs. 1,800 for the Indian e-commerce industry. In the survey, 62 per cent of those surveyed shopped domestically, only 36 per cent shopped domestically and cross border, while 2 per cent shopped cross border only (Mehta, 2015). Alibaba, China's biggest e-commerce company which held the largest initial public offering in history handled a total of 248 billion dollar in transactions on its online sites during 2014, more than those of eBay and Amazon combined.

Taking plea from this massive growth of digital trade worldwide often pursued by registered e-commerce MNCs, the present researchers have ventured into a study concerning the complexities involved in digital trade, determination of its tax liability and the manner of bringing international as well as digital transactions through a marketplace into the tax net. The matter is a complex exercise when the trade is done through invisible mode of payment like bit currency or cryptographical currency for an international transaction. The sovereign tax authorities encounter legal barriers in bringing such transactions within their tax net and levy tax on those transactions although exchange of goods and services taking place in the mode has been duly recognised and consumers are availing of the facilities. As a result inter-sovereign tax treaty, inter-governmental reciprocal exchange of information and negotiation is indispensable at the present juncture to levy a tax on such transactions. Often justice in tax treatment cannot be ensured on account of differing interpretations offered by various sovereigns to bring the situation within their advantage and in favor of their traders in their

The transfer pricing provisions try to ensure that profits which are taxable in India are not understated or to ensure that profits arising in India are not shifted to another sovereign without benefiting the Indian exchequer. This is done by correcting any loopholes in calculation of transfer prices like manipulating prices charged, showing lesser receipts or higher outflows thus eroding the country's tax base.

respective tax jurisdictions. The Organization for Economic Co-operation and Development (OECD), Paris has brought out some guidelines like in Article 5, definition of agent, marketplace, Action Plan 7, etc. from time to time which may guide the respective sovereigns engaged in such digital trade.

Keeping this in mind, the researchers considered to undertake a study on the subject matter in detail with the following specific objectives.

OBJECTIVES OF THE STUDY

The present research enquiry has been undertaken with the following objectives:

1. To examine the transfer pricing mechanism followed by multinational corporations (MNCs) and other entities in respect of international transactions;
2. To analyse the determination of tax liability and some regulatory measures adopted in independent tax sovereigns over international transactions to counter base erosion and profit shifting (BEPS);
3. To analyse the steps initiated at international level to bring uniformity in handling such complex matters with special reference to OECD Guidelines.

METHODOLOGY

The study is based on secondary information gathered from government notifications, draft tax laws, newspaper reporting, relevant websites and experts' opinion provided at various forums.

TRANSFER PRICING AND INVOICING MECHANISM FOLLOWED BY MNCs

The area of transfer pricing has been brought within the ambit of Sections 92 to 92F of the Income Tax Act, 1961. These provisions facilitate computation of reasonable, fair and equitable profit and tax in India so that the profits chargeable to tax in India do not get diverted elsewhere by altering the prices charged and paid in intra-group transactions leading to erosion of Indian tax revenue. Any income arising from an international transaction shall be computed having regard to arm's length price (ALP) embodied in an international invoice. Section 92F of the Income Tax Act, 1961

defines Arm's Length Price (ALP) as the price applied (or proposed to be applied) when two unrelated persons enter into a transaction in uncontrolled conditions, where uncontrolled conditions are conditions which are not controlled or suppressed or moulded for achievement of a predetermined results. Thus, ALP implies that the transaction would be treated as if it is occurring within one domestic sovereign and between unrelated parties. With effect from the assessment year 2013-14, Section 92BA has been inserted to extend transfer pricing provisions to a few domestic transactions.

The Companies Act, 2013 has also incorporated provisions relating to transfer pricing or using Arms Length Transactions (ALT). According to Section 188(1) of the Act, ALT means a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest. The transfer pricing provisions try to ensure that profits which are taxable in India are not understated or to ensure that profits arising in India are not shifted to another sovereign without benefiting the Indian exchequer. This is done by correcting any loopholes in calculation of transfer prices like manipulating prices charged, showing lesser receipts or higher outflows thus eroding the country's tax base.

In December, 2015, it has been reported that export flow from the country had declined in the last quarter of the fiscal year, while import of cheap steel from China increased the foreign exchange outflow. In order to check the transfer price of Chinese steel, countervailing duty (CVD) on such import has been enhanced apart from normal custom duty. This is a complex exercise to put a trade barrier on unwanted import and the kind of pricing followed by foreign suppliers. MNCs involved in such export and import are following transfer pricing mechanism in furnishing their invoice. At this point, it would be useful to take a brief look at the conceptual overview of some terms and their relevance in international transactions as discussed in the present paper.

- **Market-place model:** One of the ways of doing digital trade is through market-place model. Most of the digital traders and shoppers are following market-place model. It is essentially a platform for sellers to list the products they are selling. The website itself does not stock inventory, it monitors the order till it is delivered to a customer in a market-place model.
- **Aggregators:** Aggregators had been brought under the service tax net in the budget presented in February, 2015 in view of the controversy related to taxi-hailing app Uber. "*The concept of aggregators should be applied where most of the participants in a trade or business are unregistered for tax purposes, for example, app based cab booking services or hotel room bookings, who would typically be below the threshold limit for tax registration or where the compliance rate is likely to be very low.*" In e-commerce operations, sellers are already registered with the VAT authorities as they sell through multiple channels and also have to avail input tax credits. Thus the concept of aggregator cannot work here and should not be included. The concept of aggregator in service tax leads to fixing the liability on a person who is neither a service provider nor a service recipient. This is specially flawed where the State levies a tax on the same service, for example, the luxury tax in case of hotel industry. No procedures also exist to allow such a concept to be successful in the present law.
- **E-commerce:** As stated earlier the e-commerce sector had almost enveloped the entire international transactions of goods and services. This is the reason why some experts opine that there is no justification for keeping e-commerce deal out of Goods and Service Tax (GST) as it would help the

retailers. A tax on online sales is the only way e-retailers can get credit for the taxes they pay on inputs and make it worthwhile for them to do business in India. There is no justification to break the input tax credit chain which is the main purpose of GST. It is also to ensure that tax compliance in the procedural phase may be hassle free and tax is imposed on all value additions in the chain. This will also prevent tax base erosion and profit shifting (BEPS) by companies. Vendors would be liable to pay GST on the goods sold through their portals. The e-retailers facing multiple taxation issues have to work in the concept of India becoming (one country, one tax rate) is promising for e-commerce because it will widen the choice for consumers as they will enjoy full freedom for the first time to buy from any state or seller. It is critical that they are recognised as service providers, under the *marketplace model* and liable to pay GST only on their service fees. The draft GST law addresses the matter of geography where goods are sold and where services are delivered. Karnataka has proposed tax deducted at source on all payments made by e-commerce firms based in the State. In Uttar Pradesh, taxation practices have led to virtually a complete halt in the delivery of goods costing more than five thousand rupees.

- **Agent:** The next complex issue in this regard is the meaning of the term 'agent'. According to some experts, the term agent should be clearly defined to exclude marketplace e-commerce companies which are facilitating sale by vendors to customers through their web portals. Various services such as warehousing, cash collection, and delivery etc., provided by e-commerce companies to vendors should be viewed as a *composite service* for the purpose of ascertaining taxability or place of supply and should not be segregated into individual service components. It has sought guidance on the *fulfillment model*. The need for physical demarcation of goods belonging to various vendors at fulfillment centres should be abolished. There are issues as to whether digital transactions can be brought within the purview of GST and experts feel that e-commerce companies need not be exempted from GST. Online retailers should be taxed at par with brick and mortar retailers. Online retailers like Amazon and Flipkart, those who organize the online marketplace, where sellers meet buyers, should pay service tax on the fee they charge for providing this service. The seller so facilitated by online retailers should collect the tax on their sales from buyers and pass on the tax to the government. Without paying GST, e-commerce firms will not get credit for the taxes they pay on inputs. However, the government should not ask aggregators that run marketplaces to pay VAT (Value Added Tax) on products that they neither own nor sell. The policy so far restricts foreign investment in multi-brand retail, only online marketplaces are exempt. It is suggested that the principle of 'Tax the marketplace service and the sellers for the sale they make' should be followed.

DETERMINATION OF TAX LIABILITY

The transfer pricing method in respect of transactions at international level and its eventual tax liability cannot be decided unilaterally by one tax sovereign when its operations touches beyond the boundary of several tax sovereigns. As a result the subject matter of inter-country tax determination mechanism and settlement of tax liability by way of payment of revenue to the concerned sovereigns in which tax is payable has assumed international significance. This matter is often discussed at

international forum like G-20 Summit, OECD negotiations, etc., among the member nations. Many governments of the world are trying to coordinate their macroeconomic, financial and fiscal policies to support domestic and world economic growth. As economies and financial system intermesh and call for coordinated policy and regulation, the public discourse in most democracies turns populist, in inverse proportion to the complexity of attempted global governance. Even the increase of IMF quota for the member nations decided way back in 2010 could not be ratified at the international level. The G-20 reiterates reversal of quantitative easing further to reverse the damage done by MNCs practicing BEPS (Base Erosion and Profit Shifting) though their invoice mechanism may not always be based on Arm's Length Price (ALP). There are instances of abuses of ALP in order to avoid tax due to a trading sovereign. The move aims to bring transparency of beneficial ownership of all assets; tax information sharing is another key area which will get speed. The International Monetary Fund (IMF) which serves as the Secretariat of G-20 will continue its assessment of how countries fulfill their commitment, ensure financial coordination and standard setting within their financial system to address the taxation issues.

Another criterion has been evolved by the taxation authorities of India that is, the Central Board of Direct Taxes (CBDT) in December, 2015 with regard to determination of tax liability on the basis of an entity's place of effective management (POEM) criteria. The guidelines provide that a company will be resident in India in any previous year if it is an Indian company or its POEM is in India in that year. This will prevent profit shifting and tax erosion. POEM will be determined on the basis of the following parameters:-

1. Ascertaining the fact as to whether or not the company is engaged in 'active business outside India' (ABOI).
2. ABOI will be determined based on factors such as passive income, total asset base, number of employees and payroll expenses in India and outside.
3. In digital era, physical location in tax determination is irrelevant; and in such cases where directors or persons taking decisions usually reside, the place where main and substantial activity or where its accounts and records are kept is the POEM. The place of management decisions and 'substance' would be conclusive rather than 'form'.
4. A company will be treated as having foreign business if its passive income is not more than fifty percent of total income and less than fifty percent of its total assets, less than fifty percent of employees are in the country and payroll expense incurred on such employees is less than fifty percent of total payroll spending.
5. Head office of a company would be in place where companies' senior management and their direct support staff is located. If they are in multiple locations, than the place where they are primarily or predominantly located.
6. Passive income may be calculated as the aggregate of income from the transactions where both the purchase and sale of goods is from and to its associated enterprises; and income by way of royalty, dividend, capital gains, interest or rental income.
7. 'Snapshot' approach may not be adopted and POEM be determined on facts and circumstances.
8. Reviewing the definitions of active business and passive income could result in significant number of overseas subsidiaries falling within the ambit of POEM regulations. This is because most of the subsidiaries of Indian MNCs functioning as trading hubs, distributors, overseas business holding com-

panies whereby majority of transactions would be with the Indian head office or group entities. [Readers may also refer the clarificatory Circular No. 8 dated 23 Feb. 2017 issued by the CBDT regarding place of effective management of a company other than an Indian company.]

In course of the research enquiry it has been found that in MNC operations, holding and subsidiary company relationship has often been diluted by showing principal-agent relations. Absence of a specific definition of agent leads to overlapping of transactions rendering determination of tax liability difficult. In this context it is pertinent to note that changes in the existing definition may also face some challenges in the following areas:

1. **Amendment in treaties:** The OECD report suggests changes in the domestic laws and practices via amendment in the existing tax treaty provisions. There are over three thousand treaties worldwide making it difficult for determination of tax liability. Designing a multilateral instrument may be a foreseeable challenge.
2. **Expanded scope:** The paradigm shift from 'concludes-contracts' to 'principal role leading to conclusion of contracts' is a highly subjective matter prone to litigation. The risk of inadvertently creating a number of PEs would be further compounded by greater element of subjectivity over the operational mechanism. Further, the 'principal role' has not been defined which makes it difficult for revenue authorities to differentiate between routine activities and auxiliary or allied activities.
3. **Profit Attribution:** The MNCs try to deviate profit attribution from PE to PE in a given tax jurisdiction. Once a PE is activated, the next step is to see how profits are attributable to such PE. The Report of the Convention indicates that they are still working on the mechanism of profit attribution in this regard.
4. **Increased litigation:** The complexities with regard to the definition of PE as proposed in the OECD Action Plan 7 is open to differing interpretations by different tax authorities as to whether a PE has been created. The possibility of litigation on account of creation and activation of more PEs in case of low value, routine and low risk activities cannot be ignored.

As gathered from various sources and based on expert opinion, the researchers feel that some of the rules governing transfer pricing also need to be amended in view of the current scenario. They are:

1. Rules of transfer pricing governing the prices of imports by related parties such as arms of MNCs from their parent need to be amended to reduce delays and disputes.
2. Another option is to link valuation to audits. Tax law mandates that transactions between related parties should be carried out on an arm's length basis. A dedicated unit known as the Special Valuation Branch (SVB) is located at custom houses in the metros for this purpose. This branch examines how the relationship between an importer and exporter has influenced the invoice value of imported goods. Terms and conditions of joint venture agreements and technical arrangements are also examined to see if they influenced the invoice value of imported goods. The present SVB is fraught with inefficiencies and delays. Safeguards can be created using risk based assessments and post audit as is in most international customs jurisdictions.
3. The process can be made swifter by introducing an electronic interface which the government had already proposed for.
4. But a manual deposit and a refund process makes these a

6 The transfer pricing method in respect of transactions at international level and its eventual tax liability cannot be decided unilaterally by one tax sovereign when its operations touches beyond the boundary of several tax sovereigns. As a result the subject matter of inter-country tax determination mechanism and settlement of tax liability by way of payment of revenue to the concerned sovereigns in which tax is payable has assumed international significance.

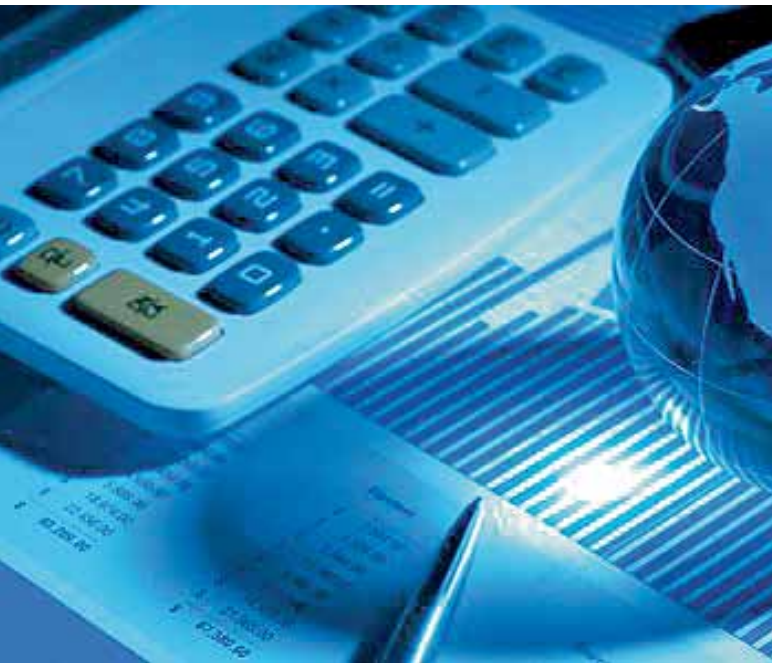
tedious task. Moreover, the rate of the extra duty may be increased if an importer fails to respond to a customs questionnaire within thirty days. This needs to be checked.

5. While batting in favor of switching to an audit to validate import prices, experts say valuation orders should hold good for more than three years. Orders issued by a SVB are valid for three years after which a follow-up reassessment is done. Although timelines are prescribed, the lack of capacity and reliance on paperwork usually lead to delays of as much as two or three years. In the intervening period, imports can be made by making an extra duty deposit of prescribed percent which may be refundable.
6. Rather than examining the import price at the time of imports, it would be better if it can be done at the time of onsite audit later. The renewal of SVB's order should be after five years. Though the extra duty deposited has to be discontinued if an order is not issued within four months, in practice it is usually not done. This condition may be strictly enforced. (The ET dated 24 November, 2015)
7. In multinational transactions valuation norms be included in the law, in order to avoid ambiguity and differing interpretations by various tax sovereigns.
8. No provision of valuation norms like in customs, excise duty on imported materials is prevailing either in service tax or in Value Added Tax (VAT) at present. In case stringent valuation norms are included within the Act, it will ensure that only transaction value is taxed within a sovereign.

The MNCs should be given a chance to know their tax liability in advance. Authority for Advance Ruling (AAR) is one such way to bring certainty to the tax treatment and avoid disputes. This ruling should set a precedent thereby ruling on a transaction based on one set of principles must hold good for another transaction with the same set of principles. The ruling must be consistent and be made binding on the government.

SOME CASE STUDIES OF INTERNATIONAL TAXATION

1. Nokia-India was issued fresh tax demand notices on 9th Octo-



ber, 2015 for dispute relating to assessment years other than the one being contested currently in Income Tax Appellate Tribunal (ITAT). Nokia wants the fresh tax demand be included in the ongoing negotiations between India and Finland to resolve rupees two thousand crores tax dispute. Nokia's mobile unit has now been sold off to Microsoft but the Chennai factory which is involved in the tax dispute was not included in the deal.

2. Vodafone is reported to have considered conciliation on its tax dispute amounting to rupees twenty thousand crore because arbitration could not yield any result and in some quarter it is suggested that in the process of conciliation, government should be content to collect the original tax claim and set aside interest and penalty. The huge capital gain that Hutchison made, while selling its stake in the joint venture telecom company in India to Vodafone, the government allowed smooth conduct of business by the policy of charging no upfront payment for spectrum. Thereby it was free-up telecom service providers' resources for investment in a low tariff, high volume business.

The Government is entitled to a share of this capital gain in principle. The question asked was if extent law articulated this principle sufficiently in the case of an indirect transfer. While the Bombay High Court had endorsed in favor of this entitlement, the Supreme Court had nullified it. The main question is if the transferred company derives value from its economic activity in India, is it subjected to tax in India. This discussion refers to specifically the discussion on Special Valuation Branch (SVB) with the tax authorities for determination and levy of capital gains tax between a company in India and a foreign company from Great Britain. Conciliation with Vodafone would require similar treatment to other similar cases, the case for which is strengthened by a ruling of the Madras High Court which says 'if taxes were payable due to a retrospective amendment, interest for shortfall of taxes is not leviable as the tax payer can estimate his current income and related tax liability only based on the

law that exists at the time of payment of tax". This point was endorsed by the Parthasarathi Shome Committee as well. The Government which has bowed to settle legacy tax issues should be pragmatic, legal wrangles must end provided Vodafone's offer of reconciliation is made in good faith.

3. India may levy a capital gains tax on investment from Mauritius unless the firm investing in India can show that it has invested in Mauritius, although India has a Double Taxation Avoidance Agreement with Mauritius. According to our research investigation in 2014-15, about a quarter of India's foreign direct investment comes from the island nation of Mauritius. To make the treaty compliant with an OECD code, which G-20 countries are keen to adopt, India and Mauritius are in talks to bring in a Limitation of Benefits (LOB) Clause in the tax treaty. According to this clause under consideration, a firm must invest or add value in Mauritius to the tune of 1.5 million Mauritius Rupees, the equivalent of about 45000 dollars, to avoid being branded as a shell firm. A firm that has merely been registered in Mauritius but does no investment or other activity there will be considered as Shell firm and therefore will not be eligible for tax exemption. India has in the past brought in LOB provisions in to the tax treaties it has signed or renegotiated with a number of countries. Treaties signed with Singapore and UAE are classic examples of such LOB Clause. India had in the last decade renegotiated the India-Singapore Income Tax Treaty to prevent residents of other countries from misusing the capital gains exemption by establishing a holding company in Singapore.

Keeping this in mind, the researchers now consider it convenient to analyse the steps initiated at international level to bring uniformity in handling such complex matters in international transactions in separate tax sovereigns with special reference to OECD Guidelines.

OECD GUIDELINES ON TRANSFER PRICING

New Framework developed by the OECD at the behest of G-20 has accepted India's stance that taxation should happen where the actual business takes place. The concern for BEPS remains in the agenda of G-20 and this concern was ventilated in Lima on 8th October, 2015 which attempted to provide solution to plug gaps in existing international rules that allow corporate profits to artificially shift to low or no tax environment, where little or no economic activity takes place.

Although government offered voluntary compliance scheme for undisclosed assets lying overseas, only 638 people used the compliance window with a declared amount of Rs. 3,770 crore. Voluntary Disclosure of Income Scheme (VDIS) of 1997 gave immunity from both penalty and prosecution. Valuation of assets at current market price has been a dampener. The OECD has estimated the total collection from voluntary disclosure initiative at about 37 billion Euros in the five years ending 2014. India had inked OECD's automatic information exchange pact a part of its drive to end BEPS by MNC's and tightening the screw on evaders. Effective information sharing will help establish audit trails, India may emulate UK's example by asking companies to identify the real ultimate beneficial owners of all companies and make the registry public.

Some areas of concern in respect of international transactions of MNCs pertain to definition of Permanent Establishment (PE) and Agent. The OECD Final Report on Action Plan 7 recommends changes in definition of PE and the associated commentary. This definition of PE in Article 5 of the Convention inter-alia prevents the

use of common tax avoidance strategies which are followed because of weak definitional scope. The ambiguity with regard to PE pertains to the following aspects:-

1. The extent to which Article 5 (5) may apply where contracts are substantially negotiated in a sovereign but are finalized or authorized abroad.
2. The exception of Article 5 (6) for 'independent agents' and its applicability in case of closely related enterprises.
3. The exception as stated in Article 5(4) with respect to the applicability of preparatory and auxiliary services and clarification regarding its meaning.
4. Fragmentation of activities of a cohesive business operation between related parties classifying the same as preparatory or auxiliary in order to avoid PE.
5. Splitting of contracts in order to circumvent formation of PE in terms of provisions of Article 5(3).
6. The current Article 5(5) of the Convention has furnished the definition of PE and Agent as a person *other than an agent of independent status, acting on behalf of a foreign enterprise having 'authority to conclude, contract in the name of the enterprise which forms a PE of the foreign enterprise.* The PE shall be determined in respect of activities undertaken by the foreign enterprise, unless the activities can be limited to activities mentioned in paragraph 4 of the Article.
7. OECD proposes to change the meaning of agent as provided under Paragraph 5 of Article 5. It states that dependent agent PE shall exist where a person on behalf of an enterprise habitually concludes a contract or habitually plays the principal role leading to the conclusion of contracts that are routinely concluded without material modification by the enterprise.

Moreover, the finalised PE paper published on 23rd October, 2015 confirms the OECD's decision to defer consideration of the relevant profit attribution arrangements and interaction with transfer pricing, thus excluding these areas from the PE test.

According to the OECD, it is difficult to ring-fence the MNCs and the growing digital economy for tax purposes. It therefore wants countries to impose VAT. In the USA for instance, many States charge online retailers sales tax, and have also enforced State online laws, known as Amazon Tax Laws. The proposed Marketplace Act introduced in the Senate in the year 2015 provides the option of making business that are not physically located within their borders and collect sales tax, but in return, States must simplify their tax codes.

CONCLUSION

Tax compliance must be facilitated to ensure that MNCs are not harassed. The dispute resolution mechanism must also be robust and speedy. In general it has been gathered that the tax sovereigns are in no mood to tolerate non-compliance of their tax payers. To counter this problem some suggestions have been offered as indicated below:

1. To halt the generation of undisclosed income by under-invoicing or over-invoicing the price of product or services.
2. The government should make the funding of political parties transparent.
3. To reform the real estate sector involving inflow of foreign capital into it and the complexities in determination of tax liability on the asset acquisition.
4. To adopt the Goods and Service Tax (GST) that created audit trails on income and production.
5. To widen the tax base and an overhaul of tax administration ensuring no delay in furnishing of information and in payment



of tax by the MNCs.

6. To launch a scheme which would encourage voluntary compliance and wealth creation.

India is among the seven emerging economies along with China, Brazil, Mexico, Turkey, Russia and Indonesia which is expected to contribute about 45 per cent of the global GDP growth which has made the MNCs to chalk out plans and expansion strategies in India. To raise India's share there is a compelling case to bring MNCs as well as the digital traders under GST. It will also prevent base erosion and profit shifting. Despite the various platforms and negotiating instruments available, it is undeniably true that no law is adequate in determination of tax liability in international transactions of goods and services. Mutual respect for each sovereign's concern for generating tax revenue out of international transactions, transparency in invoicing, digital preparation of invoice, tax information sharing among the MNCs operating cross border and compliance with amended transfer pricing agreement is not only essential but a sufficient condition for the flourishing of international and digital trade to be conducted in a free, fair and reasonable manner with equitable justice for the member nations and sovereigns undertaking this trade with consumers welfare as the sublime idea behind these ventures. CS

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The Concept of 'Control'



Rajendra Sawant, FCS

General Manager
Corporate Secretarial
Reliance Industries Ltd., Mumbai
rhsawant@hotmail.com

The term 'control', with respect to companies in India, is defined under various laws. It is defined in various ways, including, with reference to right to appoint directors on the board of directors, shareholding, voting rights, management rights and affirmative voting rights under articles of association or shareholders agreement, etc. The plain reading of the term would mean the ability to control or influence the management and policy decision making of a company, whether by way of affirmative vote rights or by holding a majority of shares in the total share capital or voting rights or by having right to appoint directors on the board of directors or by any other means.

In the context of corporate entities the term 'control' is of vital significance. It has been defined differently indifferent statutes with reference to right to appoint directors on the board of directors, shareholding, voting rights, management rights affirmative voting rights under articles of association or shareholders agreement etc. Whether the differing connotations and meanings are desirable or should there be a uniform definition is the focus of this article.

The term 'control' in Black's Law Dictionary is defined as the direct or indirect power to direct the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise; the power or authority to manage, direct or oversee.

Regulators such as the Ministry of Corporate Affairs, Securities and Exchange Board of India, Competition Commission of India and Department of Industrial Policy and Promotion have defined the term 'control' in their respective regulations. In the light of vast number and variety of regulators required to effectively regulate companies, and the diverse subjects that they cover, the term 'control' has been given various meanings depending on the domain of the concerned regulators. The term 'control' finds its place in a number of regulations, which may be broadly categorised as follows:

1. Companies Act 2013;
2. Regulations made by the Securities and Exchange Board of India;
3. Foreign Direct Investment policy (FDI Policy); and
4. Competition Act 2002 ;

This article analyses the expression 'control' used under various statutes, including the context in which the term has been used, the intent behind a particular way of defining the term and the adequacy of such definition in light of their context. The objective is to examine whether the widely differing meanings of the term 'control' are sufficient in themselves or whether there is need for uniformity or harmonisation among the different statute defining the term 'control'.

CONTROL UNDER THE COMPANIES ACT, 2013

Unlike the Companies Act, 1956, the Companies Act, 2013 defines the term 'control'. under section 2(27) to include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

The term 'control' is used in the definition of 'subsidiary' under the Companies Act, 2013 where the criteria is that a holding company should be able to control the composition of the board of directors of the subsidiary or exercise or control more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies. It also says that the composition of a company's board of directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the

directors.

Section 13 states that the dissenting shareholders shall be given an opportunity to exit by the promoters and shareholders having *control* in accordance with regulations to be specified by the Securities and Exchange Board. Section 27 states that the dissenting shareholders who have not agreed to the proposal to vary the terms of contracts or objects referred to in the prospectus, shall be given an exit offer by promoters or controlling shareholders at such exit price, and in such manner and conditions as may be specified by the Securities and Exchange Board by making regulations in this behalf. The term also finds place in section 144 where the expression 'directly or indirectly' is explained for the purpose of section 144.

Section 216 empowers an inspector to carry out an investigation into the ownership of a company for the purpose of determining the true persons who are or have been able to control or to materially influence the policies of the company. The term 'control' also appears in the context of section 241 whereby an application can be made to the Tribunal by a member complaining that a material change has taken place in the management or control of the company.

On a perusal of above sections, it is clear that the term 'control' is used in the Companies Act, 2013 in a variety of contexts and hence a uniform definition of the term would not suffice for this statute. Rather, the term needs different meaning for each provision or section of the Companies Act, 2013 in which it appears, so that the motive and rationale behind the concerned provision is given effect to.

CONTROL UNDER SEBI REGULATIONS

The SEBI (Acquisition of Shares and Takeover) Code, 2011 defines "control" to include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. However a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.

This inclusive definition of "control" is more or less the same as the definition of 'control' under the Companies Act, 2013.

Regulation 4 states that, irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these Regulations. Acquisition in the context of Regulation 4 includes direct or indirect acquisition of control over companies whether listed or unlisted and whether in India or abroad.

While some other SEBI Regulations have their own customized definition of 'control' depending upon the specific needs of those Regulations, the definition as appearing in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 has been adopted or referred to in several other Regulations of SEBI. Under SEBI (Portfolio Managers) Regulations 1993 and SEBI (Registrars to an Issue and Share Transfer Agents) Regulations 1993, the expression 'controlling interest' is defined in a narrow sense whereby it means an interest, whether direct or indirect, to the extent of at least fifty one percent of voting rights in the body corporate. These Regulations intend to set up a regulatory regime for market intermediaries like portfolio managers and

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share transfer agents, and their operations have a potential effect upon the investors in specific and the market in general. Thus narrow and specific definition of 'control' serves the rationale and motives of these regulations.

Most of the SEBI Regulations have adopted the definition of 'control' as it appears in SEBI Takeover Code. SEBI (Buyback of Securities) Regulations 1998, SEBI (Issue of Sweat Equity) Regulations 2002, tSEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and SEBI (Delisting of Equity Shares) Regulations 2009 all incorporate or adopt the definition of 'control' as it appears in SEBI Takeover Code. Under SEBI (Delisting of Equity Shares) Regulations, 2009, a company seeking delisting of securities has to disclose the persons who are in control of the company by means of a public announcement. Under SEBI (Buyback of Securities) Regulations 1998, buyback of securities from the promoters or persons in control is prohibited. In SEBI (Credit Rating Agencies) Regulations, 1999, SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and SEBI (Issue of Sweat Equity) Regulations 2002, 'control' is used in the definitions like associate, group, persons acting in concert and promoters and imposes restrictions on the dealings of these persons.

Another interesting question that arises on 'control' is: whether affirmative voting rights or veto matters or reserved matters result in control? It is typical for the investors to have such rights in a company when they have invested funds to protect their investment.

In *Rhodia SA v Securities and Exchange Board of India* [2001], the SAT held the acquirer to be in control on the basis that the acquirer had veto right over certain matters that had been described by the parties as 'major decisions on structural and strategic changes'. Hence, as per this decision, a say over major decisions on structural and strategic changes by veto rights would amount to control. But in *Sandeep Save v Securities and Exchange Board of India* [2002], the SAT observed that there was no change in control despite the presence of veto rights in favour of the foreign body corporate as it had only two nominee directors on the board of directors of the target company and the board composition did not suggest a change in control. Further, in *In Re NRB Bearings India Ltd* [2003], the veto rights over some matters, including amendments to the organisational documents, declaration of dividends, alteration in share capital, entry into joint ventures, technology transfer etc were ignored by

SEBI and held that since the foreign acquirer had only nominal representation on the target company's board, there was no 'change in control' of the target company.

The concept of negative control under the Takeover Code was tested in *SEBI v. Subhkam Ventures (I) Pvt. Ltd.* In this case, MSK Project (India) Limited (MSK) made a preferential allotment of equity shares to Subhkam Ventures (I) Private Limited (Subhkam) which constituted 17.90% of the shareholding in MSK. Subhkam made a public announcement for an open offer to acquire shares of MSK from its shareholders. The SEBI required the draft letter of offer to be revised to reflect that the open offer was being made under Regulation 10 (acquisition of shares, now Regulation 3) as well as Regulation 12 (acquisition of control, now Regulation 4) of the then Takeover Code. Regulation 12 provides that irrespective of whether or not there has been any acquisition of shares or voting rights in a company, no acquirer shall acquire "control" over the target company, unless such person makes a public announcement to acquire shares and acquires such shares in accordance with the regulations. The point of law that was being disputed in this case was therefore "whether the right to nominate a director on the board of the company, the right to be present to constitute quorum and the affirmative voting rights all of which is essentially "negative control rights" constituted "control" for the purposes of the Regulations". SEBI held that the acquisition should be treated as an acquisition of control. On appeal, the Securities Appellate Tribunal ("SAT") held that 'control is a proactive and not a reactive power'. The power by which an acquirer can only prevent a company from doing what the latter intends to do, i.e. negative control is by itself not control. SEBI appealed against the SAT's decision to the Supreme Court. However, since appeal filed before the Supreme Court was withdrawn by SEBI, the Supreme Court passed an order disposing of the appeal and did not rule on the issue. As such, the precedent value of the SEBI and SAT rulings in the Subhkam case is uncertain and there is no real clarity in terms of the SEBI definition of "control".

CONTROL UNDER FDI POLICY

The intent and objective of FDI policy is to attract and promote foreign direct investment in order to supplement domestic capital, technology and skills, for accelerated economic growth. FDI Policy provides a framework on foreign direct investment,

which is transparent, predictable and easily comprehensible.

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India makes policy pronouncements on foreign direct investment through Press Notes/Press Releases which are notified by the Reserve Bank of India as amendments to the Foreign Exchange Management (Transfer or Issue of Security by Persons Resident Outside India) Regulations, 2000 (notification No. FEMA 20/2000-RB dated May 3, 2000).

The FDI Policy (para 2.1.7 of Consolidated FDI Policy 2015) defines the term 'control' to include the right to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.

There are also circular references to the term control under FDI Policy.

Paragraph 4.1.3(ii)(a) of Consolidated FDI Policy 2015 states that the foreign investment through the investing Indian company would not be considered for calculation of the indirect foreign investment in case of Indian companies which are 'owned and controlled' by resident Indian citizens and/or Indian Companies which are owned and controlled by resident Indian citizens.. Paragraph 2.1.28 further states that a company is considered as 'Owned' by resident Indian citizens if more than 50% of the capital in it is beneficially owned by resident Indian citizens and / or Indian companies, which are ultimately owned and controlled by resident Indian citizens.

If an investing company is either owned or controlled by non-residents, the entire investment by the investing company into the subject Indian company would be considered as indirect foreign investment provided that, as an exception, the indirect foreign investment in only the 100% owned subsidiaries of operating-cum-investing/investing companies, will be limited to the foreign investment in the operating cum-investing/ investing company. This exception is made since the downstream investment of a 100% owned subsidiary of the holding company is akin to investment made by the holding company and the downstream investment should be a mirror image of the holding company. This exception, however, is strictly for those cases where the entire capital of the downstream subsidiary is owned by the holding company (Paragraph 4.1.3(ii))

The FDI Regulations define 'control' in a narrow sense in terms of ability to appoint majority of directors of the investing company. The intent is to ensure that the indirect foreign investment is taken into account for calculation of sectoral caps only when majority of the board of the concerned investing company can be appointed by the non-resident investor.

CONTROL UNDER COMPETITION ACT, 2002

The term 'control' plays an important role in the competition law regime. The Competition Act 2002 replaced the Monopolies and Restrictive Trade Practices (MRTP) Act 1969. The concept of 'control' under the MRTP Act 1969 was used to identify the companies under the same management and companies that were part of the same group or inter-connected undertakings or associated companies.

The intent of the Competition Act 2002 is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto.



The FDI Regulations define 'control' in a narrow sense in terms of ability to appoint majority of directors of the investing company. The intent is to ensure that the indirect foreign investment is taken into account for calculation of sectoral caps only when majority of the board of the concerned investing company can be appointed by the non-resident investor.

Explanation to Regulation 5 provides that "control" includes controlling the affairs or management by— (i) one or more enterprises, either jointly or singly, over another enterprise or group; (ii) one or more groups, either jointly or singly, over another group or enterprise.

The definition of 'control' under the Competition Act, 2002, is wide, including decisive control over the management or affairs of the enterprise. There are circular references to the term 'control' under the Competition Act, 2002.

Section 2(a) of the Competition Act, 2002 defines 'acquisition' to mean, directly or indirectly acquiring or agreeing to acquire (i) shares, voting rights or assets of any enterprise; or (ii) control over management or control over assets of any enterprise.

Section 5 defines 'regulation of combination'. It lays down various thresholds in terms of assets and turnover of the acquired and acquiring entities, which, when triggered, would require a scrutiny by the Competition Commission of India (CCI). Section 5(b) states that a 'combination' would result if there is an acquiring of control by a person over an enterprise when such person has already direct or indirect control over another enterprise engaged in production, distribution or trading of similar or identical or substitutable goods or provision of a similar or identical or substitutable service, and the thresholds in terms of assets and turnover of the acquired and acquiring entities are also triggered (5(b) the 2002 Act).

The CCI in various orders over the years has been interpreting affirmative voting rights as tantamounting to control and treating acquisition of shares as not merely investments.

In the case of acquisition of shares of Multi Screen Media Private Limited by SPE Mauritius Holdings Limited and SPE Mauritius Investments Limited from Grandway Global Holdings Limited and Atlas Equitin Private Limited, the CCI held that shareholding to the extent of 32.39% is sufficient to block / veto any action that requires special resolution under the Companies Act, 1956 amounts to 'negative control', which is 'control' for the purposes of the Competition Act, 2002.

Further, in the case of acquisition of joint control by Century Tokyo Leasing Corporation of the leasing division of Tata Capital Financial Services Limited, the CCI held that affirmative rights relating to approval of business plan, annual operating plan, commencing a new line of activity and discontinuing any existing line of activity or business and appointment of key managerial personnel and determination of their remuneration

would be considered "control" for the purposes of the Competition Act, 2002.

In Etihad/Jet case, CCI held that the parties entered into a composite combination constituting the investment agreement, shareholders agreement and the commercial co-operation agreement, with the common objective of enhancing their airline business through joint initiatives. The effect of these agreements including the governance structure envisaged in the commercial co-operation agreement establishes Etihad's joint control over Jet, more particularly over the assets and operations of Jet." Interestingly Etihad was acquiring a 24% stake and did not have any veto rights or quorum rights. Further, Etihad only had the right to appoint 2 out of a board of 12 directors with no casting vote. Foreign Investment Promotion Board had taken the view that Etihad was not acquiring "effective control" of Jet, in compliance with FDI requirements. SEBI in Etihad/Jet case held that Etihad has not acquired control over Jet under Regulation 2(1)(e) read with Regulation 4 of the Takeover Code. While coming to this conclusion, SEBI *inter alia* observed that the definition of 'control' under Section 5 of the Competition Act, 2002 is different from that in Regulation 2(1)(e) of the Takeover Code, in meaning, scope, and purpose.

The CCI in its order dated May 17, 2012, while approving a transaction between Reliance Industries and the TV18 group of companies gave an interesting interpretation to the term "control". The CCI held that the subscription of convertible securities (in the given case, Zero Coupon Optionally Convertible Debentures) with an option to convert such convertible securities into equity shares of the company confers upon such holder the "ability to exercise decisive influence over the management and affairs" of the acquired company and therefore amounts to control for the purposes of the Competition Act, 2002.

CONCLUSION

The definition of 'control' under the Companies Act, 2013 is similar to the definition under SEBI Takeover Code. It is with reference to shareholding and voting rights, representation on the board of directors, and management and policy decision making of the company. It is easy to determine control from the perspective of shareholding or the right to appoint a majority of directors on the board of a company because it is a simple calculation to see if a person has a right to appoint a majority of directors on the board, however, the second test of control i.e. management or policy decision, is always a question of facts and circumstances. The definition does not clearly lay down the tests to determine the meaning of control of management or policy decisions.

The term 'control' under the FDI Policy is aligned with definition of 'control' under Companies Act, 2013 and SEBI Takeover Code. It is defined in a narrow sense in terms of ability to appoint majority of directors and to control management and policy decision making of the company. The control is used in FDI Policy mainly for determination of indirect foreign investment in downstream companies.

The definition of control under the Competition Act, 2002 is wide and different from the definition given in other regulations. It deals with control with respect to the affairs or management of the enterprises. The wider meaning to 'control' under the Competition Act, 2002 is presumably correct, as it intends to regulate and promote the competition in the market. CS

Role of Internal Audit in Financial Services

Abin Kumar Mukhopadhyay

ca.abinm@gmail.com

INTRODUCTION

Financial service is as old as human civilization and it has gone a long way from barter system to today's e-wallet. Financial service even finds its mention in Indian mythology, where "Kuber" was described as custodian/banker of wealth for the Gods & Goddesses. The word "Financial Service", itself contains two very unique words, "Financial", that denotes cash and cash equivalents (high solvency high risk), and "Service", which is a on the spot deliverable without any scope to store it for future delivery. Thus "financial service" requires a balance between high risk of holding/transacting in liquid assets with on the moment satisfactory delivery to intended customers. A successful array of financial service firms, work as a backbone of successful economy, while time and service quality compounded with minimum error is the key factor for success of a financial service firm. Therefore the internal audit of financial service is also unique in nature and differs a lot from traditional post-mortem audit.

Internal audit, in financial services sector, should not restrict itself to traditional limit of post facto checking of transactions and records but should work as a "live heart monitor" to identify control lapses and prescribe corrective actions on a real time basis to avert any mishap in this overly sensitive sector.

LEGAL FRAMEWORK

Global financial sector witnessed a series of failures in the past decade. While some of the failures (eg. Lehman Bros.) may be attributed to market risk and strategy failure, control lapse and frauds are also responsible for certain collapses (eg. HIH Insurance, Bayou Hedge Fund).

Some of the large corporate failures resulted in economic crisis in USA, with worldwide consequential impact. This necessitated higher degree of supervision and



6 In case of financial service sector, internal audit works as a frontline defence on a real time basis to monitor/evaluate administered control, identify gaps and statutory compliance. The involvement of liquid assets and requirement of service delivery on time, engages the auditor to be part of first line of defence.

stricter control on financial sector, and the emphasis placed on internal audit was never before.

India also witnessed several frauds and scandals in financial service sector, including share scam, mushrooming ponji schemes, 2010 AP Crisis on micro finance sector, loans under dubious conditions etc. Though all of them could not be attributed to the control failure, a need for better risk management methodology and internal control monitoring in financial sector was getting highlighted. The changes in global framework further boosted the need for a formal internal control mechanism.

In India internal audit has been made mandatory as per section 138 of the Companies Act 2013 read with rule Rule 13 of Companies (Accounts) Rules, 2014 for the following classes of companies:

- (a) Every listed company: Always applicable
- (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 (income) 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.

The Reserve Bank of India (RBI) has notified detailed guidelines towards risk based internal audit of all scheduled banks vide circular DBS.CO.PP.BC.10/11.01.005/2002-03 dated December 27th 2002, apart from guidelines on concurrent audits from time to time.

Further RBI has directed all NBFCs having asset size of Rs.50 crore or above (irrespective of whether such NBFCs holding/accepting public deposits or not) to have compulsory internal audit system accountable to the Chief Executive Officer of the company vide its circular dated DNBS.(PD).CC.No. 12/02.01/99-2000 dated January 13 2000.

As such both from the perspective of Companies Act as well as RBI directives majority of financial service entities, need to be covered under the mandatory internal audit.

ROLE

The primary expectation from internal audit is to provide an independent, objective assurance of the functioning of the organisation, appraising management of key risk areas and advising possible ways to improve efficiency as well as control.

The Committee on Internal Audit Guidance for Financial Services, Chartered Institute of Internal Auditors, published their recommendation titled Effective internal audit in the financial services sector, in July 2013, which states that:

“The primary role of Internal Audit should be to help the Board and Executive Management to protect the assets, reputation and sustainability of the organization”. Further it states that Internal Audit should achieve this by:

- ensuring that all significant risks are identified and appropriately reported by management and the Risk function to the Board and Executive Management.
- assessing whether they are adequately controlled.
- challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.



Alternatively Internal Audit role may be defined under the following three broad categories:

1. ROLE IN RESPECT OF INTERNAL CONTROL

Internal Audit is primarily responsible for monitoring and continuous evaluation of internal control in the organisation. Financial service being a dynamic and sensitive industry, the role of internal audit, has to be more active in ensuring control as well as flagging change requirement on a continuous basis. The emphasis is far stronger in case of firms dealing in hard cash or cash equivalent with front line customers. The role of audit in this section may be summarised as follows:

- Effectiveness and efficiency of operation.
- Reliability of financial reporting Compliance with laws and regulation.
- Compliance with laws and regulations

2. ROLE IN RESPECT OF RISK MANAGEMENT PROCESS

Generally accepted standards of internal audit mandates monitoring and evaluating the organisations' risk management process as well as flagging possibility of new risks arising out of current way of operation, change in statutes etc. It needs to ascertain in an independent and objective way, how the organisation sets up its objectives, identifies, analyse and responds to the risks that could potentially impact the pathway to achieve its objective in a cost effective manner.

In ordinary course of business it is the management which conducts the risk assessment activities under strategic, operational, financial reporting and legal/regulatory risks under COSO Enterprise Risk Management Framework (ERM). The Sarbanes-Oxley Regulations (USA) also requires extensive risk assessment in financial reporting process

.Internal audit with its access from strategic level to ground operation may play a crucial part in identification, mitigation plan and execution of risk framework of the entity.

In the Indian context as well RBI clearly mandated internal audit of banks and financial institutions to undertake a risk based audit approach.

3. ROLE IN RESPECT OF CORPORATE GOVERNANCE

Financial service is one of the most regulated sectors worldwide and in the wake of emerging frauds and irregularities in this sector it is expected that the pressure of legal framework will be enhanced with time. The owners / directors have a pecuniary relationship with the management of the organisation, and the directors strive to evaluate, manage and direct the management performance towards the achievement of organisation's goal by way of an effective corporate governance programme. Corporate governance is a combination of process and structure to ensure effective utilisation of organisational resources, implementation of strategies and clear and unambiguous disclosure of results of operational and financial outcomes. Indirectly it also aims at preventing fraud, oppression mismanagement by those who are entrusted with managing the affairs on a day to day basis. Internal auditor is often described as the one of the five pillars of corporate governance, others being Board of Directors, Management, Audit Committee & Statutory auditors.

Internal auditor has to work closely with the audit committee and statutory auditors and ensure that they are apprised of critical facts and effective information including possible mismanagement or misrepresentation, fraud by senior staffs, internal control deficiency, suppression of facts etc.

A popular model called "three lines of defence" places internal audit in the third and final layer, first and second being the operational function and risk management framework. However in case of financial service sector, internal audit works as a frontline defence on a real time basis to monitor/ evaluate administered control, identify gaps and statutory compliance. The involvement of liquid assets and requirement of service delivery on time, engages the auditor to be part of first line of defence.

SCOPE

The scope of internal audit is described in various guidelines and regulations in a broad manner; however in true sense, the internal auditor should not be restricted within any boundaries. Internal audit should rather take up a risk based approach to perform the role.

In financial services this approach is further important as this sector is under high regulatory scanner and mostly deal with large volume as well of value of financial transaction, where a single lapse may lead to immediate financial loss, regulatory impacts as well as customer dissatisfaction. In a broad sense the scope of internal audit in a financial service organisation may be enumerated as follows:

- Examination and evaluation of the adequacy and effectiveness of the internal control systems at various programs and activities essential for protecting organiza-



- tion's interest as well as safeguarding assets.
- Evaluation of adherence to the legal and regulatory requirements and approved policies and procedures.
 - Evaluation of adherence to the existing policies and procedures and give recommendations for improvement for accomplishment of organization's objectives.
 - Evaluating implementation of recommendations by experts like legal advisors.
 - Reviewing the management and financial information systems, including audit of the IT/ITES infrastructure.
 - Checking any transaction which takes place at various departments, programs and activities and work as a backbone/support to the operational activities.
 - Raising concerns to the management of any related to unethical practice, behaviour of employees with employees and customers as well as any family member of customer.
 - Collecting feedback and information from employees/customers to review the adherence and implementation of any particular process, policy, management decision and system.
 - Arranging audit meeting to share the audit observations with management, documenting, action points/corrective measures against such observations, following up of audit recommendations of the previous period.
 - Ensuring that all programs, sections and financial activities of the organization are falling within the scope of independent evaluation by the internal audit department.
 - Conducting special investigations assigned by the Chairperson of Audit Committee and Managing Director.
 - Collecting and evaluating information on behalf of Risk Management department which may be used for forming & appraising the risk framework.
 - Studying the audit/inspection reports received from external agencies as well as the regulatory authorities and examining the replies to such reports and follow up , if necessary on actions taken by the organizations.
 - Suggesting/recommending engagement of external professional agencies for inspection in specific areas like System (IT) audit, investigation etc.
 - Evaluating various proposals and vendors to ensure they are in line with organization policies and legal framework.

Internal audit of support functions like human resource, information technology etc. is of immense importance in financial service as they are essentially custodians of important resource like human capital, automated security etc. which forms the backbone of internal control systems specially for organisation engaged in retail financial service like bank, insurance organisation.

LOOKING FORWARD

The economic scenario of the Indian as well as global economic background is changing at a very fast pace, so is the technological development in financial sector .Further there is continuous enhancement of legal compliance requirement . There is growing awareness among customers about their rights at the same time stiff competition among financial service firms to acquire larger share of market .

The internal audit team needs to perform like a "live heart surgeon" to continuously monitor the functioning of the

Internal audit of support functions like human resource, information technology etc. is of immense importance in financial service as they are essentially custodians of important resource like human capital, automated security etc. which forms the backbone of internal control systems specially organisation engaged in retail financial service like bank ,insurance organisation.

organisation and to act in a prompt manner whenever there is a abnormal behaviour in cardiac-graph of the organisation .

Gone are the days where same process and control could have been sufficient for decades. In an ever changing environment, internal auditor needs to continuously monitor the control aspects and flag any change requirement or shortfall immediately.

The internal audit team needs to adapt audit in a computerised environment and should be acquainted with platforms like CBS,ERP etc. to perform their duty more efficiently .Further automation of transaction screening is a major requirement , and some of the data analytics tool may come handy to flag exceptions automatically , replacing tremendous manual efforts required to find out the same.

CONCLUSION

An organisation expects the internal audit to be a true partner in growth, to identify organisation's risk in an efficient and cost effective manner. As internal audit has an excellent exposure stretching from organisation decision level to ground level operation, it can deliver excellent strategic and operational benefits, rather than historical focus on financial and compliance issues. Internal audit function in financial sector is witnessing never before spotlight post major scams and failures the sector witnessed over the past decade and this opportunity should be utilised by auditors to build a brand for themselves as a true partner in organisational growth and stability. CS

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- Effective internal audit in the financial services sector, July 2013, Chartered Institute of Internal Auditors
- RBI Circulars
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Are Masala Bonds Spicy Enough?



Sudipto Banerjee, ACS

Consulting Editor, Taxindiaonline.com
New Delhi

sudipto.banerjee84@gmail.com

INTRODUCTION

Masala bonds are rupee denominated instruments issued by Indian borrowers (an Indian corporate) to investors abroad. This instrument was originally conceptualized by the International Financial Corporation (IFC), the investment arm of World Bank in 2013. Masala bonds were issued by IFC and the proceeds invested in Indian infrastructure. Considering positive acceptance of the instruments and constant demand from the Indian corporate, the Reserve Bank of India (RBI) decided to allow Indian companies to issue these instruments under the External Commercial Borrowings (ECB) Policy - Issuance of Rupee denominated bonds overseas.ⁱ While these instruments are covered under the ECB framework, yet unlike other forms of ECB, it is subject to minimum restrictions like end use of proceeds, list of eligible investors, no cap on all in cost, pricing of bonds, etc. Taking cue from the RBI, Ministry of Corporate Affairs and the capital market regulator - SEBI exempted masala bonds from compliances like applicability of Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Foreign Portfolio Investors) Regulations, 2014 respectively which otherwise would have marred the marketability of these instruments.

The decision of the Reserve Bank of India to allow Indian companies to issue rupee denominated bonds is commendable. Given the current global slowdown, India stands a bright chance to market 'masala' bonds as an international instrument, provided our macro-economic fundamentals are adequately strengthened.

Masala bond is an off spring of growing peril linked to foreign currency denominated ECB due to falling rupee. To counter this risk, borrowers had to fall back on derivative contracts but it augmented the borrowing cost. On the other hand, masala bonds are converted in foreign currency (let's assume dollars) on the date of issuance as per the prevailing exchange rate. Consequently, the borrower is required to service debt obligations like payment of fixed interest rate and pre-agreed redemption amount in rupee. Thereafter, this rupee amount is converted into equivalent dollars as per the prevailing exchange rate. This means the risk of currency fluctuation stands shifted from the borrower to lender. The dynamics of masala bonds can be understood from the following illustration.

Indian Company PQR issues bonds in London carrying interest rate of 8.10% per annum. The bonds are purchased in GB Pound by investors at the current conversion rate. At the end of maturity period, let's say 3 years, redemption amount is paid based on the assured return. However, this amount is paid to investor in INR which is to be converted into GB Pound or any other international currency. If INR has depreciated on the date of redemption, the currency risk will have to be borne by the bond investor.

If Indian borrowers fail to meet their foreign debt obligations they look up to the banks for refinancing to bail them out. If banks refuse to do so, the company will go into insolvency. This means the entire chain is laden with systemic risk giving rise to sovereign risk obligation. As per CRISIL study in 2013, the total outstanding foreign currency loan of Indian companies stood at an alarming figure of USD 200 billion and most of these borrowings were unhedgedⁱⁱ. In the current year, there is an estimation of approximately USD 70 billion unhedged borrowings in dollars. Masala bonds have been designed to first, mitigate this volatile situation and secondly, to overcome the problem of original sin.ⁱⁱⁱ

However, can masala bonds provide an alternative mode of raising funds to give fillip to the stalled infrastructure projects especially, when the banking sector is crumbling under the pressure of NPAs? Can the problem of original sin be overcome? Can masala bonds gain international status for INR?

ⁱ RBI Circular No. 17, dated September 29, 2015.

ⁱⁱ Ashok Banerjee, Masala Bonds: An Innovative Financial Instrument, available at: <http://indiafa.org/masala-bonds-an-innovative-financial-instrument/>.

ⁱⁱⁱ Inability of any sovereign to issue debt instruments abroad in domestic currency.

currency risk is not the only exposure, because an investor also needs to factor in the credit risk. The profitability of Indian companies is not improving. The investment in the manufacturing sector is on the constant decline. Banks are neck deep in litigations with the companies over loan defaults. Under these conditions, the investor in masala bonds may want to enter into credit default swap (CDS) contracts which means this will add up to the overall costing of the transaction.

COSTING FROM INVESTOR'S PERSPECTIVE

Theoretically several benefits of masala bonds can be counted, but we must understand the practical underlying challenges. The success of any debt instrument depends primarily on the investor's perspective which is directly influenced by the cost-benefit analysis. There are several components which constitute the costing of masala bonds. The broad components are hedging cost, credit risk cost and finally the withholding tax liability.

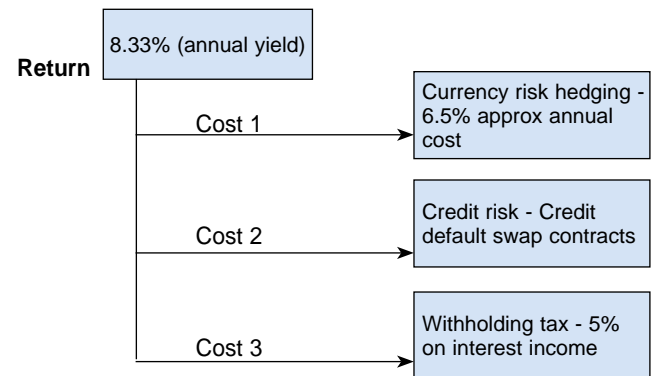
Since an investor in masala bond is exposed to currency exposure risk and considering the volatile nature of INR, it is likely that investors in masala bonds will choose to hedge their currency risk. Hedging contracts means added cost. This is done in non deliverable forward (NDF) market at offshore centers like Dubai, Singapore, New York, etc. NDFs are derivative instruments where trading is done in restricted currencies like INR (India does not have full capital convertibility) which serves as the underlying asset but there is no actual delivery of the currency. The underlying asset never exchanges hand but the contract is settled by paying off the difference in exchange rates i.e., contractually agreed rate - prevailing spot rate. The final position is settled by paying in international currencies like US dollars, GB Pound or Euro. As per treasury analysts the average hedging cost at an offshore centre is approximately 6.5% annually. This means the net yield is further reduced. The hedging in NDF market is only likely to increase looking at the trend of falling INR against US dollar.

While investors have been allowed to hedge their exposure in permitted derivative products with AD-I category banks in India, they prefer offshore centers to avoid regulatory control of RBI. Since NDF markets operate mostly with the objective of currency arbitrage, such activities could have an adverse impact on the Indian currency. Moreover, such offshore NDF market is beyond the jurisdiction of RBI, in other words, the impact of such offshore betting in Indian rupees cannot be regulated. If not in regular market conditions, in volatile market conditions the NDF market transactions can have an impact on the domestic spot markets. (See Sangita Misra and Harendra Beher)^{iv} The bid offer spreads which are an inherent feature in offshore hedging contracts entered in NDF market has its influence on the currency in the domestic market.

However, currency risk is not the only exposure, because an investor also needs to factor in the credit risk. The profitability of Indian companies is not improving. The investment in the manufacturing sector is on the constant decline. Banks are neck deep in litigations with the companies over loan defaults. Under these conditions, the investor in masala bonds may want to enter into credit default swap (CDS) contracts which means this will add up to the overall costing of the transaction.

The recent issue of masala bonds by HDFC carried an annual yield of 8.33%. Now let's assume this is the standard yield rate on masala bonds. This yield is subject to withholding tax of 5% under the Income Tax Act, 1961^v which reduces the actual yield rate. As per bankers this adds to 40-50 basis points^{vi} to the cost of bonds. Now there are two possibilities - either the investor compromise with the reduced yield considering sub-zero rates in developed nations or issuer increases the yield rate to compensate investors for the taxation component.

Cost components:



PECULIARITIES OF INDIAN BOND MARKET

IFC has successfully issued rupee denominated of worth Rs 106 billion to international investors. But the success of IFC cannot guarantee positive performance of bonds issued by the Indian companies. First, IFC enjoys AAA credit rating whereas, India's credit rating is BBB- (as per Standard & Poors and Fitch). To impress foreign investors the instruments must bear stable credit rating which means masala bonds need not be accessible to large number of medium and small scale enterprises lying down the credit curve. Even the Indian corporate with credit rating of AAA- are discounted at the international forum. Secondly, the Indian bond market is mostly dominated by government securities and financial institutions with the ratio of sovereign debt to corporate debt ratio of 2.7:1.1^{vii} Therefore, the depth of Indian bond market is shallow compared to other nations. Past experience of issues in dollar denominated bonds show that foreign investors usually favour bonds issued by public sector units. In this sticky situation, masala bonds would remain confined to government securities and

^{iv} See, Non Deliverable Foreign Exchange Forward Market: An Overview, Reserve Bank of India Occasional Papers Vol. 27, No. 3, Winter 200, available at: <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/80592.pdf>.

^v Finance Act, 2016 - Amendment of Section 48 -Capital gains, arising in case of appreciation of rupee between the date of Issue and the date of redemption against the foreign currency in which the investment is made; would be exempted from capital gains tax.

^{vi} One basis point is 0.01%.

^{vii} See, Special address delivered by Shri R. Gandhi, Deputy Governor at the Seminar on "Challenges in Developing the Bond Market in BRICS", Sep 27, 2016.

top fifty companies. Thirdly, rupee denominated bonds faces stiff competition from country like China which has much matured bond market with its dimsum bonds (renminbi denominated) already popular amongst the international investors.

QUANTITATIVE RESTRICTIONS AND OTHER IMPLICATIONS

The RBI has fixed the aggregate limit of foreign investment in corporate debt in rupee terms, and therefore, the maximum amount which can be borrowed by an entity in a financial year under the automatic route by issuance of these bonds will be Rs. 50 billion and not USD 750 million as given in the earlier circular dated September 29, 2015.^{viii} Proposals to borrow beyond Rs. 50 billion in a financial year will require prior approval of the RBI. These restrictions can act as dampener for the borrowers. Further, RBI has tried to ensure that the proceeds from issuance of bonds come from only Financial Action Task Force compliant jurisdiction. The recent RBI circular issued in 2016 states that the issuer must obtain a list of primary holders and submit it with Indian regulatory authorities. However, the bonds are freely transferable in the secondary market and therefore, the ultimate investor will not remain static. Besides, some taxation experts are of the opinion that international depositories lack transparency and tracking the list of primary and second holders may pose practical challenge. This could be an area of concern for RBI in light of aggressive money laundering activities to introduce the tax evaded income back into the economy.

WAY AHEAD

It is extremely difficult to predict the possible consequences of an unprecedented event like demonetisation. However, if there is further depreciation of rupees, borrowing cost will increase as lenders would expect higher premium (interest rate) to cover their cost of risk hedging. Further, the investors will demand better interest rates to compensate for the currency loss. China has already witnessed this phenomenon when renminbi declined against US dollar, issuers of dimsum bonds had to up the interest rates to lure investors. As far as the problem of original sin is concerned, it is a complex issue and expecting masala bonds as panacea to address this concern may not hold correct. There are instances from the past where developing nations like Russia, Venezuela and Argentina have defaulted in meeting obligations in domestic currency bonds.

The policy makers must realize that future of rupee denominated bonds is intertwined with the fate of domestic corporate bond market. The present domestic bond market is marked with features like uncertainty, poor credit and recovery culture, information asymmetry between issuers and investors, etc. Therefore, successful implementation of the Insolvency and Bankruptcy Code, 2016 assumes critical importance. However, past experience suggest that there has been no decline in intervention by courts, which became the prime reason for failure of the SARFAESI Act. CDS contracts are quite popular in off-shore markets to hedge credit risk. The offshore CDS market is often characterized by speculative trading where players enter into contracts without even holding the instruments. Such speculation activities can certainly influence the Indian bond market and currency. However, this could be checked if the bond investors are given an option to explore the



Indian CDS market which is presently underdeveloped and lacks liquidity.

RBI has recently allowed banks to participate in issuance of masala bonds. This move has been welcomed by the banking industry, especially public sector banks (PSBs) who have been badly bruised by Indian borrowers, and therefore, banks are expected to explore this option aggressively. Since PSBs indirectly reflect the sovereign rating of India, investors prefer bank issues. However, they would also have to keep strict vigil over the existing shareholding of Government and its future disinvestment plans.

On the taxation front, it is commendable that the Government has reduced the withholding tax liability from 20% to 5% on masala bonds and excepted the capital gain tax. The Finance Bill, 2017-18 has further provided for extension of the concessional rate of 5% withholding tax on interest payable on these bonds before July 1, 2020.^{ix} However, the rate is similar to the TDS obligation applicable to foreign currency denominated bonds.^x If we are serious enough to promote masala bonds, withholding tax liability should be phased out to enhance the overall net return on these instruments. Besides, the Government must get over with the biasness against foreign investors and remove quantitative restrictions in the bond market.

CONCLUSION

Masala bonds can be the first meaningful step towards full capital account convertibility regime, provided our macro-economic fundamentals are sound and strong. For this we need to build a more matured onshore bond market with sufficient depth. In addition to the Indian firms, the global brands operating in India must also be encouraged to issue these instruments. This will enhance the credibility of the instruments among the foreign investors. In China, foreign entities like McDonalds and Caterpillars have issued dimsum bonds. Besides, disputes arising in case of defaults can be swiftly settled through international arbitration without falling prey to delays of the Indian judiciary. However, Indian courts must not entertain baseless interim applications which often mars the international arbitration process. Moreover, the overall-cost effectiveness of masala bonds will be the deciding factor. In the current regime, different regulatory authorities are working in a coordinated manner striving to architect a fundamentally strong policy framework. With the emerging nations becoming the sought after investment destination and Chinese economy slowing down, India is the only shining spot in the global economy. RBI has performed far better than its counterparts whenever global economy nosedived and thereby enjoys great international reputation. This certainly goes in favour of masala bonds in boosting confidence of the investors. With these conditions in the background, we must leverage this opportunity, so masala bonds can provide the credible and elusive global status to the Indian currency. **CS**

^{viii} RBI Circular No. 60, dated April 13, 2016, Issuance of Rupee denominated bonds overseas.

^{ix} The concessional rate of 5% TDS was available on interest payable till July 1, 2017.

^x See, Section 194 LC and Section 194 LD of Income Tax Act, 1961.

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Benefits

- ₹7,50,000 in the event of death of a member under the age of 60 years
- Upto ₹3,00,000 in the event of death of a member above the age of 60 years
- Upto ₹40,000 per child (upto two children) for education of minor children of a deceased member in deserving cases
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- Limited benefits for Company Secretaries who are not members of the CSBF

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RESEARCH CORNER



- A STUDY ON 'BUSINESS VALUATION: MADE OR SPOILED M&A DEALS'
- ICSI RESEARCH COMPETITION ON INTERNATIONAL CORPORATE GOVERNANCE CODE
- ALL INDIA RESEARCH PAPER COMPETITION ON ASSET RECONSTRUCTION & BRIDGING THE LINK WITH INSOLVENCY & BANKRUPTCY CODE, 2016



ICSI-Centre for Corporate Governance, Research & Training (CCGRT)

Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.
Tel: - 022-41021501/34/35/06 • Email: ccgrt@icsi.edu • Website: www.icsi.edu/ccgrt

Integrated Company Secretary Course (Full-Time) Admission Open for 4th Batch

ICSI is offering an Integrated Company Secretary Course (Full-time) at ICSI-CCGRT, Navi Mumbai

▶ OBJECTIVE

To develop well rounded niche Governance Professional under one roof.

▶ SCOPE

- 1) A well-structured Company Secretary Course.
- 2) Soft Skills Leadership Traits and other Life Skills.
- 3) Training through Practical Exposure and Internship.

▶ NATURE OF THE COURSE

Full Time, Non-residential

▶ DURATION OF THE COURSE

Three years, including one year of training (assuming that a student passes the scheduled examinations of Executive & Professional Levels, June Session of The Institute of Company Secretaries of India in the first attempt)

▶ BATCH SIZE:

50 (Fifty)

▶ FACULTY:

Blend of Academicians from reputed Institutions, Professionals and Industry Experts.

▶ PEDAGOGY:

The Course is an interactive programme focusing on experiential learning and combining class room lectures, discussion, class exercises, case studies, industry visits, practice sessions etc. Students would be exposed to real life organisational situations, professional dilemmas etc. enable them to develop holistic perspective towards decision making and governance.

▶ VENUE AND CLASSROOM LECTURES:

ICSI-Centre for Corporate Governance, Research and Training (CCGRT), Plot No.101, Sector 15, Institutional Area, CBD-Belapur, Navi Mumbai- 400 614 (MH).

▶ ELIGIBILITY:

- 1) Less than 26 years as on July 01, 2017
- 2) Graduate with 50% Marks or Foundation Programme Pass of ICSI or CPT Pass of ICAI or Foundation Course Pass of ICMAI.

ADDITIONAL BENEFITS FOR THE STUDENTS

ICSI-CCGRT will facilitate the following for the Students of this course:

- Registration and Enrolment with ICSI.
- Educational Loan for the Course, Internship Training and Industry Exposure.
- Placement Assistance, Hostel Assistance around CCGRT, opportunity to attend seminar/workshops/conferences.

▶ SELECTION PROCESS:

a) Online Entrance Examination

Two hours online entrance examination comprising of Reasoning, English and Numerical Aptitude. In lieu of online Entrance Examination Scores of Recognized tests, namely CAT, XAT, NMAT, GMAT, SNAP, MH-CET, ATMA would also be considered.

b) Group Discussion and Interview

On the basis of the performance in the Online Entrance Examination or scores of Recognized test whichever is applicable and Group discussion and interview, candidates would be selected for admission to the programme.

▶ ADMISSION:

Admission process For the Course is in progress. Online Entrance Examination would be held on 6th May 2017

COURSE COMMENCEMENT DATE

The Course would commence on 4th July 2017. For details visit: www.icsi.edu/ccgrt

▶ PROSPECTUS & ONLINE APPLICATION

The prospectus of the course is available at

www.icsi.edu/ccgrt

Online application link:

http://103.253.70.12:8830/icsimumbai/LoginAction_input.action

IMPORTANT DATES

S.No.	Event	Date
1	Online Application Form	21 st March 2017
2	Closing of Online Application Form	21 st April 2017
3	Online Entrance Exam	6 th May 2017
4	Declaration of Result	12 th May 2017
5	Group Discussion and Personal Interview	23 rd & 24 th May 2017
6	Offer of Admission	6 th June 2017
7	Last date of Payment of Fees	16 th June 2017
8	Offer for admission to waitlisted candidates	23 rd June 2017
9	Last date for Payment and Admission (for waitlisted candidates)	28 th June 2017
10	Commencement of Course	4 th July 2017

A Study on 'Business Valuation: Made or Spoiled M&A Deals'



Meenu Gupta, ACS
Associate Company Secretary
Noida
guptameenu90@gmail.com

*"Price is what you pay. Value is what you get."
- Warren Buffet*

Warren Buffet having rightly said, the valuation asks the question of what is the 'fair' price to pay for an asset that has a set of uncertain future cash flows. With the largest home-grown deal acquiring Welspun Renewables Energy Pvt. Ltd by TATA Power Renewable Ltd for US\$ 1.4 bn and Jindal Steel & Power Ltd's 1,000 MW power plant in Chhattisgarh by JSW Energy Ltd for US\$ 9,77 mn, Indian

Valuation, either for purposes of Acquisition, Private Equities, Joint Ventures, IPOs necessitates fair and proper diligence of inherent valuation issues and skills and careful thought process by business appraisers to realize expected synergies. Absence of deal diligence can lead to biggest financial merger failure as explained in the study.

Mergers and Acquisitions transactions rose to 103 deals in 2016. Also, with ease of doing business reforms, Indian Startups saw 86 deals, 2 IPOs from global technology giants. What is the worth of company, how much funds to raise via private placement and how much stake have to be diluted, how much to raise from market if the company is in public form. So, whatever, the purpose, valuation remains centre of talks. However, successful deal making requires a diligence of valuation issues inherent in every transaction to mitigate transaction risks and uncover hidden value in an M&A context. The research paper is an attempt to focus on both significance and inherent issues in business valuation through spoiled and successful valuation cases.

RESEARCH OBJECTIVES

The research study is undertaken for following objectives:

- i. To peep into overview-growth & importance of valuation.
- ii. To study approaches/methods of valuations based type of industry.
- iii. To study regulatory framework-Indian, IFRS accounting standards pertaining to valuation.
- iv. To identify loopholes in valuation approaches leading to failed M&As.
- v. To have a glimpse on case of M&A spoiled due to valuation.

i. Overview-Growth & Importance

In last few years, India had witnessed a substantial slowdown in M&A. In year 2015, Indian companies were involved in transactions worth \$33 bn whereas till August'16, value of M&A activity saw a dip to \$ 23bn. It is forecasted that end of fiscal 2016 will see heightened global M&A activity and it is anticipated that value of transactions would cross \$39 bn easily.

The election of Modi led Government has brought back tremendous faith in investor community. It is believed that coming year 2016 is expected to be a borrowing year in terms of M&A activity as investor community has seen certainty in Modi led Govt's reform agenda and the policies have been largely formulated to encourage foreign investments being a new bankruptcy law, the faster pace of approvals initiated by Govt. as part of its ease of doing business in India campaign and relaxation in FDI norms.



Source: EY analysis of Thomson One data

After witnessing a strong start to the year, M&A activity involving Indian Companies moderated during quarter ended June'16 contributing 190 deals with a total disclosed deal value of US\$ 7.0 bn. The deal volume decelerated by 8% compared to the same quarter last year and the value increased by 14% from US\$ 6.1 bn in 2Q'15 due to four mega deal (US\$ 500 mn & above), which contributed for US\$ 4bn, accounting for 57% of total disclosed deal value during 2Q'16. However, domestic activity continued to dominate Indian M&A transactions in 2016 with 103 deals having an aggregate deal value of US \$ 4.9 bn which contributed 54% to total deal volume and 70% of total disclosed value resulted from mega transactions announcing acquisition of Welspun Renewables Energy Pvt. Ltd by TAT Power for US\$ 1.4 bn, and JSW's announcement to acquire Jindal Steel & Power's power plant for US\$ 977 mn. It is also dominated by consolidation among startups (accounting for 25% of total M&A volumes) in an effort to strengthen their market positions in an increasingly competitive market.

On the cross border front, quarter witnessed 87 deals contributing deal value of US\$ 2.1 bn compared to 93 deals with US\$ 1.1 bn in 2Q'15. The transnational M&A activity was dominated by inbound deals with volume of 56 and deal value US\$ 1.3 bn.

Cross-border deal activity in India

	2014		2015		2016 (Till June)	
	Count	Deal Value (US\$ bn)	Count	Deal Value (US\$ bn)	Count	Deal Value (US\$ bn)
Domestic	493	16.2	513	10.9	244	10.1
Inbound	259	10.9	272	10.1	105	2.4
Outbound	118	2.3	145	5.2	82	2
Total	870	29.4	930	26.2	431	14.5

FDI inflows to India increased to US\$ 4739 mn by July'16 from US\$ 1850 mn in 2014-15, reaffirming overseas investor's continued faith in India's growth story. With the Govt's recent steps towards relaxation of FDI rules in key sectors, foreign capital flow into the country will going to increase. For example, soon after the announcement to hike FDI limit in insurance sector, foreign players such as Bupa and AXA announced plans to raise stakes in their respective Indian ventures.

Given the positive macroeconomic fundamentals and strong demand potential, home grown players will continue to explore acquisition opportunities to expand their market share in domestic arena. Furthermore, clearance of pending reforms related to land acquisition bills and GST coupled with recently concluded coal block auctions would further encourage global players to selectively evaluate their inorganic options, despite a volatile global environment.



Source: tradingeconomics.com, Reserve Bank of India

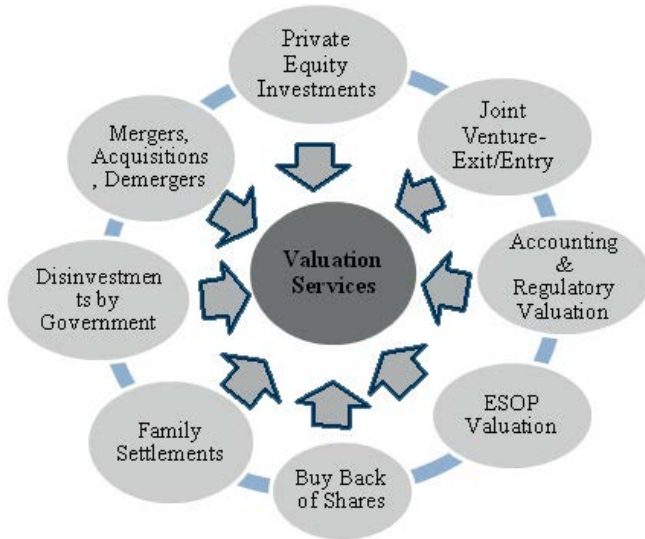
Consolidation in sectors including e-commerce, retail, financial services, and pharmaceuticals, in light of burgeoning competition, will support domestic deal activity. With this view where businesses are expanding globally seeking investment opportunities, the need for valuation of tangibles and intangibles will grow proportionally and show a growth line.

BUSINESS VALUATION-PURPOSE & IMPORTANCE

For anyone involved in the field of corporate finance and every organization dealing with tangibles and intangibles, understanding the mechanics of company valuation is an indispensable requisite. This is not only because of importance of valuation in Mergers and Acquisitions but also because the process of valuing the company and its business units helps identify sources of economic value creation and destruction within the company. It is a process and a set of procedures used to estimate the economic value of an owner's interest in a business. Valuation is essential and used by various participants:

- It is used by financial market participants to determine the price they are willing to pay or receive to consummate a sale of a business.
- It helps determine value of a business, may reduce future disagreements about the value of company, and is usually necessary when parties enter into a buy-sell arrangement.
- It may produce a value that can be relied upon for federal estate tax purposes as well as to determine appropriate amount of life insurance needed to fund buy-sell arrangement.
- Valuation of target in an acquisition is an important part of process of determining the consideration to be offered to target shareholders.
- It include the effects of combining and leveraging the target's and acquirer's resources and capabilities-various cpst efficiencies, revenue enhancement, and future growth opportunities.
- It is needed for sale of a business interest, death of a key owner, retirement or disability of an owner, estate planning and current gifting of shares of an interest in a business, divorce of an owner, bankruptcy or insolvency of an owner.

Purpose of Valuation



- It is essential for strategic partnerships, M&A of shares of a company; for introducing ESOPs and Joint Ventures from the perspective of a valuer, a business owner, or an interested party.
- It provides a useful base to establish a price for property or business or to help determine ways and means of enhancing the value of his firm or enterprise.
- The main objective in carrying out a valuation is concluding a transaction in reasonable manner without any room for any doubt or controversy about the value obtained by any party to the transaction.
- It is used to compare value obtained with the share's price on stock market and to decide whether to buy, sell or hold the shares.
- It is used to make comparisons between companies, i.e. if an investor thinks that future course of GE's share price will be better than that of Amazon, he may buy GE shares and short-sell Amazon shares. With this position, he will gain provided that GE's share price does better than that of Amazon.
- It is fundamental for deciding what products/business lines/countries/customers to maintain, grow or abandon.

ii. Valuation Models/Approaches

There is no one way to establish what a business is worth. That's because business value means different things to different people. There are numerous ways to value a company. In determining value, there are several basic analytical tools that are commonly used by financial analysts which have been developed over several years of research and refinement and are based on financial theory and market reality.

- Book Value:** Business is valued on the basis of its net assets, i.e. total assets less total liabilities. It is the per share rupee value that would be received if assets were liquidated for values at which assets are kept on books minus monies that must be paid to liquidate liabilities and preferred stock.

Industry: While sellers would like to ensure that assets, particularly, immovable properties are properly valued so as to

reflect present market of such properties, buyers have to be cautious to note that mere presence of high value properties do not mean anything, as immovable properties don't contribute anything to generate revenue streams. This is because, whatever be the value of such properties, in a going concern, such properties don't change earning capacity of company. It is rarely used for valuing a going concern, as it doesn't consider future earning capacity of business.

Positives: Parties typically cannot dispute the valuations (an audited value of balance sheet contains the amount of assets and liabilities at any given time).

Negatives: It may not reflect true market value of business as accounting criteria are subject to a certain degree of subjectivity and differ from 'market' criteria with the result that book value almost never matches the 'market' value.

- Liquidation value:** A more realistic measure than book value, it is a company's value if it is liquidated, that is its assets are sold and its debts are paid off. It doesn't directly measure earning power of firm's assets and is limited to a highly specific situation, namely when the company is bought with the purpose of liquidating it at a later date.

- Discounted Cash Flow (DCF):** One of the important valuation methods and a strong tool because it measures cash generation potential of business. Free cash flows of company are discounted with weighted average cost of capital used in business. It tries to work out value of a company today, based on projections of how much money it's going to make in future. As per this method, a company is worth all of the cash that it could make available to investors in future. These are based on detailed, careful forecast for each period, for each financial items related with generation of cash flows corresponding to company's operations, such as, for example, collection of sales, personnel, raw materials, administration and sales expenses, loan repayments. Free cash flows are generally forecasted for 5 to 10 years, a terminal value is calculated for all the cash flows beyond the forecasted period.

Industry: Companies that have the ideal cash flows suited for DCF are the mature firms that are past the growth stages since many small high-growth and non-mature firms get excluded due to large capital expenditures in their balance sheets.

Positives: It produces closest thing to an intrinsic stock value, is scientific and is widely used. It can be used with a wide variety of firms that don't pay dividends, and even for companies that do pay dividends.

Negatives:

- One can never predict future. "Forecasts may tell you a great deal about the forecaster, they tell you nothing about future"- said Warren Buffet.
- Based on many assumptions: assuming forecasting period 5 to 10 years, determining terminal cash flows on assumption that there would be constant or no growth.
- DCFs requires substantially more information, i.e working capital, tax, depreciation, capital expenditures, is less suitable for analysts faced with time constraints and limited access to information.
- Usually in many cases, analysts in particular and sales

people in general, don't use DCFs to sell stocks to investors and portfolio managers as can be difficult to explain to clients, especially when working under time constraint-many sales pictures are made over phone to investors who have only a few minutes to spare for the pitch.

IV. Earnings/Dividend based Valuations: Dividends of most companies are expected to grow and is used as absolute valuation models. It calculates "true value" of a firm based on dividend the company pays its shareholders. Since dividend represents the actual cash flows going to shareholder, thus, valuing the present value of these cash flows should give us a value for how much the shares would be worth. It can be used to value a firm that is in 'steady state' with dividend growing at a rate that is expected to stay stable in long term.

V. Relative Valuation: In relative valuation, we value an asset based upon how similar assets are priced in the market. A prospective house buyer decides how much to pay for a house by looking at the prices paid for similar houses in the neighborhood. In the same vein, a potential investor in a stock tries to estimate its value by looking at the market pricing of "similar" stocks. Three steps include:

- Finding comparable assets and obtaining their market values.
- Scaling the market prices to a common variable: Convert these market values into standardized values, since the absolute prices cannot be compared. This process of standardizing creates price multiples.
- Adjusting for differences across assets: Comparing standardized value or multiple for asset being analyzed to the standardized values for comparable asset, controlling for any differences between the firms that might affect the multiple, to judge whether the asset is under or overvalued.

The end objective is to drive equity based and enterprise based multiples so that two companies can be compared to each other as it very difficult to tell which company is a good invested and which is not, just on basis of absolute numbers.

Industry: Trading Comparable methodology is mostly used for comparison purposes (where Company 'A' standing compared to Company 'B' or 'C'); for IPO valuation; for valuation of private companies.

Calculation of Key Multiples

Equity Multiples	Enterprise Multiples
Price to Earnings	EV/EBITDA
Price/Book Value	EV/Sales
	EV/FCFs

A valuation multiple is simply an expression of market value relative to a key statistic that is assumed to relate to that value. Among the two EV Multiples and Equity Multiples, EV multiples are better than equity value multiples because EV allows for direct comparison of different firms, regardless of capital structure whereas Equity value multiples are influenced by leverage. For example, highly levered firms generally have higher P/E multiples because their expected returns on equity are higher. Additionally, EV multiples are typically less affected by accounting differences, since denominator is computed higher up on income statement.

- P/E Ratio:** When buying a stock, it is common to look at

price paid as a multiple of earnings per share generated by company. It is mainly used by banks which involves computing average purchase price to EPS ratio for similar banks and then multiplying this mean ratio by target bank's earnings per share. An appropriate earnings measure would reflect volatility of earnings, which gives some indication of riskiness of bank's operations.

- EV/EBITDA:** It is preferred comparable to other multiples as EBITDA is treating as operating cash flows, the multiple states how much buyer has to pay to acquire the proxy cash flows of company. Its main advantage over PE ratio is it is unaffected by a company's capital structure. The multiple has preference in capital intensive industries like manufacturing, oil & gas, industrial goods, telecom, etc. as the amount of amortization and depreciation will have a huge impact on EBIT and for cellular industry which requires a substantial investment and long gestation period. It is meaningless for startup companies if they are reporting losses.
- EV/Sales:** It gives investors an idea as to how many times of sales they have to pay to buy that company. Generally, the lower the EV/Sales, the more attractive or undervalued the company is believed to be. However, lower EV/Sales can signal that future sales prospects are not very attractive. Other side, a high multiple is not always bad thing as it can be a sign that investors believe future sales will greatly increase. A preferred multiple in case of young companies having no established history of profits, it is comparatively less relevant as sales though provide an indication of size of business, but doesn't reflect profitability, which is key value driver. It will be difficult to make valuation decisions based only on EV/Sales as two companies might have identical sales but with different EBIT.
- Price/Book Value:** Investors often look at the relationship between price they pay for a stock and the book value of equity or net worth as a measure of how over or undervalued a stock is. It can vary widely across countries depending upon growth potential and quality of investments in each.

Relative Valuation is pervasive

- In a study of 550 equity research reports in early 2001, relative valuations outnumbered discounted valuations almost ten to one. While many equity research reports included obligatory cash flow tables, values were estimated and recommendations were made by looking at comparable firms and using multiples.
- DCF's are more common in consulting and corporate finance, however, they are themselves relative valuations in disguise because terminal values are computed using multiples.

Sector-wise use of Valuation Techniques

- Cement & Steel:** Steel & Cement represent basic/building materials. The sectors are cyclical (driven by expansion cycles). Being cyclical, in normal/bullish scenarios Comparables approach is best suited. However, in downturns it is better to shift to Asset based approaches to reflect maximum downside potential.
- Technology:** Technology companies have very complicated business models where revenues are

scattered & unpredictable, face constant threat of protectionism and so one simply cannot have a reliable long term forecast, so Comparables is chosen over DCF by most. However, DCF is suggested in very bullish/bearish markets.

iii. Telecom: Telecom sector has rich & abundant data availability to generate very reliable numbers over a 3-5 year horizon and business model can be very easily broken down into a flow of numbers. For this reason it is recommended to use DCF approach.

iv. Healthcare: Like telecom, these sectors too can be very easily broken down into a logical flow of numbers resulting in a reliable medium-long term forecast so DCF is a rational choice. However, asset based approaches are a must in bearish markets to determine worst-case scenario valuation.

v. Infrastructure/Power/Oil & Gas: Infrastructure, Power, Oil & Gas together form Core Sector. These sectors are primarily driven by government policy and funding, details of which are clearly made available. Having distinct drivers along with rich data availability makes it a perfect DCF candidate.

Using different multiples, analysts get different valuation numbers. These different valuations help analysts to make a range of implied valuation that target Company can achieve as held in case of *Hindustan Lever Employees' Union Vs. HLL (1995) 83 Com. Case 30 SC*. However, significant differences in valuation under different methods may signal errors in assumptions, wrong selection of peers, mathematical errors, etc. Analysts normally use median of different valuation techniques to give the suggested valuation for any target company.

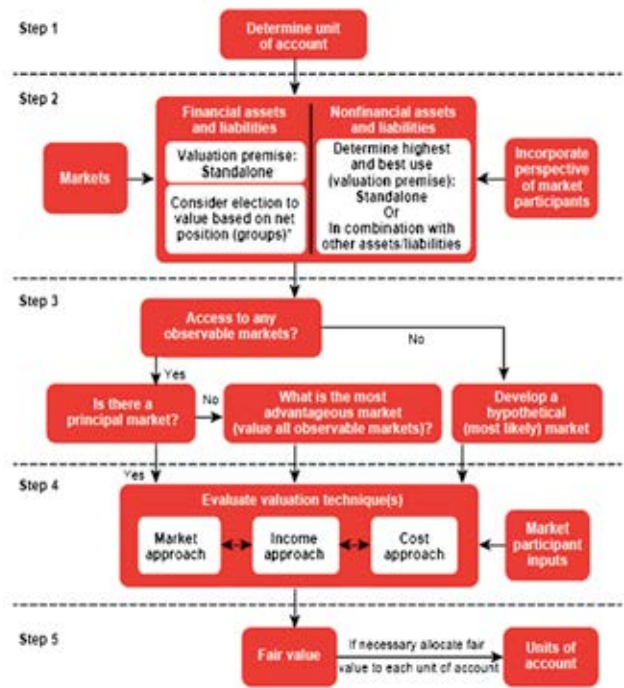
I. Indian Accounting Standards Vs. US GAAP Vs. IFRS for Valuations

Indian Accounting Standards: With the whole world having become a global village, businesses are increasingly going 'global'. As the businesses speak language of accounting, there was a compelling need that they spoke a universally common language for better comparability and unambiguous understanding of financial statements across all companies and jurisdictions. With the announcement of urgent need to converge current Indian Standards with International Accounting Standards (IFRS) by Finance Minister, MCA announced a roadmap for adoption of Ind AS converging with IFRS on 16th February'2015 and notifying 39 Ind AS. Companies with net worth of Rs. 500 crore or more (along with their holding, subsidiary, Joint Venture and Associate Companies) to mandatory adopt it on or after 1st April, 2016 and all remaining listed and unlisted companies with a net worth of Rs. 250 crore or more to adopt on or after 1st April, 2017.

Some of these companies are till now following what is termed as Indian Generally Accepted Accounting Principles (Indian GAAP). Ind AS has been formulated by Accounting Standards Board and notified by Govt, they are designed to be similar to IFRS. The aim of this switch is to bring our Indian accounting norms in line with global practices. The new norms will impact net worth, return ratios and earnings of Indian companies and a significant change in accounting of M&A. As many adjustments will be made to equity value (based on fair value rather than cost), the book value of most companies will

change meaningfully. It will lead to increased transparency led by higher disclosure. The move will be positive for investors and shareholders in longer run, as it will have some impact on reported numbers and valuation ratios of Companies. It defines Fair Value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

Framework for application of Fair Value Standards



A look at IFRS, US GAAP, Indian AS for Fair Value Measurement

Basis	IFRS-13	US GAAP	Ind AS 113
Scope	Applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements.	When a non-US Company presenting its financial results in US.	Similar to IFRS
Regulator		International Accounting Standards Board (IASB).	Accounting Standards Board.
Definition	A price that would be received to sell as asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	A value used in measurement of mortgaged loans and in equity and debt securities.	Similar to IFRS

Classification & Disclosure	<p>Requires with some exceptions, classifications of these measurements into a 'fair value hierarchy' based on nature of inputs:</p> <p>Level 1: quoted prices in active markets for identical assets and liabilities that entity can assess at measurement date;</p> <p>Level 2: input other than quoted market prices included within level 1 that are observable for asset or liability, either directly or indirectly;</p> <p>Level 3: unobservable inputs for asset or liability.</p> <p>Requires various disclosures on nature of fair value measurement and level in which it is classified.</p>	<p>Requires only certain quantitative and qualitative disclosures for Level 3 fair value measurements.</p>	<p>Similar to IFRS</p>
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II. Pitfalls/Lacunae in deal Valuations

There are a variety of pitfalls to avoid in analyzing and applying transaction data used in the merged and acquired companies method of valuation as the transactions carry risk: the risk of overpricing or underpricing a business, the risk of failing to integrate effectively and efficiently, and the risk of not realizing expected synergies. Many business appraisers fail to truly understand the intricacies of using the method properly, making serious errors in its application, resulting in flawed valuation findings and failed deals, ie. Bank of America's acquisition of Countrywide in 2008.

- i. Successful deal making requires a sharp focus on relationship between risk and return, which ultimately translates into enhanced diligence of valuation issues inherent in every transaction. Such as: whether synergies identified in diligence; what will be required return; has judgment been applied in a reasonable and supportable manner; what options exists after a transaction closes; how are expected cash flows and future performance captured in model.
- ii. 'Value' should not be confused with 'price'. Price is what the market requires to effectuate a transaction; value is the intrinsic worth of a business. The latter is a function of cash flow to be generated by the acquired business, which in turn is a function of core operations, expected synergies, integration success, and other factors. Price versus value is the foundational equation in every transaction. Yet deal makers often skew this reality at best, or at worst, simply ignore it. Buyers and sellers need to focus on the gap, if

any, between price and value, because that gap may decide the ultimate winners and losers in a given transaction.

- iii. Bias is ever-present in deal making. Chief executives have big visions, which sometimes result in narrow consideration of alternate views. Bankers are not motivated by doing deals; they are motivated by closing them. Internal politics or compensation strategies at acquiring companies and target companies may drive behaviors that diverge from defined deal objectives. A lack of independence between management and board of directors may leave important risks uncovered i.e. forecasted cash flows may reflect stronger performance than industry trends reasonable support; required returns fail to properly account for market risks; selected market peers with higher value multiples may not be correspondingly comparable. Establishing clear deal objectives and performing a valuation diligence exercise that is comprehensive and substantive are two ways to counter deal risk created by bias.
- iv. Accounting matters: Fair value and other new accounting rules have amplified the importance of considering the accounting implications of a given deal earlier in the process, to align accounting with valuation considerations. Deal structure, buyer-specific motivations, and other factors can affect accounting results, which in turn can affect stock prices, shareholder returns, debt covenants, cost of capital, and other valuation metrics. For example, a joint venture structure may seek to mitigate certain risks and responsibilities associated with outright ownership of a business. But accounting rules may result in consolidation of total assets on a balance sheet, which tells a different story to the market. Smart dealmakers consider these issues early in the transaction process.
- v. Taxation matters: Early consideration of tax issues is important, because potential tax costs or benefits could be critical factors in bid pricing and structuring alternatives. Tax planning can yield significant savings by identifying future tax benefits or by right-sizing a deal price based on estimated future tax costs. The tax regulatory landscape is constantly changing which impacts the valuation of a target through impacting potential future cash flow. Smart deal makers integrate tax planning and diligence with valuation processes before and during deal negotiation, not after tentative prices have already been established.
- vi. Linking value and integration: Realizing expected value depends on realizing expected cash flow, which in turn depends on successfully executing operational strategies, in other words, ultimately, there is a quantifiable link between successful integration of an acquired company and transaction economics. Smart deal makers use valuation tools to analyze expected annual profit creation and map the profit to identified integration tasks, a process that creates measurable performance indicators. This road map of value generation allows for better monitoring of value trends, including the timing and realization of synergies.

While M&A activity represents tremendous potential for growth and transformation, that potential can be realized only through robust valuation diligence that effectively considers relationship between price and intrinsic value.

III. Case Study -Spoiled M&A deal by Valuation

Acquisitions failed for different reasons but one recurrent theme is that acquirers overpay for the target. They overestimate either the target's value, the expected synergies associated with the acquisition or both. When the benefits of acquisition fail to materialize, an acquirer has to write off part, and sometimes all, of the purchase price.

America Online Inc announced to acquire Time Warner Inc for \$182 billion in 2001, both companies believed that merger would result in a leading media conglomerate that would benefit consumers and overtake the industry. However, the efforts failed miserably and destroyed billions of dollars in shareholder's value. It's no-cash, an all-stock deal acquisition. AOL's revenue was only a fraction of Time Warner's but the stock was valued so highly on Wall Street that it was able to boost its image of having more financial power than it actually had. The price ticket turned out to be around \$110 for a TW share, when on the day before announcement, the shares were only valued at \$65, a huge premium that would prove enticing to shareholders. AOL has overpaid, i.e. the difference between the value AOL Time Warner will create and the value AOL would have created on its own (and that includes whatever return it could get an \$184 billion it's shelling out) is less than what AOL just paid for Time Warner.

The merger was built upon a theory that AOL could buy TW due to its value which at one point was five times that of TW. Yet that valuation was inflated and by any other standard may have been dismissed as proof of its financial success. They had three days to approve the exchange ratio to determine favorableness of acquisition by shareholders. It emerged that no proper due diligence could be done in such a limited time for a merger of this magnitude. If a deal is done in a weak, it appears adoption of shortcuts.

They projected that the combined company could generate \$40 billion in annual sales. Many analysts were similarly bullish on the deal. Their positive outlook cited: a strong cable broadband distribution network; multiple subscription and advertising revenue streams; significant cross-selling opportunities; a dominant global media presence; proprietary popular interactive content. Since, the two companies came together in the midst of rise of internet to become the world's first fully integrated, internet-powered media and Communications Company, however, as the .com era bubble started shrinking and bullish targets were not met, the wishful synergies between the two began to collapse.

In the years that ensued, Time Warner and AOL continued to grow apart from one another. With most of the original architects gone, talks of synergy and moving forward as one company eventually fell apart, and companies began to act as separate entities. There was never a time of resurrection, where others came in and believed they could make it work. It was finished, the dream of so many had eventually fizzled out, and everyone had lost hope of a unified company. On December 10, 2009 after nearly a decade of sinking revenues and a tumultuous relationship, AOL was spun-off from Time Warner and was left on its own to operate as it once did, as its own entity.

One of the critical aspects of planning stage in M&A is valuation of the target and expected synergies between the acquirer and the target. It appears, in case above, the acquirer's management commits some type of critical error in valuation due diligence and in bidding process leading to overestimation of target's value and expected synergies; and

failure to successfully integrate the target after the M&A.

CONCLUSION

Recent FDI reforms, the much awaited GST, clearance of bankruptcy law, all boosted global investor sentiments, eyeing India with a hope of tremendous growth. With this increase in business activities internationally, the necessity is to understand and create deep diligence in valuation aspects (type of valuation techniques and other issues) to avoid failure of business deals on the back end due to a highly inaccurate value. The study highlighted the merger of AOL Time Warner which appears to be known as one of largest financial failures in history of media mergers. The implication of this study is to identify the problems the merger faced and possible solutions, as to not have to experience them again with other mergers. **CS**

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ICSI Research Competition on International Corporate Governance Code

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- The author(s) name should not appear anywhere else on the body of the manuscript to facilitate the blind review process. The research paper should be in clear, coherent and concise English.
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ANNOUNCES

Unique

All India Research Paper Competition on *Asset Reconstruction & Bridging the Link with Insolvency & Bankruptcy Code, 2016*



ICSI-CCGRT is pleased to announce unique ***“All India Research Paper Competition on Asset Reconstruction*** with an objective of creating proclivity towards research among its Members, both in employment and practice.

The purpose of research is to identify specific questions and try to find out a comprehensive and definitive answer. Since research in all disciplines and subjects, must begin with a clearly defined goal, this study is also designed keeping those objectives in mind.

Prologue

“The concept of Asset Reconstruction Company in India can be linked to Narsimham Committee – I (1991) which envisaged setting up of a central Asset Reconstruction Fund. It was proposed that the same be funded by resources from Central Government. This was to facilitate Banks to improve their balance sheets by cleaning up their non-performing loans portfolio. However, the same could not get implemented for various reasons. Therefore, Narsimham Committee – II (1998) proposed asset reconstruction companies, on the similar

lines of asset management companies, a process initiated in Malaysia, Korea and several other countries and was successfully implemented and operated in these countries. By keeping the original objective of asset reconstruction fund in mind and to give more emphasis on the reconstruction aspects, the term ARC has been used in India.

Asset Reconstruction Companies are needed to alleviate the global issues of bad loans, Asset Reconstruction Companies have been set up in various countries of the world. Bad loans arise as part of banking operations or due to regulatory requirements or change in environment.

There could be two possible ways to obviate the accumulation of bad loans-

- (i) Banks to manage their own bad loans by providing incentives, legislative powers, or special accounting or fiscal advantages.
- (ii) Facilitate the management of bad loans by apex body through a specialised agency or agencies.

Objectives:

- a) To explore the need of Asset Reconstruction in Asia Pacific.
- b) To comprehend the efficacies of pertinent legislations / laws such as SARFESI Act in facilitating asset reconstruction.
- c) To delve deep into the opportunities for Company Secretaries in Asset Reconstruction activities both in India and abroad.

Themes on which Research Papers are invited

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- ❖ Insolvency & Bankruptcy Code, 2016.
- ❖ Asset Reconstruction Companies- Their Onset, Growth and Sustainability
- ❖ SARFESI Act and Asset Reconstruction.
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- ❖ Global practices in asset reconstruction activities and takeaways for India.
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- ❖ Future challenges for ARCs in light of soaring NPAs of Indian Banking Sector.
- ❖ The gap between valuations, i.e. expected value by banks and bid by ARCs.
- ❖ Application of critical facets of Insolvency & Bankruptcy Code, 2016
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- ❖ Full text of the paper should be submitted in MS Word using Times New Roman, font size 12 on A4 size paper in 1.5 spacing, with a maximum of 5000 words.
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LEGAL WORLD



- SHANTA GENEVIENVE POMMERAT & ANR V. SAKAL PAPERS PVT LTD & ORS [SC]
- BANK OF NEW YORK MELLON LONDON BRANCH V. ZENITH INFOTECH LTD [SC]
- IMAX CORPORATION V. E-CITY ENTERTAINMENT (I) PVT LTD [SC]
- FARIDABAD COMPLEX ADMINISTRATION V. IRON MASTER INDIA (P) LTD [SC]
- JSW INFRASTRUCTURE LIMITED & ANR V. KAKINADA SEAPORTS LIMITED & ORS [SC]
- COMPETITION COMMISSION OF INDIA V. CO-ORDINATION COMMITTEE OF ARTISTS AND TECHNICIANS OF W.B. FILM AND TELEVISION & ORS [SC]
- ADITYA AUTOMOBILE SPARES PVT. LTD & ORS V. KOTAK MAHINDRA BANK LTD [CCI]
- THE MANAGEMENT OF STATE BANK OF INDIA V. SMITA SHARAD DESHMUKH & ANR [SC]



Corporate Laws

LMJ 18:04:2017

SHANTA GENEVIENVE POMMERAT & ANR V. SAKAL PAPERS PVT LTD & ORS [SC]

Civil appeal No.91 of 1983

D.A. Desai & R.B. Misra, JJ. [Decided on 11/01/1983]

Equivalent citations: AIR 1983 SC 269; (1985) 57 Comp Cas 469 SC; (1983) 2 Comp LJ 1 SC; 1983 (1) SCALE 708; (1983) 1 SCC 295.

Companies Act, 1956- sections 397, 398 and 483 – petition alleging oppression and suppression dismissed by the single Judge- appeal to Division bench- appeal posted for admission and later dismissed in limine- whether tenable-Held, No.

Brief facts:

Petitioners filed Company Petition No. 306 of 1980 in the High Court of Judicature at Bombay complaining about the oppression by the respondents in their management of the affairs to the 1st respondent-Company Sakal Papers Pvt. Ltd. The matter came-up before the learned Company Judge, who dismissed the petition and directed the petitioners to pay Rs. 10,000/- as and by way of costs to the respondents. Petitioners preferred an appeal against the decision of the learned Company Judge under the Companies Act, 1956. This appeal was placed for admission before a Division Bench of the Bombay High Court and it was dismissed in limine. Appellants have preferred this appeal by special leave against the order dismissing their appeal by the Division Bench in limine.

Decision: Appeal allowed.

Reason:

As we are of the opinion that it was not open to the Division Bench of the Bombay High Court to dismiss the appeal in limine, we are at this stage not inclined to examine other Contentions on merits.

Section 483 of the Companies Act provides that appeals from any order made, or decision given, in the matter of the winding up of company by the Court shall lie to the same Court to which, in the same manner in which, and subject to the same conditions under which, appeals lie from any order or decision of the Court in cases within its ordinary jurisdiction. The company petition filed by the appellants was under Sections 397, 398 and 483 of the Companies Act. This group of Sections are included in Chapter VI headed "Prevention of Oppression and Mismanagement" which in turn falls within Part VI bearing the heading "Management & Administration". Provisions for

winding-up are grouped together under Part VII. Section 483 is placed in chapter II of Part VII. Therefore, at the first blush it would appear that Section 483 provided for appeals from any order made, or decision given, in the matter of winding up of the company by the Court. Expression Court is defined to mean with respect to any matter relating to a Company (other than any offence against this Act), the Court having jurisdiction under the Act with respect to that matter relating to that Company as provides in Section 10.

Section 483 confers the right to appeal and forum for the same in respect of any order made or decision given, in the matter of the winding up of a Company by the High Court having jurisdiction in the matter. The appeal shall lie to the same Court to which, in the same manner in which, and subject to the same conditions under which, appeals lie from any order or decision of the Court in cases within its ordinary jurisdiction.

Now an Order under Sections 397, 398 and 483 of the Companies Act, on the face of it, cannot be said to be an Order made or decision given, in the matter of the winding up of a company. Relief, undoubtedly under Section 397 and/or 398 is in fact an alternative to winding up. No doubt, an order under Section 397, or 398 could be an order made or decision given by the High Court having jurisdiction under the Companies Act and therefore, an appeal will lie to the Division Bench of the same High Court. This is not disputed.

Chapter XLII of the Bombay High Court Rules provides for appeals to appellate court. The Rules make provision for certain type of appeals to be placed in the first instance, for admission before a bench of the High Court to be appointed by the Chief Justice. It is not in dispute that the appeal preferred by the present appellants was not one such appeal which can be placed for admission under Rule 966 A and it follows from this Rule that the appeal other than those mentioned in that Rule are not to be placed for admission. This point is no more res integra in view of the decision of this Court in *M/s. Golcha Investment (P) Ltd. v. Shanti Chandra Bafna* AIR 1978 SC 1350 wherein after considering the provision contained in Rule 966-A, it was held that appeals, other than those set out in the Rule are not to be placed for admission and they were entitled to be admitted as a matter of course. This Court accordingly quashed the order dismissing the appeal in limine observing that the appellate court erred in summarily dismissing the appeal because it was bound to entertain the same and dispose it of on merits. This observation will mutatis mutandis apply to the present appeal.

Accordingly this appeal must succeed on this limited ground. We accordingly allow this appeal and set aside the order dismissing the appeal preferred by the present appellants in limine by the Division Bench and Bombay High and remit the case to the appellate bench for disposal of the same according to law.

LW 25:04:2017

BANK OF NEW YORK MELLON LONDON BRANCH v. ZENITH INFOTECH LTD [SC]

Civil Appeal No.3055 of 2017 (Arising out of SLP(C) No.1587 of 2015)

Ranjan Gogoi & Abhay Manohar Sapre, JJ. [Decided on 21/02/2017]

Sections 15, 16 and 22 of SICA read with Insolvency and Bankruptcy Code, 2016 (IBC) – reference to BIFR was rejected by the registrar, secretary and the chairman of the Board on the ground that the applicant was not an industrial company- meanwhile Bombay High Court wound up the respondent company- whether tenable- Held, No. whether the respondent company can approach the NCLT under IBC- Held, Yes.

Brief facts:

On 23.07.2013 the respondent No. 1 company-Zenith Infotech Ltd filed a Reference before the BIFR under Section 15 of the SICA. The said application was refused registration by the Registrar of the Board on 12.08.2013 on the ground that respondent No.1 Company is not an industrial company within the meaning of the SICA. An appeal was filed by the respondent No. 1 company before the Secretary of the Board against the order of Registrar which was dismissed on 13.09.2013. There was a further appeal to the Chairman of the BIFR against the order of the Secretary. The Chairman of the BIFR also dismissed the second appeal filed by the respondent No. 1 company by order dated 03.04.2014.

It appears that on 30.07.2013 a petition for winding up of the respondent No.1 Company was admitted by the High Court of Bombay and the order of admission was affirmed by the Division Bench in appeal. The appeal to the supreme Court also dismissed on 30.09.2013. Thereafter, it appears that on 13.12.2013 the High Court of Bombay passed orders for winding up of the respondent No. 1 which was upheld in appeal by the Division Bench of the High Court on 23.04.2014. Thereafter the Official Liquidator came to be appointed by the High Court on 02.09.2014.

The orders of the Secretary and Chairman of the BIFR rejecting the application for reference filed by the Respondent No.1 Company were subjected to a challenge in a writ petition filed by the respondent-company before the Delhi High Court out of which the present proceedings have arisen.

The High Court, by the impugned order, took the view that under the provisions of the SICA read with the Regulations, the Registrar and the other authorities like the Secretary and the Chairman of the Board have not been conferred any power of adjudication which would necessarily be involved in determining the question as to whether the respondent No.1 company is an industrial company within the meaning of Section 3(e) and 3(f) of the SICA.

Regarding the second question, the High Court of Delhi relying on the decisions of this Court in Real Value Appliances Ltd. Vs. Canara Bank and Others [1] and Rishabh Agro Industries Ltd. v. P.N.B. Capital Services Ltd. (1998) 5 SCC 554 came to the conclusion that the winding up order passed by the Company Court would not foreclose the proceedings under the SICA and registration of a Reference under Section 15 and the inquiry under Section 16 can still be made.

The question that was agitated in the present appeal is consequential to the above determination and revolve around the application of Section 22 of SICA to bar further steps in the winding up proceeding before the High Court. The above question would no longer survive in the context of the provisions of the now repealed Act but would still require an answer

from the stand point of the provisions of the Insolvency and Bankruptcy Code in force with effect from 1.12.2016.

Decision: Appeal disposed of.

Reason:

The first question, namely, the one with regard to the power and jurisdiction of the Registrar and Secretary to refuse registration of the application for reference made by the respondent company on the grounds mentioned above may now be taken up.

From the provisions of Regulation 19(5) it would appear that on receipt of a Reference under Regulation 19(4) the Secretary or the Registrar, as may be, after making an endorsement of the date on which the same has been received in the office of the Board is required to make a scrutiny and, thereafter, if found to be in order, to register the same; assign a serial number thereto and place the same before the Chairman for being assigned to a Bench.

When the Regulations framed under the statute vests in the Registrar or the Secretary of the Board the power to “scrutinize” an application prior to registration thereof and thereafter to register and place the same before the Bench, we do not see how such power of scrutiny can be understood to be vesting in any of the said authorities the power to adjudicate the question as to whether a company is an industrial company within the meaning of Section 3(e) read with 3(f) and 3(n) of the SICA. A claim to come within the ambit of the aforesaid provisions of the SICA i.e. to be an industrial company, more often than not, would be a contentious issue. Surely, the rejection of the above stand could have been made only by a process of adjudication which power and jurisdiction clearly and undoubtedly is vested by the SICA and the Regulations framed thereunder in a Bench of the Board and not in authorities like the Registrar and the Secretary.

The High Court, in view of what has been discussed above, was correct in coming to the conclusion that the refusal of registration of the reference sought by the respondent Company by the Registrar, Secretary/Chairman of the Board was non-est in law. The reference must, therefore, understood to be pending before the Board on the relevant date attracting the provisions of Section 252 of the Insolvency and Bankruptcy Code.

The second question arising before the High Court, namely, whether the reference before the Board stood foreclosed by the order of winding up of the respondent Company and the appointment of liquidator was answered in the negative relying on Real Value Appliances Ltd. (supra) and Rishabh Agro Industries Ltd. (supra). The core principles laid down in the said decisions of the Court, namely, that immediately on registration of a reference under Section 15 of the erstwhile SICA, the enquiry under Section 16 is deemed to have commenced and that the winding up proceedings against a company stood terminated only after orders under Section 481 of the Companies Act, 1956, are passed, will have to be noticed to adjudge the correctness of the said view of the High Court. In any event, the aforesaid question becomes redundant in view of our conclusion that the reference sought by the respondent Company must be deemed to have been pending on the date of commencement of the Insolvency and Bankruptcy Code, particularly, Section

252 thereof (effective 1.11.2016).

We, therefore, dispose of the appeal by holding that it would still be open to the respondent Company to seek its remedies under the provisions of Section 252 of the Code read with what is laid down in Sections 13, 14, 20 and 25. We make it clear that we should not be understood to have expressed any opinion on the scope and meaning of the said or any other provisions of the Code and the adjudicating authority i.e. National Company Law Tribunal would be free and, in fact, required to decide on the said questions in such manner as may be considered appropriate.



General Laws

LW 26:04:2017

IMAX CORPORATION v. E-CITY ENTERTAINMENT (I) PVT LTD [SC]

Civil Appeal No.3885 of 2017 (Arising out of SLP (C) No. 34009 of 2013)

S.A. Bobde & Ashok Bhushan, JJ. [Decided on 10/03/2017]

Arbitration and Conciliation Act, 1996- section 34- appeal- arbitration in London under ICC Rules- awards passed- award challenged before the Bombay High Court- Court found appeal maintainable- whether correct- Held, No.

Brief facts:

The agreement between the appellant and Respondent contained an arbitration clause, providing for arbitration under ICC Rules without specifying the venue of arbitration. The ICC, after considering the comments of the parties, fixed the venue of arbitration at London. Arbitration court passed two partial awards and a third final award in favour of appellant. Respondent challenged the award in the Bombay High Court. The High Court rejected the objections raised by the appellant as to the maintainability of the appeal and held that the appeal is maintainable. Hence, the present appeal.

Decision: Appeal allowed.

Reason:

The only question that arises for consideration before us is whether the challenge to the award made by the respondent under Section 34 of the Arbitration Act is maintainable before a court in India. Clearly, if the answer is in the negative it is not necessary to decide the question of delay. Thus, we make it clear that we are not deciding where else in the world a challenge to the award would be maintainable.

We find that in the present case, the seat of arbitration has not

been specified at all in the arbitration clause. There is however an agreement to have the arbitration conducted according to the ICC rules and thus a willingness that the seat of arbitration may be outside India. In any case, the parties having agreed to have the seat decided by the ICC and the ICC having chosen London after consulting the parties and the parties having abided by the decision, it must be held that upon the decision of the ICC to hold the arbitration in London, the parties agreed that the seat shall be in London for all practical purposes. Therefore, there is an agreement that the arbitration shall be held in London and thus Part-I of the Act should be excluded.

The construction that the parties agreed to exclude the applicability of Part-I of the Act and generally to have the entire agreement governed not according to Indian law is also apparent from the express provision that:

“This agreement shall be governed by and construed according to laws of Singapore and parties attorn to jurisdiction of the Courts of Singapore”.

This stipulation expressly excludes Part-I of the Act because it governs both the principal agreement as well as the accompanying arbitration agreement.

On a true construction of Clause 14 in this case, there is no doubt the parties have agreed to exclude Part-I by agreeing that the arbitration would be conducted in accordance with the ICC Rules. The parties were undoubtedly conscious that the ICC could choose a venue for arbitration outside India. That in our view is sufficient to infer that the parties agreed to exclude Part-I. The ICC could well have chosen a venue in India. The possibility that ICC could have chosen India is not a counter indication of this inference. It could also be said that the decision to exclude the applicability of Part-I was taken when the ICC chose London after consulting the parties. Either way Part-I was excluded.

The view that it is the law of the country where arbitration is held that will govern the arbitration and matters related thereto such as a challenge to the award is well entrenched.

The relationship between the seat of arbitration and the law governing arbitration is an integral one. The seat of arbitration is defined as the juridical seat of arbitration designated by the parties, or by the arbitral institution or by the arbitrators themselves as the case may be.

If in pursuance of the arbitration agreement, the arbitration took place outside India, there is a clear exclusion of Part-I of the Arbitration Act. In the present case, the parties expressly agreed that the arbitration will be conducted according to the ICC Rules of Arbitration and left the place of arbitration to be chosen by the ICC. The ICC in fact, chose London as the seat of arbitration after consulting the parties. The arbitration was held in London without demur from any of the parties. All the awards i.e. the two partial final awards, and the third final award, were made in London and communicated to the parties. We find that this is a clear case of the exclusion of Part-I.

In view of the foregoing observations, we find that the High Court committed an error in observing that the seat of arbitration itself is not a decisive factor to exclude Part-I of the Arbitration Act.

We therefore set aside the judgment of the High Court.

LW 27:04:2017

FARIDABAD COMPLEX ADMINISTRATION v. IRON MASTER INDIA (P) LTD [SC]

Civil Appeal No.1182 of 2007

R.K. Agrawal & Abhay Manohar Sapre, JJ. [Decided on 07/03/2017]

Code of Civil Procedure, 1908- section 100- suit against levy of house tax- trial court dismissed the suit- first appellate court allowed the suit- second appeal before the High Court- dismissed in limine on the ground that no substantial question of law is involved- whether tenable- Held, No.

Brief facts:

The respondent filed a civil suit seeking permanent injunction against the appellant restraining them from recovering the House Tax for the years 1991-92, 1992-93 and 1993-94 from the respondent on their properties. The appellant also sought a declaration that demand raised by the appellant calling upon the respondent to pay the House Tax on their properties is illegal. The Trial Court dismissed the Suit. On appeal, the Additional District Judge set aside the judgment and decree of the Trial Court and decreed the respondent's suit against the appellant.

Felt aggrieved, the appellant (defendant) filed second appeal before the High Court wherein the appellant had proposed several substantial questions of law arising in the case. The High Court, however, dismissed the second appeal in limine by impugned judgment/order holding that the second appeal does not involve any substantial question of law. It is against this judgment, the appellant (defendant) has filed this appeal.

Decision: Appeal allowed.

Reason:

Having heard learned senior counsel for the respondent and on perusal of the record of the case, we are inclined to allow the appeal and remand the case to the High Court for deciding the second appeal afresh on merits in accordance with law.

We do not agree with the reasoning and the conclusion arrived at by the High Court in the impugned order. In our considered view, the appeal did involve the substantial question of law and, therefore, the High Court should have admitted the appeal by first framing proper substantial questions of law arising in the case, issued notice to the respondent for its final hearing as provided under Section 100 of the Code of Civil Procedure, 1908 (hereinafter referred to as "the Code") and disposed it of on merits.

As a matter of fact, having regard to the nature of controversy involved in the suit and the issues arising in the case, the questions raised in the second appeal did constitute substantial questions of law within the meaning of Section 100 of the Code.

Indeed, in our considered view, the questions, viz., whether the suit seeking a declaration that the demand of House Tax raised under the Act is maintainable, whether such suit is barred and, if so, by virtue of which provision of the Act, whether plaintiff

has any alternative statutory remedy available under the Act for adjudication of his grievance and, if so, which is that remedy, and lastly, whether the plaintiff has properly valued the suit and, if so, whether they have paid the proper Court fees on the reliefs claimed in the suit were legal questions arising in the appeal and involved jurisdictional issues requiring adjudication on merits in accordance with law. The High Court unfortunately did not examine any of these issues much less in its proper perspective in the light of relevant provisions of the Act governing the controversy.

The High Court thus, in our view, committed jurisdictional error when it dismissed the second appeal in limine. We cannot countenance the approach of the High Court. In view of foregoing discussion, the appeal succeeds and is allowed. The impugned order is set aside. The case is now remanded to the High Court for deciding the appeal on merits in accordance with law.

LW 28:04:2017

JSW INFRASTRUCTURE LIMITED & ANR v. KAKINADA SEAPORTS LIMITED & ORS [SC]

Civil Appeal No. 3422 of 2017 (Arising out of SLP(C) No.23241 of 2016)

Madan B. Lokur & Deepak Gupta, JJ. [Decided on 01/03/2017]

Awarding contract to operate berth- successful bidder was already operating a berth in the port- High court cancelled the award – whether correct-Held, No.

Brief facts:

Out of the four who participated in the bid process by submitting RFQ, only two parties, i.e., the first consortium and the second consortium submitted the RFP to Paradip Port Trust. The bid quoted by the first consortium of the appellants JSW Infrastructure Limited and South West Port Limited was 31.70% as against 28.70% bid quoted by the second consortium comprising of M/s Kakinada Seaports Limited, M/s Bothra Shipping Service Pvt. Ltd., M/s MBG Commodities Pvt. Ltd. Since the first consortium were the highest bidders their proposal was recommended for acceptance by the tender committee of the Paradip Port Trust on 26.02.2016. At this stage, on 27.02.16 the second consortium submitted objections to the consideration of the application of the first consortium on the ground that in terms of the Policy Clause against creation of monopoly the appellants were not entitled to take part in this entire bidding process since they were already operating one berth for dry cargo.

Aggrieved by this action, the second consortium filed a writ petition before the Orissa High Court. The submission of unsuccessful bidders was that since the first consortium was already operating a berth for dry cargo it could not have submitted its application to bid for the berth in question which is also admittedly meant for dry cargo. It was contended that as per the policy quoted above, if a private operator is operating a berth he cannot be allowed to bid for the next berth for handling the same cargo in the same port. This contention of the original writ petitioners was accepted by the Orissa High Court which interpreted the Policy clause by holding that the word "next" in the Clause indicated that a private operator cannot take part or bid for next successive berth for the same cargo. The High

Court, therefore, held that the application for the first consortium JSW Infrastructure Limited, was wrongly considered and consequently set aside the award of Letter of Award in favour of the first consortium and further directed that the Paradip Port Trust may either accept the single remaining bid of the second consortium of Respondent Nos. 1-3 after negotiating the price which should not be less than the price offered by the consortium of JSW Infrastructure, or it may invite fresh bids for the berth in question. Aggrieved by the judgment of the High Court the first consortium and the Paradip Sea Port have filed the two appeals.

Decision: Appeal allowed.

Reason:

On a bare reading of the Policy Clause some weightage and meaning has to be given not only to the word "next" as done by the High Court but also to the words "only one private operator" appearing in the opening part of the Clause. The words "only one private operator" cannot be treated as surplusage. The entire clause has to be read as a whole in the context of the purpose of the policy which is to avoid and restrict monopoly. In our opinion, this Clause will apply only when there is one single private operator in a port. If this single private operator is operating a berth, dealing with one specific cargo then alone will he not be allowed to bid for next berth for handling the same specific cargo. The High Court erred in interpreting the clause only in the context of the word "next" and ignored the opening part of the Clause which clearly indicates that the Clause is only applicable when there is only one private berth operator. It appears to us that the intention is that when a port is started, if the first berth for a specific cargo is awarded in favour of one private operator then he cannot be permitted to bid for the next berth for the same type of cargo. However, once there are more than one private operators operating in the port then any one of them can be permitted to bid even for successive berths. In the present case, as pointed out above there already 5 private operators other than the first consortium.

Strong reliance has been placed on behalf of the second consortium on the judgment rendered in *APM Terminals B.V. v. Union of India & Another* (2011) 6 SCC 756. We are of the considered view that the said judgment cannot be applied to the present case because in that case this court considered the clauses of the contract. The policy which was applicable in APM Terminal, was not the policy of 2010 but the policy of 2007, the wording of which is totally different. True it is, that in the said judgment reference has also been made to the new policy but that was not specifically dealt with by the Court, and the matter was decided on an interpretation of the terms of the contract and the policy of 2007.

In view of the above discussion we are clearly of the view that the High Court erred in interpreting the Clause in the manner which it is done. As explained above, the Clause will apply only when there is single private operator operating a single berth. Once there are more than one private operators then the Clause will not apply. The decision taken by Paradip Port Trust could not be termed to be arbitrary, perverse or mala fide. Therefore, the High Court was not justified in setting aside the same. In this view of the matter, both the Civil Appeals are allowed. The Judgment of the High Court is set aside and the writ petition filed by the second consortium before the High Court is dismissed.



LW 29:04:2017

COMPETITION COMMISSION OF INDIA v. CO-ORDINATION COMMITTEE OF ARTISTS AND TECHNICIANS OF W.B. FILM AND TELEVISION & ORS [SC]

Civil Appeal No. 6691 of 2014

A.K. Sikri & Abhay Manohar Sapre, JJ. [Decided on 07/03/2017]

Competition act, 2002- section 3- ban against the telecast of dubbed version of 'Mahabharat' in WB- agitator coordination committee - whether and enterprise- Held, Yes. Whether the ban imposed by the coordination committee is violative of section 3(3) - Held, yes.

Brief facts:

This appeal raises an interesting and important question of law touching upon the width and scope of jurisdiction of the Competition Commission of India (for short, the 'CCI') under Section 3 of the Competition Act, 2002 (hereinafter referred to as the 'Act'). The Hindi tele serial 'Mahabharat' was dubbed in Bangla and the dubbed version was telecasted in the State of West Bengal. The respondents coordination committee objected this and started agitation which forced the broadcasters to stop the serial. Nevertheless the broadcasters approached the CCI and alleged that the coordination committee, which comprises film and TV artists and technicians, has entered into an anticompetitive agreement to ban the telecast of the dubbed version of the serial. The CCI, per majority, held that the coordination committee's act was violative of section 3(3) of the Act. On appeal, the Competition Appellate Tribunal reversed the judgement stating that coordination committee is not an 'enterprise' under the Act but merely a trade union of film and TV artists and not covered by section 3(3) of the Act. CCI appealed to the Supreme Court challenging the decision of the Tribunal.

Decision: Appeal allowed.

Reason:

In the instant case, the geographic market is the State of West Bengal and to this extent there is no quarrel inasmuch as activities of the Coordination Committee were limited to the said State. The dispute is as to whether relevant market would cover 'broadcast of TV serial' or it would take within its sweep 'film and TV industry of the State of West Bengal'. TV serial in question was produced in Hindi. It was thereafter dubbed in Bangla. When the two channels, namely CTVN+ and Channel 10, decided to broadcast this TV serial in dubbed form, i.e. in Bangla language, this move was opposed by the Coordination Committee and EIMPA. The Tribunal has upheld the minority view of CCI in saying that nature of the information does not show anything

which could even be distinctly connected with the whole 'film and television industry in the State of West Bengal'. The information is only against showing the dubbed serial on the television and it has no relation whatsoever with production, distribution, etc. of any film or any other material on the TV channels.

We feel that this is a myopic view taken by the Tribunal which ignores many other vital aspects of this case, most important being the width of the effect of the aforesaid cause on which the agitation was led by the Coordination Committee. The effect is not limited to the telecast or broadcast of the television serial. No doubt, the Coordination Committee was against the 'broadcast of the television serial 'Mahabharat' on the aforesaid two channels, in the dubbed form. However, even as per the agitators, the said broadcast was going to adversely affect the TV and Film Industry of West Bengal and the alleged purport behind the threats was to save the entire TV and Film Industry.

The relevant market was, therefore, not limited to the broadcasting of the channel but entire film and television industry of West Bengal. Whether it was the misgiving of the Coordination Committee that telecast of dubbed version of 'Mahabharat' is going to affect Bengali film and television industry or it was a genuine concern, is not the relevant factor while defining the 'relevant market'. It is the sweep of the aforesaid action which is to be considered. Even in the perception of the Coordination Committee, telecast of Bengali dubbed version of 'Mahabharat' was going to affect the whole Television and Film Industry. In view thereof, it was hardly a matter of debate as to what would be the relevant market.

With this we advert to the central issue that bogs the parties, namely, whether the activities in which the Coordination Committee indulged in can be treated as 'agreement' for the purpose of Section 3 of the Act.

At the outset, it may be noticed that the entities which are roped in, whose agreements can be offending, are enterprise or association of enterprises or person or association of persons or where the agreement is between any person and an enterprise. The expression 'enterprise' may refer to any entity, regardless of its legal status or the way in which it was financed and, therefore, it may include natural as well as legal persons. This statement gets further strengthened as the agreement entered into by a 'person' or 'association of persons' are also included and when it is read with the definition of 'person' mentioned in Section 2(l) of the Act. Likewise, definition of 'agreement' under Section 2(b) is also very widely worded. Not only it is inclusive, as the word 'includes' therein suggests that it is not exhaustive, but also any arrangement or understanding or even action in concert is termed as 'agreement'. It is irrespective of the fact that such arrangement or understanding is formal or informal and the same may be oral as well and it is not necessary that the same is reduced in writing or whether it is intended to be enforceable by legal proceedings or not. Therefore, the Coordination Committee would be covered by the definition of 'person'. However, what is important is that such an 'agreement', referred to in Section 3 of the Act has to relate to an economic activity which is central to the concept of Competition Law. Economic activity, as is generally understood, refers to any activity consisting of offering products in a market regardless of whether the activities are intended to earn a profit. Some examples may be given which would not be covered by Section 3(3) of the Act. An individual acting as a final consumer is not an enterprise or a person envisaged, as he is not carrying on

an economic activity. We may also mention that the European Union Competition Law recognises that an entity carrying on an activity that has an exclusively social function and is based on the principle of solidarity is not likely to be treated as carrying on an economic activity so as to qualify the expressions used in Section 3. The reason is obvious. The 'agreement' or 'concerted practice' is the means through which enterprise or association of enterprises or person or association of persons restrict competition. These concepts translate the objective of Competition Law to have economic operators determine their commercial policy independently. Competition Law is aimed at frowning upon the activities of those undertakings (whether natural persons or legal entities) who, while undertaking their economic activities, indulge in practices which effect the competition adversely or take advantage of their dominant position.

The notion of enterprise is a relative one. The functional approach and the corresponding focus on the activity, rather than the form of the entity may result in an entity being considered an enterprise when it engages in some activities, but not when it engages in others. The relativity of the concept is most evident when considering activities carried out by non-profit-making organisations or public bodies. These entities may at times operate in their charitable or public capacity but may be considered as undertakings when they engage in commercial activities. The economic nature of an activity is often apparent when the entities offer goods and services in the marketplace and when the activity could, potentially, yield profits. Thus, any entity, regardless of its form, constitutes an 'enterprise' within the meaning of Section 3 of the Act when it engages in economic activity. An economic activity includes any activity, whether or not profit making that involves economic trade.

In the instant case, admittedly the Coordination Committee, which may be a 'person' as per the definition contained in Section 2(l) of the Act, is not undertaking any economic activity by itself. Therefore, if we were to look into the 'agreement' of such a 'person', i.e. Coordination Committee, it may not fall under Section 3(1) of the Act as it is not in respect of any production, supply, distribution, storage, acquisition or control of goods or provision of services. The Coordination Committee, which is a trade union acting by itself, and without conjunction with any other, would not be treated as an 'enterprise' or the kind of 'association of persons' described in Section 3. A trade union acts as on behalf of its members in collective bargaining and is not engaged in economic activity. In such circumstances, had the Coordination Committee acted only as trade unionists, things would have been different. Then, perhaps, the view taken by the Tribunal could be sustained. However, what is lost in translation by the Tribunal i.e. in applying the aforesaid principle of the activity of the trade union, is a very pertinent and significant fact, which was taken note of by the DG as well as the CCI in its majority opinion. It is this: The Coordination Committee (or for that matter even EIMPA) are, in fact, association of enterprises (constituent members) and these members are engaged in production, distribution and exhibition of films. EIMPA is an association of film producers, distributors and exhibitors, operating mainly in the State of West Bengal. Likewise, the Coordination Committee is the joint platform of Federation of Senior Technician and Workers of Eastern India and West Bengal Motion Pictures Artistes Forum. Both EIMPA as well as the Coordination Committee acted in a concerted and coordinated manner. They joined together in giving call of boycott of competing members i.e. the informant in the instant case and, therefore, matter cannot be viewed narrowly by treating Coordination Committee as a trade union, ignoring the fact that it is backing the cause of those which

are 'enterprises'. The constituent members of these bodies take decision relating to production or distribution or exhibition on behalf of the members who are engaged in the similar or identical business of production, distribution or exhibition of the films. Decision of these two bodies reflected collective intent of the members. When some of the members are found to be in the production, distribution or exhibition line, the matter could not have been brushed aside by merely giving it a cloak of trade unionism. For this reason, the argument predicated on the right of trade union under Article 19, as professed by the Coordination Committee, is also not available.

When the lenses of the reasoning process are duly adjusted with their focus on the picture, the picture gets sharpened and haziness disappears. One can clearly view that prohibition on the exhibition of dubbed serial on the television prevented the competing parties in pursuing their commercial activities. Thus, the CCI rightly observed that the protection in the name of the language goes against the interest of the competition, depriving the consumers of exercising their choice. Acts of Coordination Committee definitely caused harm to consumers by depriving them from watching the dubbed serial on TV channel; albeit for a brief period. It also hindered competition in the market by barring dubbed TV serials from exhibition on TV channels in the State of West Bengal. It amounted to creating barriers to the entry of new content in the said dubbed TV serial. Such act and conduct also limited the supply of serial dubbed in Bangla, which amounts to violation of the provision of Section 3(3) (b) of the Act.

LW 30:04:2017

ADITYA AUTOMOBILE SPARES PVT. LTD & ORS v. KOTAK MAHINDRA BANK LTD [CCI]

Case No. 103 of 2016

Devender Kumar Sikri, S. L. Bunker, Sudhir Mital, Augustine Peter, U. C. Nahta, G. P. Mittal. [Decided on 15/03/2017]

Competition Act, 2002-Section 4- abuse of dominance- banking services- credit facilities- request for reduction of interest rate refused by OP- takeover of loan by other bank- delay in handing over title documents by OP- whether abuse of dominance- Held, No.

Brief facts:

The Informants belong to Aditya Group. Informant No. 1 is an original equipment manufacturer (OEM) of Bajaj, Hero Honda and TVS and also an authorised dealer for Kinetic, LML and Yamaha. Informant No. 2, an authorised stockist of Maruti Udyog Limited, is engaged in the sale and marketing of Maruti Suzuki's spare parts in Tamil Nadu and Puducherry. The Informant No. 3 is engaged in the sale of spare parts of 4-wheeler and light commercial vehicles and Informant No. 4 is engaged in the sale of lubricant oil.

The Informants are primarily aggrieved by the conduct of the OP in denying enhancement of various credit limits, reduction in interest rates and delay in the handing over of the documents/ title deeds mortgaged with it back to the Informants for making a switch over to the Syndicate Bank for availing various banking services/ facilities. The Informants are also aggrieved with the conduct of the OP in debiting Rs. 32,41,750/- as penal interest in an arbitrary manner without informing them. The Informants have alleged contravention of the provisions of Section 4(2) (a) (ii) and 4(2) (c) of the Act in the matter.

Decision: Complaint rejected.

Reason:

The Commission observes that the allegations raised in the instant matter relates to various types of banking services/ facilities viz. cash credit, bank guarantee and term loan facility availed by the Informants from the OP. It is observed that the allegations in the instant case do not relate to any specific banking facilities availed by the Informants from the OP, but rather to a broader spectrum of banking services/ facilities offered by the OP. Thus, the relevant product market in this case cannot be narrowed down to a specific banking service/ facility such as term loan, bank guarantee, cash credit etc. Rather, it should be the broader market of banking services. Further, it is pertinent to note that the impugned banking services are provided by the OP not only to the Informants but also to different corporate entities for their business operations. It may be noted that the banking services provided to corporate entities cannot be considered as a substitute with the banking services available for the retail/ general customers. Even though the nomenclature of the banking services/ facilities provided to the retail/ general customers and corporate entities are same, the characteristics of the banking services/ facilities differ between the two groups. It may be noted that banks on the basis of various verticals or indicators like demand requirements, credit worthiness, expected profitability of the proposed business venture etc. make a clear-cut distinction between corporate customers and general customers. Even if two entities are operating a similar class of account, say current account, the facilities offered to such accounts differ from customer to customer. Further, the accounts used for business purposes/ corporate entities also differ from the accounts used by normal customers. In view of the above, the relevant product market in the present case may be considered as the market for the "provision of banking services for corporate entities".

With regard to the relevant geographic market, the Commission is of the view that the conditions of competition for availing banking services by the corporate entities throughout India are homogenous. A corporate entity can avail the banking services/ facilities from any bank operating anywhere in India. Further, core banking facility enables the bank customers to operate their accounts from any place in India without any hurdle. Therefore, the Commission is of the view that the relevant geographic market in this case may be taken as 'India'.

Based on the above, the Commission defines the relevant market in this case as the market for the "provision of banking services for corporate entities in India".

With regard to assessment of the position of dominance of the OP in the relevant market as defined above, the Commission observes that banking services for corporate entities is a sub-segment of the larger market of banking services. It is observed that the Informants have not provided any information relating to the allegation of dominance of the OP in the relevant market. Also, no information is available in the public domain with regard to the position of dominance of the OP in the market of banking services for corporate entities. However, Commission deems it appropriate to examine the information available in the public domain to assess the position of the OP in the larger market of banking services in India and to draw a conclusion regarding the position of dominance of OP in the relevant market defined above.

The Commission observes that in terms of net-worth value for the

year 2015- 16, the OP had a very small and insignificant market share of nearly 3% in banking services. Further, players like State Bank of India (with a market share of 15.21% in terms of net-worth value for 2015-16), Bank of Baroda (with a market share of 3.80% in terms of net-worth value for 2015-16), Punjab National Bank (with a market share of 3.74% in terms of net-worth value for 2015-16), Bank of India (with a market share of 2.77% in terms of net-worth value for 2015-16) and others are providing banking services on a larger scale in comparison to the OP. Also, in terms of total assets for the financial year 2015-16, the asset portfolio of the OP is much smaller as compared to State Bank of India (SBI) and other banks. Furthermore, in terms of net sales, net profit and market capitalisation also the OP is lagging behind other banks like SBI and Punjab National Bank. In view of the above, the OP does not appear to be dominant in the banking services market, which makes it highly unlikely for it to be in a dominant position in the market of provision of banking services to corporate entities in India. Accordingly, the Commission is of the view that the OP is not in a dominant position in the relevant market as defined in para 17 above. Since the OP is not in a dominant position in the relevant market, its conduct need not be examined in terms of the provisions of Section 4 of the Act.

Based on the above analysis, the Commission is of the view that no prima facie case of contravention of the provisions of Section 4 of the Act is made out against the OP in the present case and the matter is hence, ordered to be closed.



LW 31:04:2017

THE MANAGEMENT OF STATE BANK OF INDIA v. SMITA SHARAD DESHMUKH & ANR [SC]

Civil Appeal No. 3423 of 2017 (Arising out of SLP(C) No. 33070/2013)

Kurian Joseph & A.M. Khanwilkar, JJ. [Decided on 01/03/2017]

Employee furnishing a forged certificate as to higher qualification- drawn additional emoluments on the basis of the forged certificate- management after conducting disciplinary proceedings dismissed the employee- labour tribunal confirmed the dismissal- High court set aside the dismissal- whether correct- Held, No.

Brief facts:

The appellant (hereinafter referred to as “the Management”) is aggrieved by the impugned judgment of the High Court whereby the first respondent (hereinafter referred to as “the employee”) was directed to be reinstated in service with 50 per cent back wages, reversing the order passed by the Industrial Tribunal-cum-

Labour Court. The employee, while working with the Management, submitted a certificate purportedly issued by the Indian Institute of Bankers claiming that she had passed the CAIIB Part-II Examination, and on that basis, started drawing additional monetary benefits. The Disciplinary Authority, based on the finding in a domestic enquiry that the certificate was a forged one, dismissed her from service on 01.08.2003. The punishment was upheld by the Appellate Authority vide order dated 10.06.2006. The Industrial Tribunal-cum-Labour Court declined to grant any relief. However, the High Court ordered reinstatement with 50 per cent back wages, and thus aggrieved, the Management has filed the appeal.

Decision: Appal allowed.

Reason:

The only ground on which the High Court interfered with the award was that the Management had not established, by leading evidence, that the employee was aware of the fact that the certificate produced before the Management was forged.

We find it difficult to appreciate the strange stand taken by the High Court. The Labour Court had clearly analysed the entire evidence and had come to the conclusion that the employee was fully aware of the forgery. The Tribunal took note of the fact that she had produced a copy of the postal receipt of dispatching the certificate from the Institute of Bankers in her evidence but failed to explain the source of the postal receipt. It also took note of the fact that the alleged certificate of having passed the examination is dated 04.09.2000. If that be so, there was no occasion for asking for any re-verification of the marks by filing an application dated 08.09.2000. Still further, the Court extensively referred to the reply furnished by the Institute of Bankers and came to the conclusion that the certificate was a forged one.

The evidence led by the employee, as rightly appreciated by the Industrial Tribunal, would clearly show that she had the knowledge that the document she produced was a forged one. Therefore, there was no requirement on the part of the Management to establish whether she had known, at the time of submission of the document, that it was a forged one.

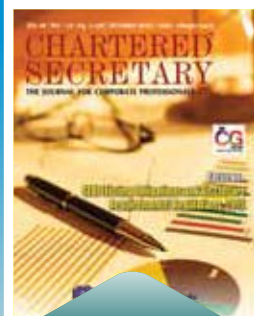
It is a well-settled principle that the High Court will not re-appreciate the evidence but will only see whether there is evidence in support of the impugned conclusion. The court has to take the evidence as it stands and its only limited jurisdiction is to examine, whether on the evidence, the conclusion could have been arrived at.

In the case before us, it is an admitted position that the certificate produced by the employee is a forged one. It has been categorically found by the Industrial Tribunal, on the basis of evidence, that the employee was fully aware of the fact that the document was a forged one. In such circumstances, there is no basis at all for the stand taken by the High Court that the Management did not establish that the employee had knowledge about the certificate being a forged one.

Though learned counsel for the employee made a persuasive attempt for modification of punishment on the ground of disproportionality, in view of the conduct of the employee which we have referred to above, we are not inclined to take a different view from that taken by the Disciplinary Authority, Appellate Authority and the Industrial Tribunal-cum-Labour Court.

CHARTERED SECRETARY

Advertisement Tariff



(With Effect from 1st April 2012)

BACK COVER (COLOURED)			COVER II/III (COLOURED)		
Non – Appointment			Non – Appointment		
Per Insertion	₹75,000		Per Insertion	₹ 50,000	
4 Insertions	₹2,70,000		4 Insertions	₹ 1,80,000	
6 Insertions	₹3,96,000		6 Insertions	₹ 2,64,000	
12 Insertions	₹7,65,000		12 Insertions	₹ 5,10,000	
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FROM THE GOVERNMENT



- COMPANIES (INDIAN ACCOUNTING STANDARDS) (AMENDMENT) RULES, 2017.
- AMENDMENTS IN NOTIFICATION NO. S.O. 3118(E)
- SPECIAL COURTS PURPOSE OF SPEEDY TRIAL OF OFFENCES
- EXCLUSIVELY LISTED COMPANIES OF DE-RECOGNIZED/NON-OPERATIONAL/EXITED STOCK EXCHANGES PLACED ON THE DISSEMINATION BOARD
- SCHEMES OF ARRANGEMENT BY LISTED ENTITIES AND (II) RELAXATION UNDER SUB-RULE (7) OF RULE 19 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957
- SUBMISSION OF ACCOUNTS FOR DEBT SECURITIES ISSUED UNDER THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES BY MUNICIPALITIES) REGULATIONS, 2015
- DISCLOSURES RELATING TO REGULATORY ORDERS AND ARBITRATION MATTERS ON WEBSITES OF CLEARING CORPORATIONS
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- REDRESSAL OF COMPLAINTS AGAINST STOCK BROKERS AND DEPOSITORY PARTICIPANTS THROUGH SEBI COMPLAINTS REDRESS SYSTEM (SCORES)
- SECURITIES AND EXCHANGE BOARD OF INDIA (PAYMENT OF FEES AND MODE OF PAYMENT) (AMENDMENT) REGULATIONS, 2017
- INVESTMENTS BY FPIs IN CORPORATE DEBT SECURITIES



Corporate Laws

01 Companies (Indian Accounting Standards) (Amendment) Rules, 2017.

[Issued by the Ministry of Corporate Affairs vide [F. No. 01/01/2009-CL-V(Part VI)] dated 17.03.2017. Published in Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(i) vide Notification No. G.S.R. 258(E) dated 17.03.2017]

In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013 (18 of 2013) and sub-section (1) of section 210A of the Companies Act, 1956 (1 of 1956), the Central Government, in consultation with the National Advisory Committee on Accounting Standards, hereby makes the following rules further to amend the Companies (Indian Accounting Standards) Rules, 2015, namely:—

1. **Short title and commencement.**-(1) These rules may be called the Companies (Indian Accounting Standards)(Amendment) Rules, 2017.
(2) They shall come into force on the 1st day of April, 2017.
2. In the principal rules, in the “Annexure”, under the heading “B. Indian Accounting Standards (Ind AS)” in “Indian Accounting Standard (Ind AS) 102, Share-based Payment”, -
 - (i) for paragraph 19, the following paragraph shall be substituted, namely:-

“19 A grant of equity instruments might be conditional upon satisfying specified vesting conditions. For example, a grant of shares or share options to an employee is typically conditional on the employee remaining in the entity’s employment for a specified period of time. There might be performance conditions that must be satisfied, such as the entity achieving a specified growth in profit or a specified increase in the entity’s share price. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognised for goods or services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition, other than a market condition, for example, the counterparty fails to complete a specified service period, or a performance condition is not satisfied, subject to the

- requirements of paragraph 21.”
- (ii) for paragraph 30, the following paragraph shall be substituted, namely:-

“30 For cash-settled share-based payment transactions, the entity shall measure the goods or services acquired and the liability incurred at the fair value of the liability, subject to the requirements of paragraphs 31–33D. Until the liability is settled, the entity shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.”

- (iii) for paragraph 31, the following paragraph shall be substituted, namely:-

“31 For example, an entity might grant share appreciation rights to employees as part of their remuneration package, whereby the employees will become entitled to a future cash payment (rather than an equity instrument), based on the increase in the entity’s share price from a specified level over a specified period of time. Alternatively, an entity might grant to its employees a right to receive a future cash payment by granting to them a right to shares (including shares to be issued upon the exercise of share options) that are redeemable, either mandatorily (for example, upon cessation of employment) or at the employee’s option.

These arrangements are examples of cash-settled share-based payment transactions. Share appreciation rights are used to illustrate some of the requirements in paragraphs 32–33D; however, the requirements in those paragraphs apply to all cash-settled share-based payment transactions.”

- (iv) for paragraph 33, the following paragraph shall be substituted, namely:-

“33 The liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered service to date subject to the requirements of paragraphs 33A–33D. An entity might modify the terms and conditions on which a cash-settled share-based payment is granted. Guidance for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled is given in paragraphs B44A–B44C in Appendix B.”

- (v) after paragraph 33, the following paragraphs and headings shall be inserted, namely:-

“Treatment of vesting and non-vesting conditions

33A A cash-settled share-based payment transaction might be conditional upon satisfying specified vesting conditions. There might be performance conditions that must be satisfied, such as the entity achieving a specified growth in profit or a specified increase in the entity’s share price. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled sharebased payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.

33B To apply the requirements in paragraph 33A, the entity shall recognise an amount for the goods or services received during the vesting period. That amount shall be based on the best available estimate of the number of awards that

are expected to vest. The entity shall revise that estimate, if necessary, if subsequent information indicates that the number of awards that are expected to vest differs from previous estimates. On the vesting date, the entity shall revise the estimate to equal the number of awards that ultimately vested.

33C Market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, as well as non-vesting conditions, shall be taken into account when estimating the fair value of the cashsettled share-based payment granted and when remeasuring the fair value at the end of each reporting period and at the date of settlement.

33D As a result of applying paragraphs 30–33C, the cumulative amount ultimately recognised for goods or services received as consideration for the cash-settled share-based payment is equal to the cash that is paid.

Share-based payment transactions with a net settlement feature for withholding tax obligations

33E Tax laws or regulations may oblige an entity to withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount, normally in cash, to the tax authority on the employee's behalf. To fulfil this obligation, the terms of the share-based payment arrangement may permit or require the entity to withhold the number of equity instruments equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon exercise (or vesting) of the share-based payment (i.e. the share-based payment arrangement has a 'net settlement feature').

33F As an exception to the requirements in paragraph 34, the transaction described in paragraph 33E shall be classified in its entirety as an equity-settled share-based payment transaction if it would have been so classified in the absence of the net settlement feature.

33G The entity applies paragraph 29 of this Standard to account for the withholding of shares to fund the payment to the tax authority in respect of the employee's tax obligation associated with the share-based payment. Therefore, the payment made shall be accounted for as a deduction from equity for the shares withheld, except to the extent that the payment exceeds the fair value at the net settlement date of the equity instruments withheld.

33H The exception in paragraph 33F does not apply to:

- (a) a share-based payment arrangement with a net settlement feature for which there is no obligation on the entity under tax laws or regulations to withhold an amount for an employee's tax obligation associated with that share-based payment; or
- (b) any equity instruments that the entity withholds in excess of the employee's tax obligation associated with the share-based payment (i.e. the entity withheld an amount of shares that exceeds the monetary value of the employee's tax obligation). Such excess shares withheld shall be accounted for as a cashsettled share-based payment when this amount is paid in cash (or other assets) to the employee."

(vi) for paragraph 52, the following paragraph shall be substituted, namely:-

"52 If the information required to be disclosed by this Standard does not satisfy the principles in paragraphs 44, 46 and 50, the entity shall disclose such additional information

as is necessary to satisfy them. For example, if an entity has classified any share-based payment transactions as equity-settled in accordance with paragraph 33F, the entity shall disclose an estimate of the amount that it expects to transfer to the tax authority to settle the employee's tax obligation when it is necessary to inform users about the future cash flow effects associated with the share-based payment arrangement."

(vii) after paragraph 52, the following paragraphs and headings shall be inserted, namely:-

"Transitional provisions

53-59 [Refer Appendix 1]

59A An entity shall apply the amendments in paragraphs 30–31, 33–33H and B44A–B44C as set out below. Prior periods shall not be restated.

- (a) The amendments in paragraphs B44A–B44C apply only to modifications that occur on or after the date that an entity first applies the amendments.
- (b) The amendments in paragraphs 30–31 and 33–33D apply to share-based payment transactions that are unvested at the date that an entity first applies the amendments and to share-based payment transactions with a grant date on or after the date that an entity first applies the amendments. For unvested share-based payment transactions granted prior to the date that an entity first applies the amendments, an entity shall remeasure the liability at that date and recognise the effect of the remeasurement in opening retained earnings (or other component of equity, as appropriate) of the reporting period in which the amendments are first applied.
- (c) The amendments in paragraphs 33E–33H and the amendment to paragraph 52 apply to share-based payment transactions that are unvested (or vested but unexercised), at the date that an entity first applies the amendments and to share-based payment transactions with a grant date on or after the date that an entity first applies the amendments. For unvested (or vested but unexercised) sharebased payment transactions (or components thereof) that were previously classified as cash-settled share-based payments but now are classified as equity-settled in accordance with the amendments, an entity shall reclassify the carrying value of the share-based payment liability to equity at the date that it first applies the amendments.

59B Notwithstanding the requirements in paragraph 59A, an entity may apply the amendments in paragraph 63D retrospectively, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, if and only if it is possible without hindsight. If an entity elects retrospective application, it must do so for all of the amendments made by Amendments to Classification and Measurement of Share-based Payment Transactions under Ind AS 102.

Effective date

60-63C [Refer Appendix 1]

63D Amendments to Classification and Measurement of Share-based Payment Transactions under Ind AS 102 amended paragraphs 19, 30–31, 33 and 52 and added paragraphs 33A–33H, 59A–59B, 63D and B44A–B44C and their related headings. An entity shall apply those amendments for annual periods beginning on or after 1 April, 2017."

(viii) In Appendix B, after paragraph B44, the following paragraphs and heading shall be inserted, namely:-

"Accounting for a modification of a share-based payment transaction that changes its classification from cash-settled

to equity-settled

B44A If the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Specifically:

- (a) The equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date. The equity-settled share-based payment transaction is recognised in equity on the modification date to the extent to which goods or services have been received.
- (b) The liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date.
- (c) Any difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in profit or loss.

B44B If, as a result of the modification, the vesting period is extended or shortened, the application of the requirements in paragraph B44A reflect the modified vesting period. The requirements in paragraph B44A apply even if the modification occurs after the vesting period.

B44C A cash-settled share-based payment transaction may be cancelled or settled (other than a transaction cancelled for forfeiture when the vesting conditions are not satisfied). If equity instruments are granted and, on that grant date, the entity identifies them as a replacement for the cancelled cash-settled sharebased payment, the entity shall apply paragraphs B44A and B44B. "

(ix) In Appendix 1, after paragraph 4, the following paragraph shall be inserted, namely:-

"5. Paragraphs 53-59 and 60-63C in IFRS 2 have not been included in Ind AS 102 as these paragraphs relate to Transitional Provisions and Effective date, respectively. However, in order to maintain consistency with paragraph numbers of IFRS 2, the paragraph numbers are retained in Ind AS 102. "

3. In the principal rules, in the "Annexure", under the heading "B. Indian Accounting Standards (Ind AS)" in "Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows", -

(i) after paragraph 44, the following paragraphs and heading shall be inserted, namely:-

"Changes in liabilities arising from financing activities

44A An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

44B To the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities:

- (a) changes from financing cash flows;
- (b) changes arising from obtaining or losing control of subsidiaries or other businesses;
- (c) the effect of changes in foreign exchange rates;
- (d) changes in fair values; and
- (e) other changes.

44C Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial

assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

44D One way to fulfil the disclosure requirement in paragraph 44A is by providing a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including the changes identified in paragraph 44B. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the balance sheet and the statement of cash flows.

44E If an entity provides the disclosure required by paragraph 44A in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities. "

(ii) after paragraph 52, the following paragraphs and heading shall be inserted, namely:-

"Effective date

53-59 [Refer Appendix 1]

60 Paragraphs 44A–44E have been added. When the entity first applies these amendments, it is not required to provide comparative information for preceding periods. An entity shall apply those amendments for annual periods beginning on or after 1 April, 2017."

(iii) In Appendix 1, after paragraph 5, the following paragraph shall be inserted, namely:-

"6. Paragraphs 53-59 in IAS 7 have not been included in Ind AS 7 as these paragraphs relate to Effective date. However, in order to maintain consistency with paragraph numbers of IAS 7, the paragraph numbers are retained in Ind AS 7."

AMARDEEP SINGH BHATIA

Joint Secretary

02 Amendments in Notification No. S.O. 3118(E)

[Issued by the Ministry of Corporate Affairs vide [F.No. 1/5/2001-CL-V (Part VI)] dated 23.03.2017. To be Published in Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(ii) vide Notification No. S.O. 366(E), dated 08.02.2017]

1. In exercise of the powers conferred by sub-section (1) of section 210A of the Companies Act, 1956 (1 of 1956), hereinafter referred to as the said Act, the Central Government hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Corporate Affairs vide number S.O. 3118 (E), dated the 3rd October, 2016, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) dated the 3rd October, 2016, namely:-
2. In the said notification, in paragraph 1, for serial numbers 3 and 4 and the entries relating thereto, the following serial numbers and the entries shall be substituted, namely:-

“(3)	Dr. Shyam Agrawal, President, the Institute of Company Secretaries of India	Member, [nominated under clause (b) of sub-section (2) of section 210A of the said Act]
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(4)	Shri Nilesh S. Vikamsey, President, the Institute of Chartered Accountants of India	Member, [nominated under clause (b) of sub-section (2) of section 210A of the said Act]."
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AMARDEEP SINGH BHATIA
Joint Secretary

03 Special courts purpose of speedy trial of offences

[Issued by the Ministry of Corporate Affairs vide [F.No. 01/12/2009-CL-I (Vol.IV)] dated 23.03.2017. To Published in Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(ii) vide Notification No. S.O..... (E), dated 23.03.2017]

- In exercise of the powers conferred by sub-section (1) of section 435 of the Companies Act, 2013 (18 of 2013), the Central Government, with the concurrence of the Chief Justice of the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh hereby designates the following Courts mentioned in the Table below as Special Courts for the purposes of providing speedy trial of offences punishable with imprisonment of two years or more under the said Act, namely:-

TABLE

Sl. No. (1)	Existing Court (2)	Jurisdiction as Special Court (3)
1	Special Court for trial of Economic Offences-cum-VIII Additional Metropolitan Sessions Judge Court-cum-XXII Additional Chief Judge, City Civil Court, Hyderabad	State of Telangana
2	Court of IV Additional District Judge-cum- II Additional Metro politan Sessions Judge, Visakhapatnam	State of Andhra Pradesh

- The aforesaid Courts mentioned in column number (2) shall exercise the jurisdiction as Special Courts in respect of jurisdiction mentioned in column number (3).

AMARDEEP SINGH BHATIA
Joint Secretary

04 Exclusively listed companies of De-recognized/Non-operational/Exited Stock Exchanges placed on the Dissemination Board

[Issued by the Securities And Exchange Board of India vide Cicular[F. No. SEBI/HO/MRD/DSA/CIR/P/2017/27.] dated 27.03.2017.]

- SEBI vide circular dated October 10, 2016 provided a period of three months to the Exclusively Listed Companies (ELCs) on the Dissemination Board (DB) to submit an action plan to list or to provide exit to shareholders to the designated stock exchanges.
- Further, SEBI vide circular dated January 05, 2017 extended the time to submit plan of action till March 31, 2017.
- SEBI has been receiving representations seeking clarifications on raising of further capital and the process of exit of ELCs from the DB. Therefore, in the interest of the investors of such ELCs, it is decided to extend the time to submit the plan of action till June

30, 2017. All other conditions as mentioned in the SEBI circular dated October 10, 2016 remain unchanged.

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

BITHIN MAHANTA
Deputy General Manager

05 Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957

[Issued by the Securities And Exchange Board of India vide Cicular [(F. No. CFD/DIL3/CIR/2017/26.) dated 23.03.2017.]

- This is with reference to SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10, 2017 on the captioned subject.
- Para 8 of the aforesaid circular provides that the pricing provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be followed in case of issuance of shares to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes. It is now clarified that the 'relevant date' for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved.
- 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 website.
- This circular is issued under Section 11 of the SEBI Act, 1992 and regulations 11, 37 and 94 read with regulation 101(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19(7) of Securities Contracts (Regulation) Rules, 1957.
- This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework/Circulars".

NARENDRA RAWAT
Deputy General Manager

06 Submission of accounts for debt securities issued under the SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015

[Issued by the Securities And Exchange Board of India vide Cicular[CIR/IMD/DF-1/ 25 /2017] dated 22.03.2017.]

- Regulation 15 (1) (b) of the SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 (**SEBI ILDM regulations**) requires that an issuer making issue of debt securities under these regulations, on a private placement basis, shall submit its accounts prepared in accordance with National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the respective State Government for at least three immediately preceding financial years.
- SEBI is in receipt of feedback that as per the processes followed by municipalities/ municipal corporations, the audited accounts

for a financial year would be available by the end of the next financial year due to late approval of accounts. The accounts of a financial year, along with the budget for the next financial year, gets approved by the standing committee and governing body only in the next financial year. This leads to time lag of over one financial year.

For example, as informed by municipalities, if the issue is made in the current financial year (FY) i.e. FY 2016-17, the accounts would be required to be submitted for the FY 2013-14, 2014-15 and 2015-16. In such a case, the municipalities would be able to submit the audited accounts only for the FY 2013-14 and 2014-15. However, for the FY 2015-16, the audited accounts would not be available before the month of June/July 2017.

In view of the above operational procedures followed by municipalities, it would be difficult for them to submit the audited accounts for the immediately preceding financial year, in the information memorandum submitted to the stock exchanges, for the private placement issue of debt securities.

3. In order to kick-start and provide an impetus to the municipal bond market in India, it has been decided to provide following dispensation to the municipalities with respect to submission of accounts for private placement issues of debt securities under the SEBI ILDM regulations:-

“Any issuer proposing to issue debt securities under these regulations, in the **FY 2017-18**, shall submit the following documents:

- a) Audited accounts for the financial years 2013-14, 2014-15 and 2015-16 in the information memorandum to the stock exchanges.
- b) For the immediately preceding FY i.e. FY 2016-17, the issuers shall submit the half yearly financial statements, as available (audited or unaudited) as on September 2016.

However, the audited accounts for the said FY i.e 2016-17 shall be submitted within one year from the end of that FY (i.e. by March 31, 2018) to the recognized stock exchanges, where the debt securities have been listed. Such audited accounts shall be displayed on the website of the recognized stock exchanges and the issuer. The issuers shall also be required to provide on request, a copy (physical or electronic) of such audited accounts to its investors.”

4. The provisions of this circular shall be applicable for the debt securities issued, in accordance with SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 on or after April 01, 2017.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with regulation 29 of the SEBI ILDM Regulations, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
6. This Circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework”.

RICHA G. AGARWAL
Deputy General Manager

07 Disclosures relating to regulatory orders and arbitration matters on websites of Clearing Corporations

[Issued by the Securities And Exchange Board of India vide Circular[F. No. SEBI/HO/MRD/DRMNP/CIR/P/2017/24] dated 16.03.2017.]

1. In order to improve transparency in disclosing the regulatory orders and arbitration awards issued by clearing corporations,

it has been decided that all regulatory orders i.e. orders against clearing members and arbitration / appellate awards by arbitrators need to be made available to investors.

2. Accordingly, it has been decided that the Clearing Corporations shall post all regulatory orders and arbitration / appellate awards issued since June 20, 2012, on their websites within 30 days. Further, all regulatory orders and arbitration / appellate awards as and when issued by Clearing Corporations from the date of this circular shall be posted on their website immediately.
3. In addition to the above, Clearing Corporations shall disseminate information with respect to brief profile, qualification, areas of experience / expertise, number of arbitration matters handled, pre-arbitration experience, etc. of the arbitrators on their website.
4. The Clearing Corporations are also advised to:
 - a. disseminate the provisions of this circular on the website;
 - b. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.
5. 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.

SANJAY PURAO
Deputy General Manager

08 Review of advertisement guidelines for Mutual Funds

[Issued by the Securities And Exchange Board of India vide Circular[F. No. CIR/IMD/DF/23/2017] dated 15.03.2017.]

A. Disclosing Performance related information in Mutual Fund advertisements

Please refer to Clause C of SEBI circular dated August 22, 2011 on transparency of performance related information in advertisements of Mutual Fund schemes. With an objective to disclose Mutual Fund scheme's performance related information in a more effective and simple manner in advertisements, it has been decided that:

1. Performance of Mutual Fund schemes shall be required to be advertised in terms of CAGR for the past 1 year, 3 years, 5 years and since inception; in place of current requirement to publish scheme's returns for as many twelve month periods as possible for the past 3 years.
2. Performance advertisement of Mutual Fund schemes should provide information based on period computed from last day of month-end preceding the date of advertisement, instead of current requirement of publishing such information based on last day of preceding quarter-end.
3. Performance of other schemes managed by the fund manager shall be disclosed in a summarized manner, by providing performance of such other schemes managed by the concerned fund manager in terms of CAGR for the past of 1 year, 3 years and 5 years along-with the respective scheme's benchmark. Further, for advertisement published in internet-enabled media, Mutual Funds shall be permitted to provide an exact website link to such summarized information on performance of other schemes managed by the concerned fund manager.
4. Accordingly, following amendments are made in SEBI circular

dated August 22, 2011:

- a. Clause C (2 and 3) of the aforementioned circular shall be replaced and read as under:

"2. In performance advertisements of Mutual Fund schemes:

- i. Performance of the Mutual Fund scheme shall be advertised in terms of CAGR for the past 1 year, 3 years, 5 years and since inception.*
 - ii. In order to provide ease of understanding to retail investors, point-to-point returns on a standard investment of ` 10,000/- shall also be provided in addition to CAGR of the scheme.*
 - iii. Performance advertisements of Mutual Fund schemes should provide information based on period computed from the last day of month-end preceding the date of advertisement.*
 - iv. It should be specifically mentioned whether performance so disclosed, is of regular or direct plan of the Mutual Fund scheme along-with a footnote mentioning that different plans have a different expense structure.*
 - v. If a Mutual Fund scheme has not been managed by the same fund manager for the full period of the information being published in the advertisement, the same should be disclosed in a footnote.*
3. *When a scheme has been in existence for more than 1 year but less than 3 years or 5 years, the same shall be mentioned as a footnote in the performance advertisement of the Mutual Fund scheme".*
- b. It is also reiterated that, as per Clause C(4) of SEBI circular dated August 22, 2011; where the scheme has been in existence for less than one year, past performance shall not be provided.
- c. Further, in respect of disclosing performance of other schemes managed by the fund manager, Clause C(7) of SEBI circular dated August 22, 2011 shall now be read as under:

"When the performance of a particular Mutual Fund scheme is advertised, the advertisement shall also include the performance data of all the other schemes managed by the fund manager/s of that particular scheme. Such performance data of the other schemes managed by the fund manager shall be provided as follows:

- i. Performance of other schemes managed by the fund manager, along-with their respective scheme's benchmark, shall be provided in terms of CAGR for a period of 1 year, 3 years and 5 years. The period referred here shall be computed in the same manner as that of the scheme being advertised.*
- ii. In case the number of schemes managed by a fund manager is more than six, then the AMC may disclose the total number of schemes managed by that fund manager along with the performance data of top 3 and bottom 3 schemes (in addition to the performance data of the scheme for which the advertisement is being made) managed by that fund manager in all performance related advertisements. However, in such cases, AMCs shall ensure that true and fair view of the performance of the fund manager is communicated by providing additional disclosures, if required.*

- iii. If a Mutual Fund scheme has not been managed by the same fund manager for the full period of information being published in the advertisement, the same should be disclosed in a footnote.*
- iv. Further, for advertisement published in internet-enabled media, Mutual Funds shall be permitted to provide an exact website link to such summarized information of performance of other schemes managed by the concerned fund manager.*
- v. An indicative format of disclosure of performance of other schemes managed by the concerned fund manager is provided at Annexure A."*

B. Celebrity endorsements of Mutual Funds at industry level:

1. SEBI vide circular dated September 13, 2012 mandated Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives.
2. Certain portion of the 2 basis points of daily net assets is being set aside by Mutual Funds/AMCs for investor education and awareness initiatives at industry level.
3. In this respect, it has been decided to permit celebrity endorsements at industry level, for the purpose of increasing awareness of Mutual Funds as a financial product category. However, such celebrity endorsements of Mutual Funds at industry level, shall be subject to the following conditions:
 - i. Celebrity endorsement shall be allowed only at industry level, for the purpose of increasing awareness of Mutual Funds as a financial product category. Such celebrity endorsements should not promote a scheme of a particular Mutual Fund or be used as a branding exercise of a Mutual Fund house / AMC.*
 - ii. Expenses towards such celebrity endorsements for increasing awareness of Mutual Funds shall be limited to the amounts that are aggregated by Mutual Funds at industry level for the purpose of conducting investor education and awareness initiatives, in terms of clause F of SEBI circular dated September 13, 2012.*
 - iii. Prior approval of SEBI shall be required for issuance of any endorsement of Mutual Funds as a financial product, which features a celebrity for the purpose of increasing awareness of Mutual Funds.*

C. Applicability of the Circular

1. Clause A of the above circular will be applicable for advertisements issued from April 01, 2017 onwards.
2. Clause B of the above circular is applicable with immediate effect.

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) Regulation, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

RAJESH GUJJAR
Deputy General Manager

09 SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ('SAST Regulations')

[Issued by the Securities And Exchange Board of India vide Circular[F. No. SEBI/HO/CFD/DCR1/CIR/P/2017/22] dated 15.03.2017.]

1. SEBI vide Circular No. SEBI/CFD/DCR/SAST/3/2011/11/22

dated November 22, 2011 has, *inter-alia*, issued the format for submitting the draft letter of offer (DLOF) with SEBI in terms of SAST Regulations and certain instructions to be followed by merchant bankers while filing the DLOF .

2. Accordingly, Merchant Bankers have been filing the DLOF and certain information about the acquirer, target company, promoter etc. as per the prescribed format.
3. It has been decided, in consultation with market participants, to revise the time period for which information is required to be filed with SEBI, in line with the provisions relating to maintenance of records under the Companies Act, 2013. The format and instructions prescribed vide aforementioned Circular shall stand modified as given at **Annexure**.
4. This circular shall be applicable to all the offers where the draft letter of offer is filed with SEBI after the date of this Circular. Merchant Bankers are advised to follow the said updated format and instructions while filing the draft letter of offer with SEBI.
5. This circular is issued in exercise of the powers conferred under Section 11 read with 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 "Takeovers".

AMIT TANDON

Deputy General Manager

10 Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957

[Issued by the Securities And Exchange Board of India vide Circular[F. No. CFD/DIL3/CIR/2017/21] dated 10.03.2017.]

1. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "listing regulations") place obligations with respect to Scheme of Arrangement on Listed Entities and Stock Exchange(s) in Regulation 11, 37 and 94.
2. Regulation 11 of the listing regulations, *inter-alia*, provides that any scheme of arrangement / amalgamation / merger / reconstruction / reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchanges. Regulation 37 of listing regulations provides that the listed entities desirous of undertaking scheme of arrangement or involved in a scheme of arrangement shall file the draft scheme with Stock Exchange(s) for obtaining Observation Letter or No-objection Letter, before filing such scheme with any court or Tribunal. Regulation 94 of the listing regulations requires Stock Exchanges to forward such draft schemes to SEBI in the manner prescribed by SEBI.
3. SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 lays down the detailed requirements to be complied with by listed entities while undertaking schemes of arrangements.
4. Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as "the SCRR") provides that Securities and Exchange Board of India (SEBI) may, at its own discretion or on the recommendation of a recognised Stock Exchange, waive or relax the strict enforcement of any or all of the requirements with respect to listing prescribed by these

rules.

5. In consultation with the stock exchanges and market participants, it has been decided to revise the regulatory framework for such schemes of arrangement. Certain regulations as mentioned in this circular have been amended. The details of revised requirements to be complied with are given in **Annexure-I**.
6. **Applicability:** The schemes filed after the date of this circular shall be governed under this circular. The Schemes already submitted to the stock exchange in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, shall be governed by the requirements specified in that circular
7. The Provisions of this circular shall not apply to schemes which solely provides for merger of a wholly owned subsidiary with the parent company. However, such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites. An amendment to listing regulations in this regard has already been notified on February 15, 2017.
8. The issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "the ICDR Regulations"). Relevant amendment to ICDR Regulations in this regard has been notified on February 15, 2017.
9. The listed entity shall pay a fee to SEBI at the rate of 0.1% of the paid-up share capital of the listed / transferee / resulting company, whichever is higher, post sanction of the proposed scheme, subject to a cap of Rs.5,00,000. Relevant amendment to Listing Regulations in this regard has been notified on March 06, 2017.
10. The amended regulations have become effective from the date of notification of the amendments.
11. 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 website.
12. This circular is issued under Section 11 of the SEBI Act, 1992 and regulations 11, 37 and 94 read with regulation 101(2) of listing regulations and Rule 19(7) of SCRR, 1957.
13. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework/Circulars".

NARENDRA RAWAT

Deputy General Manager

ANNEXURE I

I. Requirements before the Scheme of arrangement is submitted for sanction by the National Company Law Tribunal (NCLT)

A. Requirements to be fulfilled by Listed Entity

1. Designated Stock Exchange

- (a) Listed entities shall choose one of the Stock Exchanges having nationwide trading terminals as the designated Stock Exchange for the purpose of coordinating with SEBI.
- (b) For companies listed solely on regional Stock Exchange, wherein exemption from Rule 19(2) (b) of Securities Contracts (Regulation) Rules, 1957 is sought, the listed entity shall obtain in-principle approval for listing of equity shares on any Stock Exchange having nationwide trading terminals. In cases, wherein exemption from Rule 19(2)(b) of

Securities Contracts (Regulation) Rules, 1957 is not sought by the listed entity, one of the Stock Exchanges having nationwide trading terminals shall provide a platform for dissemination of information of such Schemes and other documents required under this circular. For such purpose, Stock Exchanges having nationwide trading terminals may charge reasonable fees from such companies.

2. Submission of Documents

The Listed entity shall submit the following documents to the Stock Exchanges:-

- (a) Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.;
- (b) Valuation Report as per Para (4) below;
- (c) Report from the Audit Committee recommending the Draft Scheme, taking into consideration, inter alia, the Valuation Report. The Valuation Report is required to be placed before the Audit Committee of the listed entity;
- (d) Fairness opinion by a SEBI Registered merchant banker on valuation of assets / shares done by the valuer for the listed entity and unlisted entity;
- (e) Pre and post amalgamation shareholding pattern of unlisted entity;
- (f) Audited financials of last 3 years (financials not being more than 6 months old) of unlisted entity;
- (g) Auditor's Certificate as per Para (5) below;
- (h) Detailed Compliance Report as per the format specified in Annexure IV duly certified by the Company Secretary, Chief Financial Officer and the Managing Director, confirming compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards.

3. Conditions for schemes of arrangement involving unlisted entities

In case of schemes of arrangement between listed and unlisted entities, the following conditions shall be satisfied:

- (a) The listed entity shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the ICDR Regulations, in the explanatory statement or notice or proposal accompanying resolution to be passed sent to the shareholders while seeking approval of the scheme.
The accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process. Such disclosures shall also be submitted to the Stock Exchanges for uploading on their websites.
- (b) The percentage of shareholding of pre-scheme public shareholders of the listed entity and the Qualified Institutional Buyers (QIBs) of the unlisted entity, in the post scheme shareholding pattern of the "merged" company shall not be less than 25%.
- (c) Unlisted entities can be merged with a listed entity only if the listed entity is listed on a Stock Exchange having nationwide trading terminals.

4. Valuation Report;

- (a) All listed entities are required to submit a valuation report from an Independent Chartered Accountant.
- (b) However, Valuation Report is not required in cases

where there is no change in the shareholding pattern of the listed entity / resultant company.

- (c) For the limited purpose of this Circular, 'change in the shareholding pattern' shall mean;
 - (i) change in the proportion of shareholding of any of the existing shareholders of the listed entity in the resultant company; or
 - (ii) new shareholder being allotted equity shares of the resultant company; or
 - (iii) existing shareholder exiting the company pursuant to the Scheme of Arrangement
- (d) Further, a few examples illustrating 'no change in shareholding pattern' are indicated below:
 - (i) In case a listed entity (say, "entity A") demerges a unit and makes it a separate company (say, "entity B");
 - 1) if the shareholding of entity B is comprised only of the shareholders of entity A; and
 - 2) if the shareholding pattern of entity B is the same as in entity A; and
 - 3) every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger
 - (ii) In case a wholly-owned-subsiidiary (say, "entity X") of a listed entity is merged with its parent listed entity (say, "entity Y"), where the shareholders and the shareholding pattern of entity Y remains the same, it will be treated as 'no change in shareholding pattern'.

For the limited purpose of this Circular, 'resultant company' shall mean a company arising / remaining after the listed entity undertakes a Scheme of Arrangement.

5. Auditor's certificate

- (a) An auditors' certificate shall be filed to the effect that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 read with the rules framed thereunder or the Accounting Standards issued by ICAI, as applicable, and other generally accepted accounting principles.

Provided that in case of companies where the respective sectoral regulatory authorities have prescribed norms for accounting treatment of items in the financial statements contained in the scheme, the requirements of the regulatory authorities shall prevail. Explanation – For this purpose, mere disclosure of deviations in accounting treatments as prescribed in the aforementioned Accounting Standards and other generally accepted Accounting Principles shall not be deemed as compliance with the above.

- (b) The standard format for auditors' certificate would be as per Annexure II.

6. Redressal of Complaints

- (a) The Listed entity shall submit to Stock Exchanges a 'Report on Complaints' which shall contain the details of complaints/comments received by it on the Draft Scheme from various sources (complaints/comments written directly to the listed entity or forwarded to it by the Stock Exchanges/SEBI) as per Annexure III of this Circular prior to obtaining Observation Letter from

Stock Exchanges on Draft Scheme.

- (b) 'Report on Complaints' as mentioned above, shall be submitted by listed entity to the Stock Exchanges within 7 days of expiry of 21 days from the date of filing of Draft Scheme with Stock Exchanges and hosting the Draft Scheme along with documents specified under para (2) above on the websites of Stock Exchanges and the listed entity.

7. Disclosure on the Website

- (a) Immediately upon filing of the Draft Scheme of arrangement with the Stock Exchanges, the listed entity shall disclose the Draft Scheme of arrangement and all the documents specified under para (2) above on its website.
- (b) Listed entity shall also disclose the Observation Letter of the Stock Exchanges on its website within 24 hours of receiving the same.

8. Explanatory Statement or notice or proposal accompanying resolution sent to shareholders for seeking approval of scheme

- (a) The Listed entity shall include the Observation Letter of the Stock Exchanges, in the explanatory statement or notice or proposal accompanying resolution to be passed sent to the shareholders seeking approval of the Scheme.
- (b) The listed entity shall ensure that in the explanatory statement or notice or proposal accompanying resolution to be passed, it shall disclose the pre and post-arrangement or amalgamation, expected capital structure and shareholding pattern, and the "fairness opinion" obtained from a merchant bankers on valuation of assets / shares done by the independent chartered accountant for the listed entity and unlisted entity.
- (c) The Listed entity shall upload the 'Report on Complaints' as provided in Para 6 (b) and the 'Compliance Report' as provided in Para 2 (h) above, on the company's website and websites of Stock Exchanges.

9. Approval of Shareholders to Scheme through e- Voting:

- (a) The Listed entities shall ensure that the Scheme of Arrangement submitted with the NCLT for sanction, provides for voting by public shareholders through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.
- (b) The Scheme of arrangement shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it, in the following cases:
- Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity , or
 - Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

- Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.

- Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;

- where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares; For the purpose of this clause, the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of value of the company in terms of consolidated net worth or consolidated total income during previous financial year as specified in Section 180(1)(a)(i) of the Companies Act, 2013.

For the purpose of this clause, the term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

- For all other cases, the requirements stated at para (9) (b) above, i.e. approval only by public shareholders, shall not be applicable. In such cases, the listed entities shall furnish an undertaking certified by the auditor and duly approved by the Board of the company, clearly stating the reasons for non-applicability of para (9) (a) above.

- The undertaking as referred to in Para (9)(c) above shall be displayed on the websites of Stock Exchanges and the listed entity along with other documents submitted, as stipulated under Para (2) above.

- Any misstatement or furnishing of false information with regard to the said undertaking would be viewed seriously and liable for punitive action as per the provisions of applicable laws and regulations.

- Subsequent to filing the draft scheme with SEBI, no changes to the draft scheme, except those mandated by the regulators / authorities / tribunal shall be made without specific written consent of SEBI.

B. Obligations of Stock Exchange(s)

- The designated Stock Exchange, upon receipt of the Draft Scheme of Arrangement and documents referred to at para (A) (2) above shall forward the same to SEBI within three working days.
- The 'Report on Complaints' shall be forwarded by the Stock Exchanges to SEBI before SEBI communicates its comments on the Draft Scheme to the Stock Exchanges. Such Report shall be submitted as per the format specified at Annexure III to this Circular.
- The Stock Exchanges where the specified securities are listed / proposed to be listed shall also disclose on their websites the documents listed at para (A) (2) above

immediately on receipt. It shall also disclose the Observation Letter on its website immediately upon issuance.

4. Stock Exchanges shall provide the 'Observation Letter' or 'No-Objection' letter to SEBI on the draft scheme. In case of companies listed exclusively on Regional Stock Exchanges, SEBI shall issue Comment letter upon receipt of Observation Letter' or 'No-Objection' letter from the Designated Stock Exchange. In other cases, SEBI shall issue Comment letter upon receipt of Observation Letter' or 'No-Objection' letter from Stock Exchanges having nationwide trading terminals.

C. Processing of the Draft Scheme by SEBI

1. Upon receipt of Observation Letter' or 'No-Objection' letter from the Stock Exchanges, SEBI shall provide its comments on the Draft Scheme of arrangement to the Stock Exchanges. While processing the Draft Scheme, SEBI may seek clarifications from any person relevant in this regard including the listed entity or the Stock Exchanges and may also seek an opinion from an Independent Chartered Accountant.
2. SEBI shall endeavour to provide its comments on the Draft Scheme to the stock exchanges within 30 days from the later of the following:
 - (a) date of receipt of satisfactory reply on clarifications, if any sought from the listed entity by SEBI; or
 - (b) date of receipt of opinion from Independent Chartered Accountant, if sought by SEBI; or
 - (c) date of receipt of Observation Letter' or 'No-Objection' letter from the Stock Exchanges.
 - (d) date of receipt of copy of in-principle approval for listing of equity shares of the company seeking exemption from Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 on designated Stock Exchange, in case the listed entity is listed solely on regional Stock Exchange.
3. All complaints/comments received by SEBI on the Draft Scheme of arrangement shall be forwarded to the designated Stock Exchange, for necessary action and resolution by the listed entity.

II. Requirements after the Scheme is Sanctioned by the Hon'ble High Court / NCLT (hereinafter referred to as "Approved Scheme")

1. Submission of Documents

Upon sanction of the Scheme by the Hon'ble High Court / NCLT, the listed entity shall submit the documents mentioned below to the Stock Exchanges:-

- (a) Copy of the High Court/ NCLT approved Scheme;
- (b) Result of voting by shareholders for approving the Scheme;
- (c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme of arrangement vis-à-vis the Draft Scheme of arrangement
- (d) Status of compliance with the Observation Letter or No Objection Letter of the Stock Exchange(s)
- (e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- (f) Report on Complaints as per Annexure III of this Circular.

III. Application for relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957

A. Requirements to be fulfilled by Listed Entity for Listing

of Equity Shares

1. Eligibility conditions for companies seeking relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957

A listed issuer may submit the Draft Scheme of arrangement under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, thereby seeking relaxation from the strict enforcement of clause (b) to sub-rule (2) of rule 19 thereof, for listing of its equity shares on a recognized Stock Exchange without making an initial public offer, if it satisfies the following conditions:

- (a) The equity shares sought to be listed are proposed to be allotted by the unlisted issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by NCLT under Section 230-234 of the Companies Act, 2013;
- (b) At least twenty five per cent of the post-scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public shareholders in the transferor entity;
- (c) The transferee entity will not issue/ reissue any shares, not covered under the Draft Scheme of arrangement;
- (d) As on date of application, there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft Scheme, the percentage referred to in Para (b) above shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised; and
- (e) The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity will be subject to lock-in for the remaining period.

2. Additional conditions for entities seeking relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957

Stock Exchanges shall ensure that, an unlisted issuer may make an application to the Board under sub-rule (7) of rule 19 of the SCRR, pursuant to Part III of Annexure I this Circular if it satisfies the following conditions:

- (a) Observation Letter or No Objection Letter has been issued by the Stock Exchanges to the Draft Scheme of arrangement;
- (b) The listing of the equity shares of the transferee entity is in terms of the Scheme sanctioned by the Hon'ble High Court / NCLT or its order whereby the Scheme of arrangement has been sanctioned;
- (c) The equity shares sought to be listed have been allotted by the unlisted issuer (transferee entity) to the holders of securities of a listed entity (transferor entity);
- (d) The names of the allottees have been entered as beneficial owners in the records of the

- depositories pursuant to the Scheme or share certificates have been dispatched to the allottees.
3. In case of a scheme involving hiving-off of a division from a listed entity into an unlisted entity the entire pre-scheme share capital of the unlisted issuer seeking listing shall be locked in as follows:
 - (a) Shares held by Promoters up to the extent of twenty percent of the post-merger paid-up capital of the unlisted issuer, shall be locked-in for a period of three years from the date of listing of the shares of the unlisted issuer;
 - (b) The remaining shares shall be locked-in for a period of one year from the date of listing of the shares of the unlisted issuer.
 - (c) No additional lock-in shall be applicable if the post scheme shareholding pattern of the unlisted entity is exactly similar to the shareholding pattern of the listed entity.
 4. The listed entity and/or transferee entity (unlisted entity), as applicable, shall ensure that it has completed steps for listing of its specified securities, within thirty days of the receipt of the order of the Hon'ble High Court/ NCLT sanctioning the Scheme, simultaneously on all the Stock Exchanges where the equity shares of the listed entity (or transferor entity) are/were listed.
 5. It shall be ensured that trading in securities commences within forty five days of the order of the Hon'ble High Court/ NCLT. Before commencement of trading, the transferee entity shall give an advertisement in one English and one Hindi newspaper with nationwide circulation and one regional newspaper with wide circulation at the place where the registered office of the transferee entity (is situated, giving following details:
 - (a) Name and address of its registered office;
 - (b) Details of change of name and/or object clause;
 - (c) Capital structure - pre and post scheme of amalgamation. This shall provide details of the authorized, issued, subscribed and paid up capital (Number of instruments, description, and aggregate nominal value);
 - (d) Shareholding pattern giving details of its promoter group shareholding, group companies;
 - (e) Names of its ten largest shareholders - number and percentage of shares held by each of them, their interest, if any;
 - (f) Details of its promoters - educational qualifications, experience, address;
 - (g) Business and its management;
 - (h) Reason for the amalgamation;
 - (i) Financial statements for the previous three years prior to the date of listing;
 - (j) Latest audited financial statements along with notes to accounts and any audit qualifications. Change in accounting policies in the last three years and their effect on profits and reserves (Financial statements should not be later than six months prior to the date of listing);
 - (k) Details of its other group companies including their capital structure and financial statements;
 - (l) Outstanding litigations and defaults of the transferee entity, promoters, directors or any of the group companies;
- (m) Particulars of high, low and average prices of the shares of the listed transferor entity during the preceding three years;
 - (n) Any material development after the date of the balance sheet; and
 - (e) Such other information as may be specified by the Board from time to time.
- B. Application by a listed entity for Listing of Equity Shares with Differential Rights as to Dividend, Voting or Otherwise:**
A listed entity desirous of listing of its equity shares with differential rights as to dividend, voting or otherwise, without making an initial public offer of such equity shares, may make an application to the Board under sub-rule (7) of rule 19 of the SCRR seeking relaxation from strict enforcement of clause (b) to sub-rule (2) of rule 19 thereof if it satisfies the following conditions:
- (a) such equity shares are issued to all the existing shareholders as on record date by way of rights or bonus issue;
 - (b) the issuer is in compliance with the conditions of minimum public shareholding requirement stipulated in regulation 38 of Listing Regulation, with reference to the equity shares already listed and the equity shares with differential rights proposed to be listed; and
 - (c) the issuer undertakes to disclose the shareholding pattern of the equity shares with differential rights separately in terms of requirements of regulation 31 of listing regulations.
- C. Application by a listed entity for Listing of warrants Offered Along With Non-Convertible Debentures (NCDs):**
A listed entity, desirous of listing of its warrants without making an initial public offer of warrants, may make an application to the Board under sub-Rule (7) of rule 19 of the SCRR seeking relaxation from strict enforcement of clause (b) to sub-rule (2) of rule 19 if it satisfies the following conditions:
- (a) warrants are issued as combined offering of NCDs and warrants through qualified institutions placement under Chapter VIII of the ICDR Regulations;
 - (b) the issuer is in compliance with all the provisions of Chapter VIII of the ICDR Regulations ; and
 - (c) NCDs and warrants shall be traded in the minimum trade lot of one lakh rupees.
- D. Requirements to be fulfilled by Stock Exchange(s)**
1. The designated Stock Exchange shall forward the documents to the Board along with its recommendations on documents and recommendation, if applicable, on the application for granting exemption, under sub-rule (7) of rule 19 of SCRR.
- E. Processing of the Scheme by SEBI**
1. The Board may, while granting relaxation, if any, under sub-rule (7) of rule 19 of SCRR, stipulate any other conditions as may be deemed necessary in the interest of investors and securities market, under the facts and circumstances of the specific case.
 2. SEBI shall endeavour to intimate its comments/

approval, wherever applicable, to the designated Stock Exchange within 30 days of receipt of complete information, including the no-objection certificate from the Stock Exchange.

ANNEXURE II

Format for Auditor's Certificate

To,
The Board of Directors,
.....

(Name and address of the Company)
We, the statutory auditors of (name of the listed entity), (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause (specify clause number) of the Draft Scheme of (specify the type of Scheme) between (names of the companies/entities involved) in terms of the provisions of section(s) (specify the relevant section(s)) of the Companies Act, 1956/ Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 1956/ Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 1956/ Companies Act, 2013 and/or the accounting treatment in respect of (specify the financial statement item(s)) as prescribed by (name of the regulator) vide its Notification (details of the Notification) which prevail over the accounting treatment for the same as prescribed under the aforesaid Accounting Standards (wherever applicable), except the following:

This Certificate is issued at the request of the (name of the Company) pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the (name of the Stock Exchange(s)). This Certificate should not be used for any other purpose without our prior written consent.

For
.....
(name of the Firm)
Chartered Accountants
Firm Registration No.:
Signature

(Name of the member)
Designation (Partner or proprietor, as may be applicable):
Membership Number:
Place:
Date:

ANNEXURE III

**Format for Report on Complaints
Part A**

Sr. No.	Particulars	Number
1	Number of complaints received directly	
2	Number of complaints forwarded by Stock Exchanges / SEBI	
3	Total Number of complaints/comments received (1+2)	
4	Number of complaints resolved	
5	Number of complaints pending	

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
1			
2			
3			

Annexure IV

Format of the Compliance Report to be submitted along with the draft scheme

It is hereby certified that the draft scheme of arrangement involving (Name of the entities) does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements
2	Regulation 11 of LODR Regulations	Compliance with securities laws
Requirements of this circular		
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges
(b)	Para (I)(A)(2)	Conditions for schemes of arrangement involving unlisted entities
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting

Company Secretary

Managing Director

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving (Name of the entities) are in compliance with all the Accounting Standards applicable to a listed entity.

Chief Financial Officer

Managing Director

11 Redressal of complaints against Stock Brokers and Depository Participants through SEBI Complaints Redress System (SCORES)

[Issued by the Securities And Exchange Board of India vide Circular No. SEBI/HO/MIRSD/MIRSD6/CIR/P/2017/20] dated 10.03.2017.]

1. SEBI has commenced processing of complaints through SCORES since June, 2011.
2. With a view to make the complaint redressal mechanism through SCORES more efficient, all stock brokers and depository participants are directed to address/redress the complaint within a period of 15 days from the receipt of the complaint. In case additional information is required from the complainant, the same shall be sought within 7 days from the receipt of the complaint. In such cases, the period of 15 days shall run from the receipt of additional information.
3. Stock Exchanges and Depositories are advised to develop a system for execution of the above.
4. The circular is issued in partial modification of earlier circulars dated August 25, 2011 and September 12, 2011 to the extent as stated above and in exercise of powers conferred upon SEBI under Section 11(1) of the Securities and Exchange Board of India Act, 1992.
5. The circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".

B K GUPTA

Deputy General Manager

12 Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017

[Issued by the Securities And Exchange Board of India vide Circular [SEBI/LAD/NRO/GN/2016-17/037] dated 06.03.2017] Published in the Gazette of India Extraordinary Part-III-Section 4 dated 06.03.2017.

In exercise of the powers conferred by section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) and 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 (Stock Brokers and Sub-brokers) Regulations, 1992, Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, Securities and Exchange Board of India (Underwriters) Regulations, 1993, Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, Securities and Exchange Board of India (Buy Back of Securities) Regulations,

1998, Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999, Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, Securities and Exchange Board of India (Self-Regulatory Organizations) Regulations, 2004, Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008, Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (KYC (Know Your Client) Registration Agency) Regulations, 2011, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and 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 (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017.
2. They shall come into force on the date of their publication in the Official Gazette:
Provided that sub-clause (a) of clause (ii) of regulation 3 of these regulations shall come into force with effect from April 1, 2017.
Amendments to the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992
3. In the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992, -
 - i. in Schedule III, in clause III, -
 - a. after the words "payable" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted;
 - b. the word "Bombay" shall be substituted with the word "Mumbai";
 - ii. In Schedule V, in Part B, -
 - a. in clause 3, in sub-clause (1), Table 1 and Table 2 shall be substituted with the following table, -

Segment	Rate / Amount (in ₹)			Remarks
	Stock Broker	Clearing member	Self-clearing member	
Cash	0.00015 per cent of the price at which the securities are purchased or sold (₹ 15 per crore)	*	*	All sale and purchase transactions in securities other than debt securities.

Equity derivatives	0.00015 per cent of his turnover (₹ 15 per crore)	50,000/-	50,000/-	Explanation.—(A) The expression 'turnover' shall include the value of the trades executed by the stock broker on the concerned segment of the recognized stock exchange and of the trades settled on the expiration of the contracts. (B) In case of options contracts, 'turnover' shall be computed on the basis of premium traded for the option contracts and in case where the option is exercised or assigned, it shall be additionally computed on the basis of notional value of option contracts exercised or assigned.
Currency derivatives	0.00015 per cent of his turnover (₹ 15 per crore)	50,000/-	50,000/-	
Interest rate derivatives	0.00005 per cent of his turnover (₹ 5 per crore)	50,000/-	50,000/-	
Commodity derivatives	0.00015 per cent of his turnover (₹ 15 per crore)	50,000/-	50,000/-	Explanation.— The expression 'turnover' shall include the value of the trades executed by the stock broker on the concerned recognized stock exchange and of the trades settled on the expiration of the contracts.
Debt	0.00002 per cent of his turnover (₹ 2 per cror Explanation.— For the purpose of this clause, the expression 'turnover' shall include the aggregate value of the trades executed, including both sale and purchase transactions, by the stock broker including the proprietary trading member on the debts segment of the recognized stock exchange.	50,000/-	50,000/-	The fee shall not be applicable for clearing member or self-clearing member in case the said clearing member or self-clearing member is already a clearing member or self-clearing member in any other segment and is paying fee, as specified in this Part, for such segment.

b. in clause 4B, after the word "applicant" and before the

word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

- In the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, in Schedule II, in clause 4, after the word "merchant banker" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993

- In the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, in Schedule II, in clause 4, after the words "regional office", before the symbol ".", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI" shall be inserted.

Amendments to the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

- In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Schedule II, in clause 3, after the words "Share Transfer Agent" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Underwriters) Regulations, 1993

- In the Securities and Exchange Board of India (Underwriters) Regulations, 1993, in Schedule II, in clause 4, after the word "Underwriter" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993

- In the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, in Schedule II, in clause 4, after the words "Debenture Trustees" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994

- In the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, in Schedule II, in clause 4, after the words "bankers to an issue" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996

- In the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, in Second Schedule, in Part B, -
 - in the manner of payment by Sponsor or depository, the words "By way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be substituted in place of the letter "A";
 - in the manner of payment by Participant, for the word "with",

the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by” shall be substituted.

Amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

11. In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, in the Second Schedule, in clause II, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996

12. In the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, in the Second Schedule, in Part B, in clause 1, after the word “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

13. In the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, in Schedule IV, -
i. in clause 1, the table shall be substituted with the following table, -

Offer Size	Fee (₹)
Less than or equal to rupees ten crore	₹ 5,00,000/-
More than rupees ten crore but less than or equal to rupees one thousand crore	0.5% of the offer size
More than rupees one thousand crore	₹ 5,00,00,000/- plus 0.125% of the portion of offer size in excess of rupees one thousand crore

- ii. in clause (2), in sub-clause (b), after the word “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999

14. In the Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999, in the Second Schedule, in clause 3, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999

15. In the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, in the Second Schedule, in Part B, in clause 4, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India

(Foreign Venture Capital Investor) Regulations, 2000

16. In the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, in the Second Schedule, in Part B, in clause I, after the word “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004

17. In the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004, -
i. in the First Schedule, in Form A, in clause 5, before the words “Demand Draft”, the words and symbol “The fees has been remitted through electronic payment mode as per details below” shall be inserted;
ii. in the Second Schedule, in Part B, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006

18. In the Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006, in regulation 5, the existing sub-regulation (1) shall be substituted with the following, -
“(1) The fee mentioned in regulation 4 shall be paid by a recognised stock exchange by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by means of a demand draft drawn in favour of “Securities and Exchange Board of India”, payable at Mumbai and the intimation of remittance or the demand draft, as applicable, shall be forwarded along with the statement of computation of the fee.”

Amendments to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

19. In the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, in Schedule V, -
i. in clause 2, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;
ii. in clause 4, after the words “subsequent month” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008

20. In the Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008, in Schedule II, in clause 2, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

21. In the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in sub-regulation (3) of regulation 25A, after the words and symbol “rupees fifty thousand,” and

before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009

22. In the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009, in regulation 4, -
- i. the existing regulation shall be renumbered as sub-regulation (1);
 - ii. the following new sub-regulation shall be inserted thereafter, namely,-
“(2) For the purposes of sub-regulation (1) above, the amounts shall be credited to the Fund through NEFT/RTGS/IMPS or any other mode allowed by RBI or by way of a demand draft in favour of the Board payable in Mumbai.”.

Amendments to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

23. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, -
- i. in regulation 113, -
 - a. the existing regulation shall be numbered as sub-regulation (1);
 - b. the following new sub-regulations shall be inserted thereafter, namely,-
“(2)For seeking relaxation under sub-regulation (1), an application, giving details and the grounds on which such relaxation has been sought, shall be filed with the Board.
(3)The application referred to under sub-regulation (2) shall be accompanied by a non-refundable fee of rupees one lakh payable by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by way of a demand draft in favour of the Board payable in Mumbai.”
 - ii. in Schedule IV, in clause 2, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011

24. In the Securities and Exchange Board of India (KYC (Know Your Client) Registration Agency) Regulations, 2011, in Schedule II, in Part B, in Manner of Payment, in the first clause, the words “The fees shall be paid by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by” shall be substituted in place of the letter ‘A’.

Amendments to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

25. In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, -
- i. in sub-regulation 7 of regulation 10, after the words “one lakh fifty thousand” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;
 - ii. in sub-regulation 4 of regulation 11, -

- a. the words “three lakh” shall be substituted with the words “five lakh”;
- b. after the symbol “,” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.
- iii. in sub-regulation 1 of regulation 16, after the word and symbol “scale,” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

26. In the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, in the Second Schedule, in Part B, after the words “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012

27. In the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, in Schedule – I, in Form A, in clause 5, -
- i. the words and symbol “Proof of remittance through electronic payment mode/” shall be inserted before the words “Demand Draft”;
 - ii. after the symbols “.....” and before the word “towards”, the symbol “,” shall be inserted.

Amendments to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013

28. In the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, in Schedule III, -
- i. in clause 2, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;
 - ii. in clause 4, after the words “subsequent month” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

29. In the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, -
- i. in clause (g). of sub-regulation 15 of regulation 3, after the word “application” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;
 - ii. in sub-regulation (2) of regulation 29, after the words “rupees one lakh” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

Amendments to the Securities and Exchange Board of India

(Foreign Portfolio Investors) Regulations, 2014

30. In the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, in the Second Schedule, in Part B, -
- i. in clause (2), -
 - a. the symbol "INR" shall be substituted with the symbol "₹";
 - b. after the word and symbol "application," and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.
 - ii. in clause (3), -
 - a. the symbol "INR" shall be substituted with the symbol "₹";
 - b. after the figure "5,00,000/-" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

31. In the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, in Schedule II, in clause 5, after the words "applicant/REIT" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014

32. In the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, in Schedule II, in clause 5, after the word "InvIT" and before the word "by", the words "by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or" shall be inserted.

Amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

33. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, -
- i. in regulation 37, in sub-regulation (1), after the words and symbol "whichever applicable," before the word "with", the words and symbol "along with a non-refundable fee as specified in Schedule XI," shall be inserted;
 - ii. after Schedule X, a new Schedule shall be inserted, namely,-

"Schedule XI – Fee in respect of draft scheme of arrangement
[see regulations 37 and 94]

1. The listed entity shall, along with the draft scheme of arrangement, remit fee at the rate of 0.1% of the paid-up share capital of the listed/transferee/resulting company, whichever is higher, post sanction of the scheme, subject to a cap of ₹ 5,00,000/-.
2. The fee specified in clause 1 shall be paid by way of direct credit to the bank account of the Board through NEFT/RTGS/IMPS or any other mode allowed by RBI or by means of a demand draft in favour of "Securities and Exchange Board of India" payable at Mumbai."

U. K. SINHA
Chairman

13

Investments by FPIs in corporate debt securities

[Issued by the Securities And Exchange Board of India vide Circular[SEBI/HO/IMD/FPIC/CIR/P/2017/16] dated 28.02.2017]

1. RBI on October 24, 2016, had amended the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Twelfth Amendment) Regulations, 2016 through a Gazette notification to permit FPIs to invest in unlisted corporate debt and securitised debt instruments. Thereafter, RBI vide circular RBI/2016-17/138 dated November 17, 2016 had enhanced the list of eligible instruments for investment by FPIs under the Corporate debt route along with certain terms and conditions.
2. Accordingly, the SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2017 were notified on February 27, 2017. It has been decided to permit FPIs to invest in the following:
 - a. Unlisted corporate debt securities in the form of non-convertible debentures/bonds issued by public or private Indian companies subject to the guidelines issued by the Ministry of Corporate Affairs, Government of India from time to time and also subject to minimum residual maturity of three years and end use-restriction on investment in real estate business, capital market and purchase of land. The expression 'Real Estate Business' shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 Notification No.FEMA.362/2016-RB dated February 15, 2016. The custodians of the FPIs shall put in place an appropriate mechanism to ensure compliance with these conditions as prescribed by RBI from time to time.
 - b. Securitised debt instruments as under:
 - i. any certificate or instrument issued by a special purpose vehicle (SPV) set up for securitisation of asset/s where banks, FIs or NBFCs are originators; and/or
 - ii. any certificate or instrument issued and listed in terms of the SEBI(Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008
3. Investment by FPIs in the unlisted corporate debt securities and securitised debt instruments shall not exceed INR 35,000 cr within the extant Corporate debt limit which currently is INR 2,44,323 cr.
4. Further, investment by FPIs in securitised debt instruments shall not be subject to the minimum 3-year residual maturity requirement.
5. All other existing terms and conditions for FPI investments in corporate debt securities shall continue to apply. This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992. A copy of this circular is available at the links "Legal Framework →Circulars" and "Info for →F.P.I." on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

ACHAL SINGH
Deputy General Manager

5

NEWS FROM THE INSTITUTE



- MEMBERS ADMITTED/RESTORED
- CERTIFICATE OF PRACTICE ISSUED/CANCELLED
- LICENTIATE ICSI ADMITTED
- LIST OF PRACTISING MEMBERS REGISTERED FOR THE PURPOSE OF IMPARTING TRAINING DURING THE MONTH OF FEBRUARY, 2017
- LIST OF COMPANIES REGISTERED FOR IMPARTING TRAINING DURING THE MONTH OF JANUARY, 2017
- LIST OF COMPANIES REGISTERED FOR IMPARTING TRAINING DURING THE MONTH OF FEBRUARY, 2017



Members Admitted

FELLOWS*

SI. NO.	NAME	MEMB NO.	REGN
1	MS. INDU DARYANI	FCS - 9059	WIRC
2	MS. RAQSHANDA NIAZI	FCS - 9060	NIRC
3	MR. MANPREET SINGH	FCS - 9061	NIRC
4	SH. M KIRAN KUMAR	FCS - 9062	SIRC
5	SH. E. SAIRAM	FCS - 9063	SIRC
6	MR. Udit AGARWAL	FCS - 9064	EIRC
7	SH. KISHOR KUMAR S	FCS - 9065	SIRC
8	MS. SUSHEELA KUMARI B MAHESHWARI	FCS - 9066	WIRC
9	MR. MALATHESHA KALAL GANGARAM	FCS - 9067	SIRC
10	SH. PIYUSH ASHOKKUMAR GOHEL	FCS - 9068	WIRC
11	SH. INDER PAL KWATRA	FCS - 9069	NIRC
12	MS. POOJA AGARWAL	FCS - 9070	NIRC
13	MRS. RUBI PAWAN CHOUDHARY	FCS - 9071	WIRC
14	SH. SURYA PRAKASH PERUMALLA	FCS - 9072	SIRC
15	SH. ABHISHEK JAYANT JAGDALE	FCS - 9073	WIRC
16	MS. KAVITA RAJU JOSHI	FCS - 9074	WIRC
17	MR. SANDEEP KUMAR	FCS - 9075	NIRC
18	SH. GOVINDA RAO R	FCS - 9076	SIRC
19	MR. KUMAR ANKIT	FCS - 9077	NIRC
20	SH. M SIVA SATYANARAYANA REDDY	FCS - 9078	SIRC
21	SH. JAGDISH RATANLAL AHUJA	FCS - 9079	WIRC
22	MRS. SAMPRADA SATISH KHARAT	FCS - 9080	WIRC
23	MR. DHARMENDRA SHARMA	FCS - 9081	NIRC
24	MR. ABHISHEK OMPRAKASH LAKHOTIA	FCS - 9082	WIRC
25	SH. ANJANI KUMAR	FCS - 9083	NIRC
26	MS. JASLEEN KAUR	FCS - 9084	NIRC
27	SH. SATISH KUMAR SUBUDHI	FCS - 9085	SIRC
28	MRS. HARPREET PARASHAR	FCS - 9086	NIRC
29	MR. NITHYA PRABHU RAJAGOPAL	FCS - 9087	SIRC
30	SH. ABDUL KARIM KAZI	FCS - 9088	WIRC
31	MS. PURNIMA MANJUNATH MARLA	FCS - 9089	WIRC
32	MS. ARCHANA INDRADEV TRIPATHI	FCS - 9090	WIRC
33	SH. AJEET KUMAR THAKUR	FCS - 9091	NIRC
34	MS. NIRALI PINAKINBHAI PATEL	FCS - 9092	WIRC
35	MS. TEHSEEN FATIMA QASIM KHATRI	FCS - 9093	WIRC
36	MR. SATHEESH KUMAR	FCS - 9094	SIRC
37	MR. ANANT PRAKASH	FCS - 9095	NIRC
38	MRS. RASNA GOYAL	FCS - 9096	EIRC
39	SH. GAJENDER GUPTA	FCS - 9097	NIRC
40	MS. SAMPADA JANWEJA	FCS - 9098	NIRC
41	MRS. NEELAM PERIWAL	FCS - 9099	SIRC

*ADMITTED DURING THE PERIOD FROM 20.02.2017 TO 19.03.2017

42	SH. PANKAJ SRIVASTAVA	FCS - 9100	WIRC
43	MS. KAJAL RAJNIKANT DESAI	FCS - 9101	WIRC
44	MRS. MEENAKSHI AGARWAL	FCS - 9102	EIRC
45	SH. PAWAN CHADHA	FCS - 9103	NIRC
46	MS. MONA RUDRESH SHAH	FCS - 9104	WIRC
47	MS. ISHA SINGHAL	FCS - 9105	NIRC
48	SH. K GANESAN	FCS - 9106	WIRC

ASSOCIATES*

SI. NO.	NAME	MEMB NO.	REGN
1	MS. PUSHPA	ACS - 49926	NIRC
2	MR. N VISVANATHAN	ACS - 49927	SIRC
3	MR. RAHUL JAIN	ACS - 49928	EIRC
4	MS. PRITY KESHAN	ACS - 49929	EIRC
5	MS. MANSIHA KUMARI PODDAR	ACS - 49930	EIRC
6	MS. SIMPY MALPANI	ACS - 49931	EIRC
7	MS. NEHA SHARMA	ACS - 49932	EIRC
8	MS. NISHA KALYANI	ACS - 49933	EIRC
9	MS. SWETA	ACS - 49934	EIRC
10	MS. JYOTI AGARWAL	ACS - 49935	EIRC
11	MR. SURJYA PRATIM BANERJEE	ACS - 49936	EIRC
12	MR. ADNAN BAKHTIYAR	ACS - 49937	EIRC
13	MR. RITESH BENGANI	ACS - 49938	EIRC
14	MR. SANJAY RANA	ACS - 49939	NIRC
15	MS. RUPAL MUKUND SARDA	ACS - 49940	WIRC
16	MR. VINEET BAID	ACS - 49941	NIRC
17	MR. JATIN JAISINGH	ACS - 49942	NIRC
18	MS. GURBANI SUNEJA	ACS - 49943	NIRC
19	MS. SUGANDHA GUPTA	ACS - 49944	NIRC
20	MS. SHAMPA JUNEJA	ACS - 49945	NIRC
21	MS. KHUSHBOO TAILOR	ACS - 49946	NIRC
22	MS. TANISHA SRIVASTAVA	ACS - 49947	NIRC
23	MS. IQRAH AIJAZ	ACS - 49948	NIRC
24	MS. SHALINI	ACS - 49949	NIRC
25	MR. GAURAV KHURANA	ACS - 49950	NIRC
26	MS. VANSHIKA PRADHAN	ACS - 49951	NIRC
27	MS. DEVNA JUYAL	ACS - 49952	NIRC
28	MS. MANISHA SHARMA	ACS - 49953	NIRC
29	MS. DIVYANI SHAH	ACS - 49954	NIRC
30	MS. NAMITA MALHOTRA	ACS - 49955	NIRC
31	MS. PRERNA KHANDLWAL	ACS - 49956	NIRC
32	MS. SURABHI MAHESHWARI	ACS - 49957	NIRC
33	MR. JATIN CHOPRA	ACS - 49958	NIRC
34	MR. UTKARSH SHUKLA	ACS - 49959	NIRC
35	MS. PRIYANKA NAGVANI	ACS - 49960	NIRC
36	MR. SHUBHAM SHARMA	ACS - 49961	NIRC
37	MR. HEMANT KUMAR DUDEJA	ACS - 49962	NIRC
38	MS. AAUSHI BATHEJA	ACS - 49963	NIRC
39	MR. RAJESH MISHRA	ACS - 49964	NIRC
40	MS. ITEE GARG	ACS - 49965	NIRC
41	MS. ETI JAIN	ACS - 49966	NIRC
42	MS. PRACHI JAIN	ACS - 49967	NIRC
43	MS. MAHAK	ACS - 49968	NIRC
44	MR. RAHUL SHARMA	ACS - 49969	NIRC
45	MS. MEGHA GUPTA	ACS - 49970	NIRC

*ADMITTED DURING THE PERIOD FROM 20.02.2017 TO 19.03.2017

46	MS. POOJA GULATI	ACS - 49971	NIRC	102	MR. AMEYA DHANANJAY BODAS	ACS - 50027	WIRC
47	MS. SAKSHI BANSAL	ACS - 49972	NIRC	103	MR. HARISH KUMAR S	ACS - 50028	SIRC
48	MR. SHUBHAM JAIN	ACS - 49973	NIRC	104	MR. AHSAN AHMAD	ACS - 50029	NIRC
49	MS. DEEPIKA GUPTA	ACS - 49974	NIRC	105	MR. SACHCHITA NAND PANDEY	ACS - 50030	NIRC
50	MS. SIMRATJEET KAUR	ACS - 49975	NIRC	106	MR. ABHISHEK PAL	ACS - 50031	EIRC
51	MS. JYOTSANA BAJAJ	ACS - 49976	NIRC	107	MS. KANIKA MEHTA	ACS - 50032	NIRC
52	MS. AKANSHA SACHDEVA	ACS - 49977	NIRC	108	MR. RAM PRAKASH SHARMA	ACS - 50033	WIRC
53	MS. ANUSHKA KUMAWAT	ACS - 49978	NIRC	109	MS. RAJSHREE RAJARAM KUNJIR	ACS - 50034	WIRC
54	MS. HARSHITA AGARWAL	ACS - 49979	NIRC	110	MS. SEEMA PANDURANG KORDE	ACS - 50035	WIRC
55	MS. JASPREET KAUR	ACS - 49980	NIRC	111	MS. SANDHYA RANI MORAN	ACS - 50036	WIRC
56	MS. MEGHA MITTAL	ACS - 49981	NIRC	112	MS. HIRAL PANKAJ SHAH	ACS - 50037	WIRC
57	MR. GOVIND MISHRA	ACS - 49982	NIRC	113	MR. GIRIRAJ AJAY MOHTA	ACS - 50038	WIRC
58	MS. AMIKSHA KOTECHA	ACS - 49983	NIRC	114	MS. LUCKY RADHESHYAM BANSAL	ACS - 50039	WIRC
59	MS. DALJEET KAUR	ACS - 49984	NIRC	115	MS. ROHINI NAUTIYAL	ACS - 50040	NIRC
60	MR. RAHUL BHARDAWAJ	ACS - 49985	NIRC	116	MS. SEEMA VYAS	ACS - 50041	NIRC
61	MS. NAINA	ACS - 49986	NIRC	117	MR. ABHISHEK GOEL	ACS - 50042	NIRC
62	MR. MINAAL CHAWLA	ACS - 49987	NIRC	118	MS. NISHI	ACS - 50043	NIRC
63	MS. APURVA JAIN	ACS - 49988	NIRC	119	MS. ARPITA PARWAL	ACS - 50044	EIRC
64	MS. VIDUSHI AGARWAL	ACS - 49989	NIRC	120	MS. SONAM KHANDELWAL	ACS - 50045	EIRC
65	MS. GADE SWAPNA	ACS - 49990	SIRC	121	MR. ANIKET KUMAR VERMA	ACS - 50046	EIRC
66	MR. R K KOUNDINYA D	ACS - 49991	SIRC	122	MR. SAURAV KUMAR	ACS - 50047	EIRC
67	MR. HEMANTH SEETARAM BHARADWAJ	ACS - 49992	SIRC	123	MR. YASH JAIN	ACS - 50048	EIRC
68	MR. GOHEL MIKIL NITINBHAI	ACS - 49993	WIRC	124	MR. ARPIT KHANDELWAL	ACS - 50049	EIRC
69	MS. RACHITA BIKASH TARAFDAR	ACS - 49994	WIRC	125	MS. RIDHIMA PAREEK	ACS - 50050	EIRC
70	MS. RUCHIKA ARNOLD	ACS - 49995	NIRC	126	MR. ANKUSH SETHIA	ACS - 50051	EIRC
71	MS. RADHIKA LAXMINARAYAN BHANDARKAR	ACS - 49996	WIRC	127	MS. SHILPA JAIN	ACS - 50052	EIRC
72	MR. PRAVIN PREMLAL JAISWAL	ACS - 49997	WIRC	128	MR. CHANDRA MOHAN	ACS - 50053	EIRC
73	MR. ANKIT GANESH SINGH RAJPOOT	ACS - 49998	WIRC	129	MS. SHRUTI KARNANI	ACS - 50054	EIRC
74	MS. DEEPALI DEEPAK GHANEKAR	ACS - 49999	WIRC	130	MS. AKANSHA KABRA	ACS - 50055	EIRC
75	MR. ASHUTOSH SHUKLA	ACS - 50000	WIRC	131	MS. SIMPAL KUMARI	ACS - 50056	NIRC
76	MS. ISHITA SANDEEP BHUWANIA	ACS - 50001	WIRC	132	MS. NIKITA SOMANI	ACS - 50057	EIRC
77	MR. RAHUL KISHOR DAVE	ACS - 50002	WIRC	133	MS. SNEHA JAIN	ACS - 50058	EIRC
78	MR. VIJAY DALPATBHAI TERAIYA	ACS - 50003	WIRC	134	MR. VIVEK MORE	ACS - 50059	EIRC
79	MR. RUPESH ASHOKRAO KUCHE	ACS - 50004	WIRC	135	MS. NEHA MISHRA	ACS - 50060	EIRC
80	MS. RUCHA PATHAK	ACS - 50005	WIRC	136	MS. ALISHA TIBREWAL	ACS - 50061	EIRC
81	MR. PADHIYAR AJITBHAI ARJUNSINH	ACS - 50006	WIRC	137	MS. ANKITA BINANI	ACS - 50062	EIRC
82	MS. KOMAL MADHYANI	ACS - 50007	WIRC	138	MS. SAILJA GUPTA	ACS - 50063	EIRC
83	MR. VIVEK MAKHIJANI	ACS - 50008	WIRC	139	MS. ARUNDHUTHI BOSE	ACS - 50064	EIRC
84	MS. GOVANI KINJAL GIRISHKUMAR	ACS - 50009	WIRC	140	MS. KRATIKA GOYAL	ACS - 50065	NIRC
85	MS. JASMITA SUGAN BHOIR	ACS - 50010	WIRC	141	MS. PARUL JAIN	ACS - 50066	NIRC
86	MR. AMIT ASHOKRAO SONKUSARE	ACS - 50011	WIRC	142	MS. SAPNA SHARMA	ACS - 50067	NIRC
87	MS. SARITA RAMESHLAL AHUJA	ACS - 50012	WIRC	143	MS. DARSHANA ACHARYA	ACS - 50068	NIRC
88	MS. SHAGUN PRAMOD JAIN	ACS - 50013	WIRC	144	MS. SHIVANI CHAWLA	ACS - 50069	NIRC
89	MS. HIRAL RAMESH SHAH	ACS - 50014	WIRC	145	MR. GAURAV MISHRA	ACS - 50070	NIRC
90	MR. JAIMIN KUMAR CHUDASAMA	ACS - 50015	WIRC	146	MS. SAANYA AGGARWAL	ACS - 50071	NIRC
91	MS. SUCHITA BHARAT SINGH RAJPUT	ACS - 50016	WIRC	147	MR. LUCKY MADAAN	ACS - 50072	NIRC
92	MS. KAJOL SUNIL OSWAL	ACS - 50017	WIRC	148	MS. SHIPRA MANDOWARA	ACS - 50073	WIRC
93	MS. PAYAL ASHOK KOTAK	ACS - 50018	WIRC	149	MS. ASHA JAKHAR	ACS - 50074	NIRC
94	MR. SHAH BIREN PARESH BHAI	ACS - 50019	WIRC	150	MR. GAURAV TOMAR	ACS - 50075	NIRC
95	MR. AKRAM HASAN SATI	ACS - 50020	WIRC	151	MS. MRIDULA BHARDWAJ	ACS - 50076	NIRC
96	MS. VIDHI MAYANK MEHTA	ACS - 50021	WIRC	152	MR. PRITHPAL BHATIA	ACS - 50077	NIRC
97	MS. RIDDHI HITESH MEHTA	ACS - 50022	WIRC	153	MR. VIKAS CHHANGANI	ACS - 50078	NIRC
98	MS. SANDHYA SUBHASH JOSHI	ACS - 50023	WIRC	154	MR. TILAK RAWAT	ACS - 50079	NIRC
99	MR. PAREKH BHARGAV BHARATBHAI	ACS - 50024	WIRC	155	MS. TANVI RATTRA	ACS - 50080	NIRC
100	MS. HEENA ARJUN SUPADIA	ACS - 50025	WIRC	156	MS. DEEPA JASORIA	ACS - 50081	NIRC
101	MR. RAMKUMAR K	ACS - 50026	WIRC	157	MS. KANIKA MAKKAR	ACS - 50082	NIRC

158	MS. POOJA VERMA	ACS - 50083	NIRC	214	MR. GAUTAM BHARATI	ACS - 50139	EIRC
159	MS. HEENA TANEJA	ACS - 50084	NIRC	215	MR. DIVYANSH JAIN	ACS - 50140	NIRC
160	MS. ISHU KAMBOJ	ACS - 50085	NIRC	216	MS. ADITI NIGAM	ACS - 50141	NIRC
161	MS. ADITI AGARWAL	ACS - 50086	NIRC	217	MR. MAINAK JANA	ACS - 50142	EIRC
162	MR. KETAN GAUR	ACS - 50087	NIRC	218	MR. UTTAM KUMAR SINGH	ACS - 50143	EIRC
163	MS. JAYA TIWARI	ACS - 50088	NIRC	219	MS. SONAM KANT	ACS - 50144	NIRC
164	MR. VISHAL SRIVASTAVA	ACS - 50089	NIRC	220	MS. NIKITA SAHA	ACS - 50145	EIRC
165	MS. SHUBHANGI SHARMA	ACS - 50090	NIRC	221	MS. NEHA SENGUPTA	ACS - 50146	EIRC
166	MR. ANURAG PANDEY	ACS - 50091	NIRC	222	MS. JYOTI SETHIA	ACS - 50147	WIRC
167	MR. MANIVANNAN GOKULAKRISHNAN	ACS - 50092	SIRC	223	MR. SUJAY BAG	ACS - 50148	EIRC
168	MS. NIKITA ROHILLA	ACS - 50093	NIRC	224	MS. MONIKA GURUNG	ACS - 50149	EIRC
169	MR. SHANKAR TAYAL	ACS - 50094	NIRC	225	MR. RAHUL PARSHOTTAM KORWANI	ACS - 50150	EIRC
170	MS. SHIFALI	ACS - 50095	NIRC	226	MS. RAINY JAIN	ACS - 50151	NIRC
171	MR. BHARAT RAJWANI	ACS - 50096	NIRC	227	MR. JAYANT RANEY	ACS - 50152	NIRC
172	MS. KANCHAN SHARMA	ACS - 50097	NIRC	228	MR. KUNAL KUMAR SINGH	ACS - 50153	NIRC
173	MR. RAVI GARG	ACS - 50098	NIRC	229	MR. AMIT ASWAL	ACS - 50154	NIRC
174	MS. PRAGATI MITTAL	ACS - 50099	NIRC	230	MR. VIKASH BANSAL	ACS - 50155	NIRC
175	MS. VINITA GANGWANI	ACS - 50100	NIRC	231	MR. VARUN SHARMA	ACS - 50156	NIRC
176	MS. KHUSHBOO JAIN	ACS - 50101	NIRC	232	MS. RUCHITA DANG	ACS - 50157	NIRC
177	MS. K MOHANAPRIYA	ACS - 50102	SIRC	233	MR. PAWAN KUMAR BISSA	ACS - 50158	NIRC
178	MR. MAHESH KUMAR C	ACS - 50103	SIRC	234	MR. ANKIT KUMAR SRIVASTAVA	ACS - 50159	NIRC
179	MR. SUNIL MALLAPPA DESUR	ACS - 50104	SIRC	235	MR. SHIV KUMAR JHA	ACS - 50160	NIRC
180	MR. SAKTHIVEL T	ACS - 50105	SIRC	236	MR. SANDEEP KUMAR SRIVASTAVA	ACS - 50161	NIRC
181	MR. ASHWIN M	ACS - 50106	SIRC	237	MR. MUKESH VYAS	ACS - 50162	NIRC
182	MR. AGNIVESH MORESHWARBHAI SATHE	ACS - 50107	WIRC	238	MS. RUPALI ARORA	ACS - 50163	NIRC
183	MS. DEEPALI LUNAWAT	ACS - 50108	WIRC	239	MS. APOORVA MEHTA	ACS - 50164	NIRC
184	MS. LAXMI TRILOKCHAND SORTE	ACS - 50109	WIRC	240	MR. ADITYA JAISWAL	ACS - 50165	NIRC
185	MR. MOHIT DARSHAN BATRA	ACS - 50110	WIRC	241	MS. ANKITA GUPTA	ACS - 50166	NIRC
186	MS. ANURADHA RATANKUMAR NAGORI	ACS - 50111	WIRC	242	MS. NIDHI MOONDRA	ACS - 50167	NIRC
187	MR. VIRAJ NARENDRA TAKSANDE	ACS - 50112	WIRC	243	MS. POOJA BHANDARI	ACS - 50168	NIRC
188	MR. AKSHAY RAJAN KULKARNI	ACS - 50113	WIRC	244	MS. MITALI CHANDRA	ACS - 50169	NIRC
189	MR. GAURAV ZAWAR	ACS - 50114	WIRC	245	MS. DIVYA KHOSLA	ACS - 50170	NIRC
190	MS. PRIYANKA RAMPRATAP YADAV	ACS - 50115	SIRC	246	MS. PARUL CHADHA	ACS - 50171	NIRC
191	MS. VINEETHA SASIDHARAN	ACS - 50116	WIRC	247	MR. KRISHNAVATAR GUPTA	ACS - 50172	NIRC
192	MR. VIKRANT SHAMKUMAR SUTRAVE	ACS - 50117	WIRC	248	MS. HEENA SHARMA	ACS - 50173	NIRC
193	MS. MEGHANA SAH	ACS - 50118	WIRC	249	MS. GEETIKA VASHISTH	ACS - 50174	NIRC
194	MS. RUCHIRA ABHYANKAR	ACS - 50119	WIRC	250	MR. AMIT KUMAR VERMA	ACS - 50175	NIRC
195	MS. NISHA SAHU	ACS - 50120	WIRC	251	MR. PRANGANJEET KHOUND	ACS - 50176	EIRC
196	MR. NILESH MAHESHWARI	ACS - 50121	WIRC	252	MR. SPARSH GUPTA	ACS - 50177	NIRC
197	MS. PRERNA JAIN	ACS - 50122	WIRC	253	MR. JAYESH VIJAY MERCHANT	ACS - 50178	WIRC
198	MS. VINDHYA SHRIVASTAVA	ACS - 50123	WIRC	254	MS. KOSHA AASHIT DOSHI	ACS - 50179	WIRC
199	MR. ANKIT JOSHI	ACS - 50124	WIRC	255	MS. RITU DILIP GIRAP	ACS - 50180	WIRC
200	MR. MITESH MAHESH MALIWAL	ACS - 50125	WIRC	256	MS. SURBHI AGRAWAL	ACS - 50181	WIRC
201	MS. CHARVI KHAMESRA	ACS - 50126	WIRC	257	MR. DIPEN SAVJIBHAI JETHAVA	ACS - 50182	WIRC
202	MS. SHWETA MOTWANI	ACS - 50127	WIRC	258	MS. NIDHI DEVANG SHETH	ACS - 50183	WIRC
203	MS. DIVYA GANDHI	ACS - 50128	WIRC	259	MS. KAJAL MAHESHWARI	ACS - 50184	WIRC
204	MS. RANJEETA RABI DEY	ACS - 50129	WIRC	260	MS. BHARTI VATSA	ACS - 50185	WIRC
205	MS. NIKITA PRAKASH MISTRY	ACS - 50130	WIRC	261	MS. KANCHAN MAHESHWARI	ACS - 50186	WIRC
206	MR. RITESH CHANDRAKANT KOTHARI	ACS - 50131	WIRC	262	MR. ATMAJ ARUN RANE	ACS - 50187	WIRC
207	MR. YASHESH JAYESHBHAI AJMERA	ACS - 50132	WIRC	263	MS. POOJA VIDHYADHAR PAREEK	ACS - 50188	WIRC
208	MR. MOHINI HIREN ATUL	ACS - 50133	WIRC	264	MR. ANKUSH RAJENDRA CHORDIA	ACS - 50189	WIRC
209	MS. RACHANA BAWASKAR	ACS - 50134	WIRC	265	MS. ANURADHA SANGEETA PARMAR	ACS - 50190	WIRC
210	MR. JAYANK TALESARA	ACS - 50135	WIRC	266	MS. HIYA SHRIRAM SAMRIA	ACS - 50191	WIRC
211	MS. AVNI DEVNANI	ACS - 50136	WIRC	267	MS. AVNI VINOD GARNARA	ACS - 50192	WIRC
212	MR. PAWAN KUMAR JHA	ACS - 50137	WIRC	268	MS. KRUTIKA RAMESH SHINDE	ACS - 50193	WIRC
213	MR. RAKESH SAIN	ACS - 50138	WIRC	269	MS. HIRAL HARISH THAKKAR	ACS - 50194	WIRC

270	MR. RENJITH N K	ACS - 50195	SIRC	327	MS. KANVI NAGPAL	ACS - 50252	NIRC
271	MR. PANKAJ BHANUDAS YEOLE	ACS - 50196	WIRC	328	MS. SHEFALI GUPTA	ACS - 50253	NIRC
272	MS. DIPALI SHRIRANG GOLE	ACS - 50197	WIRC	329	MR. VIKRAM BAHRI	ACS - 50254	NIRC
273	MR. ARAVIND A	ACS - 50198	SIRC	330	MS. NIKITA SHARMA	ACS - 50255	NIRC
274	MS. PRITI BHARDWAJ	ACS - 50199	NIRC	331	MR. SANDEEP JAIN	ACS - 50256	NIRC
275	MS. RADHIKA VIVEK DESHPANDE	ACS - 50200	WIRC	332	MR. AKASH JAISWAL	ACS - 50257	NIRC
276	MS. JAYSHREE KUMARI JHANWAR	ACS - 50201	EIRC	333	MS. ARPITA KABRA	ACS - 50258	NIRC
277	MS. SUPRIYA KUMARI	ACS - 50202	EIRC	334	MS. SAKSHI JAIN	ACS - 50259	NIRC
278	MS. KOMAL ARORA	ACS - 50203	NIRC	335	MS. HENNA SHARMA	ACS - 50260	NIRC
279	MS. NUPUR	ACS - 50204	NIRC	336	MR. NADIM KHAN	ACS - 50261	NIRC
280	MS. PRIYA NAMDEO	ACS - 50205	WIRC	337	MR. PANKAJ KHANDELWAL	ACS - 50262	NIRC
281	MS. RASIKA SATISH JOSHI	ACS - 50206	WIRC	338	MR. UDIT JAIN	ACS - 50263	NIRC
282	MS. NEHA BHUWANIA	ACS - 50207	EIRC	339	MR. DEEPAK KUMAR KULHARI	ACS - 50264	NIRC
283	MR. HARISH AITHAPPA SHETTY	ACS - 50208	WIRC	340	MS. KRITIKA JAIN	ACS - 50265	NIRC
284	MS. AMUDHAVALLI P	ACS - 50209	SIRC	341	MS. MAMTA KUMARI	ACS - 50266	NIRC
285	MR. MANOJ KUMAR GOEL	ACS - 50210	NIRC	342	MS. SURBHI SHRIMAL	ACS - 50267	NIRC
286	MR. GIRIRAJ DAMANI	ACS - 50211	EIRC	343	MS. NITIKA	ACS - 50268	NIRC
287	MS. RAKHI ARORA	ACS - 50212	EIRC	344	MS. SAMTA BAJAJ	ACS - 50269	NIRC
288	MS. SOFTY AGARWAL	ACS - 50213	EIRC	345	MS. SHANU SRIVASTAVA	ACS - 50270	NIRC
289	MS. ANKU PRIYA	ACS - 50214	EIRC	346	MR. PUNEET SAHTANI	ACS - 50271	NIRC
290	MS. PRITY AGARWAL	ACS - 50215	NIRC	347	MS. APEKSHA GUPTA	ACS - 50272	NIRC
291	MR. SIDHARTH BURNWAL	ACS - 50216	EIRC	348	MS. MANPREET KAUR TAKKAR	ACS - 50273	NIRC
292	MS. NEHA KHANDELWAL	ACS - 50217	EIRC	349	MS. STUTI MEDATWAL	ACS - 50274	NIRC
293	MS. RINA TULSIAN	ACS - 50218	EIRC	350	MS. KOMAL BHOLA	ACS - 50275	NIRC
294	MR. AMIT KUMAR	ACS - 50219	NIRC	351	MR. ALOK PANDEY	ACS - 50276	NIRC
295	MS. VIBHA RANI	ACS - 50220	NIRC	352	MS. SHIVANI ARORA	ACS - 50277	NIRC
296	MS. VINEETA GAUTAM	ACS - 50221	NIRC	353	MR. KANWAL JEET SINGH	ACS - 50278	NIRC
297	MS. APOORVA DWIVEDI	ACS - 50222	NIRC	354	MR. RAJAT KAPIL	ACS - 50279	NIRC
298	MS. MOHANA MAHESHWARI	ACS - 50223	NIRC	355	MR. NAVNEET SARAF	ACS - 50280	NIRC
299	MS. SHIPRA JAIN	ACS - 50224	NIRC	356	MS. SURBHI AGARWAL	ACS - 50281	NIRC
300	MR. KRISHNA KUMAR JAISWAL	ACS - 50225	NIRC	357	MR. VICTOR JOHN URUVATH	ACS - 50282	SIRC
301	MR. GAUTAM SHARMA	ACS - 50226	NIRC	358	MR. V SATHIYAMOORTHY	ACS - 50283	SIRC
302	MS. KANIKA SHARMA	ACS - 50227	NIRC	359	MS. SANGEETA SURENDRA	ACS - 50284	SIRC
303	MR. JONY SHARMA	ACS - 50228	NIRC	360	MS. ANUPAMA M SHET	ACS - 50285	SIRC
304	MS. POONAM KOTWANI	ACS - 50229	NIRC	361	MR. RAJ KIRAN KAPADIA	ACS - 50286	WIRC
305	MS. PRAGYA KUKREJA	ACS - 50230	NIRC	362	MS. SHAH SHRADDHA SHAILESH KUMAR	ACS - 50287	WIRC
306	MR. ANUBHAV SINGH	ACS - 50231	NIRC	363	MR. GANESH KRISHNAMURTHY	ACS - 50288	WIRC
307	MS. HIMIKA CHANDWANI	ACS - 50232	NIRC	364	MS. VAISHALI PRATIK RUPARELIA	ACS - 50289	WIRC
308	MS. NIKITA SONI	ACS - 50233	NIRC	365	MR. SATYA NARAYAN MUNDRA	ACS - 50290	WIRC
309	MR. AMIT GULATI	ACS - 50234	NIRC	366	MS. DHARMITA BHARAT SHARMA	ACS - 50291	WIRC
310	MR. HEMANT NAYAK	ACS - 50235	NIRC	367	MS. SHARVARI ANIL JOSHI	ACS - 50292	WIRC
311	MR. SHERIN MATHEW	ACS - 50236	SIRC	368	MR. ANAY RAJESH MAYDEO	ACS - 50293	WIRC
312	MS. RADHA SHARMA	ACS - 50237	NIRC	369	MR. ERIC RATAN ICHHAPORIA	ACS - 50294	WIRC
313	MR. AASHISH NEGI	ACS - 50238	NIRC	370	MR. MANISH KUMAR SINGH	ACS - 50295	WIRC
314	MR. KAMLESH KUMAR MISHRA	ACS - 50239	NIRC	371	MR. SUJITKUMAR RAMNIHOR YADAV	ACS - 50296	WIRC
315	MS. MOHINI SHARMA	ACS - 50240	NIRC	372	MS. POONAM ASHOK SHIRKE	ACS - 50297	WIRC
316	MR. RITESH KUMAR SINGHI	ACS - 50241	NIRC	373	MS. URVASHI UDAY SINGH	ACS - 50298	WIRC
317	MR. VIJAY JAIN	ACS - 50242	NIRC	374	MR. PARMAR NEKARAM CHANDUKUMAR	ACS - 50299	WIRC
318	MR. SUMIT KUMAR SINGH	ACS - 50243	NIRC	375	MS. PRIYANKA VIJAY SINGRODIA	ACS - 50300	WIRC
319	MS. RACHNA GUPTA	ACS - 50244	NIRC	376	MR. KRUPAL RAMESHBHAI UPADHYAY	ACS - 50301	WIRC
320	MR. SARTHAK GOEL	ACS - 50245	NIRC	377	MS. SONIYA AGRAWAL	ACS - 50302	WIRC
321	MR. MOHAMMAD SALMAN	ACS - 50246	NIRC	378	MS. RIDDHI BHADRESH RAJYAGURU	ACS - 50303	NIRC
322	MS. SHIVANI GUPTA	ACS - 50247	NIRC	379	MR. ANKIT VIJAY RATHOD	ACS - 50304	WIRC
323	MS. DIVYA BANSAL	ACS - 50248	NIRC	380	MS. DISHA DEEPAK SHENOY	ACS - 50305	WIRC
324	MR. ABHISHEK JAIN	ACS - 50249	NIRC	381	MS. NEHA BHAVARLAL THANVI	ACS - 50306	WIRC
325	MS. JAYA MONGA	ACS - 50250	NIRC	382	MS. ANKITA UPADHYAY	ACS - 50307	WIRC
326	MS. AKANKSHA CHAWLA	ACS - 50251	NIRC	383	MR. ATUL RADHESHYAM JAISWAL	ACS - 50308	WIRC

384	MS. SAKSHI GARG	ACS - 50309	WIRC	8	A	3662	R D JOSHI	WIRC	
385	MR. VISHAL KISHOR CHANDA	ACS - 50310	WIRC	9	F	1823	A B LIKHITE	WIRC	
386	MS. NEHA DINESH SINGH	ACS - 50311	WIRC	10	A	21417	VIRAL GHANSHYAMBHAI SOMANI	WIRC	
387	MR. OMKAR ANANT PRABHALE	ACS - 50312	WIRC	11	F	7460	MANOJ KUMAR SRIVASTAVA	WIRC	
388	MS. PRIYA ANANT TELANG	ACS - 50313	WIRC	12	A	28828	PRIYANKA SAXENA	NIRC	
389	MR. DHAVAL MUKESHBHAI PAREKH	ACS - 50314	WIRC	13	A	41785	PRIYA ARORA	NIRC	
390	MR. VISMAY KIRAN SHAH	ACS - 50315	WIRC	14	A	5212	Y AMARNADH	SIRC	
391	MS. RIDDHI SURESH RATHOD	ACS - 50316	WIRC	15	F	5293	B. PADMANABHAN	SIRC	
392	MS. HETALI HARISH MEHTA	ACS - 50317	WIRC	16	F	698	NEELAKANTHAN S IYER	WIRC	
393	MR. AKSHAY RAJKUMAR SHARMA	ACS - 50318	WIRC	17	F	6111	ANIL AGARWAL	NIRC	
394	MS. VAISHALI DINESH KUMAR JAIN	ACS - 50319	WIRC	18	F	6865	SANJAY KUMAR	NIRC	
395	MR. RAJESH JAGAT BAHADUR SINGH	ACS - 50320	WIRC	19	A	4799	V KALIDAS	WIRC	
396	MR. AJAYKUMAR NARESH KABRA	ACS - 50321	WIRC	20	A	3477	PRAKASH V BHANDARE	WIRC	
397	MS. RASHMI ASWAL	ACS - 50322	NIRC	21	A	20660	SONAL KESHAV JOGLEKAR	WIRC	
398	MR. IGNATIUS ROBERT FERNANDES	ACS - 50323	WIRC	22	A	23570	POONAM KHURANA	NIRC	
399	MS. CHARMI SIDDHARTH SHAH	ACS - 50324	WIRC	23	A	24036	GEETIKA BAHL	NIRC	
400	MS. MANISHA KANSRA	ACS - 50325	NIRC	24	A	6606	MADHU SOODAN TAPURIAH	EIRC	
401	MS. MANISHA KANSRA	ACS - 50325	NIRC	25	A	8262	N V ANANTHAMURTHY	SIRC	
402	MR. SHAKTI KUMAR	ACS - 50326	NIRC	26	A	42020	SHRUTI AGARWAL	EIRC	
403	MS. ASHITA CHITTORA	ACS - 50327	NIRC	27	A	18057	DARSHAN KAMAL KAPADIA	WIRC	
404	ASHITA CHITTORA	ACS - 50327	NIRC	28	A	25526	RASHI BANG	WIRC	
405	MS. ASHITA CHITTORA	ACS - 50327	NIRC	29	A	4975	K K GARG	WIRC	
406	MS. ASHITA CHITTORA	ACS - 50327	NIRC	30	F	5099	ANIL JUDE ANDREW FERNANDES	WIRC	
407	MS. AASTHA	ACS - 50328	NIRC	31	A	24070	RUCHI RAJENDRA BIYANI	WIRC	
408	MR. YACOB P O	ACS - 50329	SIRC	32	A	34940	ANUBHA SAMARIYA	NIRC	
409	MR. YACOB P O	ACS - 50329	SIRC	33	A	18822	USHMA PRAVIN RUGHANI	WIRC	
410	MR. YACOB P O	ACS - 50329	SIRC	34	A	24849	KARUNADHARA REDDY TIPPIREDDY	SIRC	
411	MR. ASHVIJ R	ACS - 50330	SIRC	35	A	4960	HETAL PRANAV LODHAVIA	WIRC	
412	MS. ASHVIJ R	ACS - 50330	SIRC	36	A	25164	RASHNA DINYAR DUMASIA	WIRC	
413	MR. ASHVIJ R	ACS - 50330	SIRC	37	A	8037	SANJEEV KAUL	NIRC	
414	MR. ASHVIJ R	ACS - 50330	SIRC	38	A	40919	NAMRATA MAHESWARI	EIRC	
415	MR. ASHVIJ R	ACS - 50330	SIRC	39	A	33927	NILEEMA ANAND	EIRC	
416	MR. SACHIN BALASO MORE	ACS - 50331	WIRC	40	A	34720	SATISHKUMAR A S	SIRC	
417	MR. SACHIN MORE	ACS - 50331	WIRC	41	A	20209	MEENAL MOHANLAL SHAH	WIRC	
418	MR. SACHIN BALASO MORE	ACS - 50331	WIRC	42	A	20376	REENA GUPTA	NIRC	
419	MR. SACHIN BALASO MORE	ACS - 50331	WIRC	43	A	41043	SMITA CHAKRABORTY	EIRC	
420	MR. VATSAL KUMUDCHANDRA DOSHI	ACS - 50332	WIRC	44	A	8769	VINOD KUMAR GUPTA	EIRC	
421	MR. VATSAL KUMUDCHANDRA DOSHI	ACS - 50332	WIRC	45	A	7697	H K MAHESHWARI	WIRC	
422	MS. KOMAL KAPOOR	ACS - 50333	NIRC	46	F	3590	SUKOMAL KANTI GUHA	EIRC	
423	MS. SWATI SINGHAL	ACS - 50334	NIRC	47	A	34100	GUNJAN LAHOTY	EIRC	
424	MR. CHETAN JAGDISH LAHOTI	ACS - 50335	WIRC	48	F	5227	VISHNU KUMAR TULSYAN	EIRC	
425	MS. NAMRATA KAMBOJ	ACS - 50336	NIRC	49	A	16773	CHANDREYEE BANERJEE	F/EIRC	
426	MS. RITU FARSAIYA	ACS - 50337	NIRC	50	A	2561	ASHIS DUTTA	EIRC	
427	MS. SHAILY JAIN	ACS - 50338	WIRC	51	A	14911	AJITA KHAITAN	EIRC	
428	MR. AKASH JADIA	ACS - 50339	WIRC	52	A	16826	INDRANI RAY	EIRC	
RESTORED*				53	F	3737	MUKUND GAJANAN KELKAR	WIRC	
SI. NO.	A/F	MEM. NO.	MEM. NAME	PLACE	54	A	18365	JAMES A I	WIRC
1	A	43832	SHALINI	NIRC	55	A	12718	TWINKLE VOHRA	SIRC
2	A	35037	ANKIT CHOUDHARY	EIRC	56	F	3268	SUNDER LAL	NIRC
3	A	39827	LAVEENA PANJWANI	WIRC	57	F	8116	ALOK RAVI KHEMUKA	WIRC
4	A	8019	NIRAJ KUMAR SEHGAL	NIRC	58	A	38877	POOJA RAWAT	NIRC
5	F	3448	PANKAJ AGARWAL	NIRC	59	F	1582	L VEDANARAYANAN	WIRC
6	A	8735	L KRISHNA KUMAR	WIRC	60	A	33539	ANJALI CHAUHAN	NIRC
7	A	4626	V R NARASIMHAN	WIRC	61	A	37663	ASHWINI MAHAVIRJI SHARMA	WIRC
					62	A	9252	M SIVASUBRAHMANYAM	EIRC

*RESTORED FROM 01.02.2017 TO 28.01.2017

63	A	17673	KAMAL VERMA	NIRC	118	A	24350	PRAKSHI AGRAWAL	NIRC
64	A	5094	A K BHARUKA	EIRC	119	A	34954	NAIK HARI HAR	EIRC
65	A	8192	T SIVAKUMAR	F/SIRC	120	A	13979	T VENKAT RAMANA	SIRC
66	A	5461	A RAMANATHAN	SIRC	121	A	34940	ANUBHA SAMARIYA	NIRC
67	F	1140	GOURI SHANKER RATHI	SIRC	122	A	1109	G PRABHAKER	SIRC
68	A	30376	SHWETA SHARMA	NIRC	123	F	2227	V N KITTAPPA	SIRC
69	A	32005	VINITA ASHOK TAPARIA	WIRC	124	F	5190	ASHOK GANESAN	NIRC
70	A	8654	J D SHAH	WIRC	125	F	3309	C SATYA RAO	SIRC
71	A	23114	NANDAN SADANAND PADHYE	WIRC	126	A	29962	RENU BHUTRA LAHOTI	EIRC
72	A	23250	MAHALAKSHMI S	SIRC	127	A	20342	HARPREET KAUR	NIRC
73	A	15328	KRISHNA RAJU GOPAL	SIRC	128	A	15608	NISHITH HASMUKH MEHTA	WIRC
74	A	40359	DRISHTI SHARMA	NIRC	129	A	26146	SARIKA AGGARWAL	NIRC
75	F	2195	VINAY KUMAR SUBHIKHI	NIRC	130	A	42001	ROSHNI MANMAY PATHAK	WIRC
76	A	28655	RACHNA KATHURIA	NIRC	131	A	15126	MANJARI SHARMA	NIRC
77	A	35386	SNEHA NAGORI	NIRC	132	F	5821	AVNEET KUMAR	NIRC
78	A	10382	JOHN VALERIAN FERNANDES	SIRC	133	A	38114	SUJAY PRAMOD JOSHI	WIRC
79	A	14717	HITEN BHARATBHAI KAPASI	WIRC	134	A	36025	HETA JAY CHOKSHI	WIRC
80	A	17609	RUJUTA DIPAL MEHTA	WIRC	135	A	22165	LAKSHMI JOSHI	NIRC
81	A	14447	SANDEEP KUMAR MANIYAR	WIRC	136	F	4306	S SRIKANTH	SIRC
82	A	8967	RAJENDRA BHATT	SIRC	137	F	1140	GOURI SHANKER RATHI	SIRC
83	F	4846	HARISH DEWAN	NIRC	138	A	37471	MANISHA BAID	SIRC
84	A	24822	VINODHINI KANAGARAJ	SIRC	139	A	25712	ARCHANA G	SIRC
85	A	39576	SHIPRA SINGH	NIRC	140	A	10250	EDDALA CHENGALRAYULU	SIRC
86	A	34110	PAURVI SRIVASTAVA	NIRC	141	A	40574	NEERAJ ARORA	NIRC
87	A	39238	NAND KISHORE SHARMA	EIRC	142	A	14822	HARSH KUMAR MISHRA	WIRC
88	A	40255	SUHANI MISHRA	WIRC	143	F	8309	GORAKSHA RAGHOBA GARUD	WIRC
89	A	40775	SHADAB SHABBIR ABBASI	EIRC	144	A	38174	VAIBHAV NETKE	WIRC
90	A	15675	VINITA GODHA	NIRC	145	A	23938	SHWETA AGGARWAL	NIRC
91	F	6118	YUG SAMRAT	NIRC	146	F	2000	L M CHANDNA	SIRC
92	A	34725	NISHA PADMA SHETTY	WIRC	147	A	33714	GARIMA JAIN	WIRC
93	A	18254	RAJESH DAGA	NIRC	148	A	8050	SWAPAN KUMAR DE	EIRC
94	F	2238	N R RAMACHANDRAN	SIRC	149	A	16762	MANSI JHA	NIRC
95	A	17273	AMARJEET KAUR	NIRC	150	A	25710	PRIYANKA PATNI	NIRC
96	A	35342	RITU TIWARI	WIRC	151	F	2791	G MUTHUKRISHNAN	SIRC
97	A	22686	MANISHA AGRAWAL	WIRC	152	F	2563	DINESH KUMAR JOOTHAWAT	WIRC
98	A	25256	SMITA SHARMA	WIRC	153	A	23836	venu Mangla	NIRC
99	A	15568	SHAISTA TANVEER HUSSAIN	WIRC	154	A	30017	PRIYA JAIN	NIRC
100	A	42803	PRABHATI UMESH GOGTE	SIRC	155	A	24558	TEJINDER KAUR BROGU	NIRC
101	A	30939	RAJESH DEEPAK PALANDE	WIRC	156	A	44265	BARKHA BALKRUSHNAN DESHMUKH	WIRC
102	A	41916	POONAM HARISHANKAR MAURYA	WIRC	157	A	43336	POONAM RAJENDRA AGRAWAL	WIRC
103	A	5093	AMISH HAMIR MEHTA	WIRC	158	A	29957	VIBHAVARI VIJAY DALVI	WIRC
104	A	11885	AMIT SAHAI MATHUR	WIRC	159	F	8108	GNANENDRA KUMAR G	SIRC
105	A	14485	GODFREY EDWIN D'SOUZA	WIRC	160	A	41502	PADMINI SUNDAR SHETTY	WIRC
106	A	14126	HINA GUPTA	F/NIRC	161	A	32954	SAMBAMOORTHY C R	SIRC
107	A	37118	SANDIP SHARAD DADKAR	SIRC	162	A	16862	DEEPTI VERMA	WIRC
108	F	3941	MANOJ GUPTA	NIRC	163	A	31572	JULIE CHAKRABORTY	EIRC
109	A	11128	RAJ KUMAR BATHEJA	NIRC	164	A	36986	GAURAV VIJAYVERGIYA	WIRC
110	A	37091	POOJA JAIN	SIRC	165	A	28893	SMITA GUPTA	NIRC
111	A	8765	SHYAM NARAYAN MEHROTRA	EIRC	166	A	40910	KASHMIRA KAILAS OSWAL	F/WIRC
112	A	40846	MONICA BHATI	SIRC	167	A	43317	SUBHAMOY DUTTA	EIRC
113	A	10634	L V N MURALIDHAR	SIRC	168	A	13005	SHAISHAV JAYKANT VORA	WIRC
114	A	7870	M S SREEDHAR	SIRC	169	A	38879	ANKUSH TIWARI	WIRC
115	A	33582	RAMESH C	SIRC	170	A	42730	BHAKTI DYNANESHVAR KAPRATWAR	WIRC
116	A	21382	HETAL ARVINDKUMAR RAJA	WIRC	171	F	4497	AJAY AGGARWAL	SIRC
117	F	3049	PARKASH CHANDRA KABRA	WIRC	172	A	32995	PRACHI DHARMENDRA SANGHVI	WIRC

173	A	41971	MAYANK TARKESHWAR TIWARI	WIRC	228	A	28070	SULABH MISHRA	SIRC
174	F	5909	ANAND KUMAR KHANDELWAL	NIRC	229	A	37877	DIVYA RAI	WIRC
175	A	42888	NITIN SIDDHESHWAR METKARI	WIRC	230	A	35051	ARPITA RAJAWAT	NIRC
176	A	36371	PRIYANKA AGARWAL	EIRC	231	A	3115	C J SRIRAM	SIRC
177	A	34410	SUSHMA	SIRC	232	A	42966	PRANKITA AGRAWAL	NIRC
178	A	10963	HEMANT VASANT PANSARE	WIRC	233	A	23805	DARSHIT PRAKASH PARIKH	WIRC
179	A	43217	RITIKA SHOREWALA	EIRC	234	A	25613	AMIT KUMAR SHAH	EIRC
180	A	26879	RACHANA GOSWAMI	NIRC	235	A	10268	V N SHIVSHANKAR	SIRC
181	A	23119	KAMLESH KUMAR MUNDRA	WIRC	236	A	17454	DEEPAK MUKHIJA	WIRC
182	A	42986	NEELAM CHOPRA	NIRC	237	A	28977	KHYATI SUYAL	WIRC
183	A	32885	NEHA PANSARI	EIRC	238	F	3404	SUNIL KUMAR MALHOTRA	NIRC
184	A	28592	PANKAJ KUMAR MISHRA	NIRC	239	F	1765	T GOVINDHARAJAN	SIRC
185	A	39345	SHAMBHOO NATH PANDEY	WIRC	240	F	3652	MUKESH MITTAL	NIRC
186	A	35104	V HARIHARAN	SIRC	241	F	5341	T D SURESH	F/NIRC
187	A	41693	POOJA JEETENDRA OJHA	WIRC	242	F	4058	SHILPI SHARMA	NIRC
188	A	14485	GODFREY EDWIN D'SOUZA	WIRC	243	A	32802	ANISHA AGARWAL	EIRC
189	A	13480	KARUNA PRABHALA	F/SIRC	244	F	6460	JITENDRA AWASTHI	NIRC
190	A	38720	NIRAJ KUMAR MISHRA	NIRC	245	A	37129	DEEPAK KUMAR SINGHAL	NIRC
191	A	21188	MANISHA BARANWAL	NIRC	246	F	6207	NISHANT SRIVASTAVA	WIRC
192	A	40790	EKTA ASHWANI	NIRC	247	F	7173	SURJIT SINGH	NIRC
193	A	38066	VAISHALI JINDAL	NIRC	248	A	41975	SREENIVASA BHAT S	SIRC
194	A	18444	HIMANI KAMAL	WIRC	249	A	33680	MUSTAFAEEZ AFSAR SIDDIQUI	WIRC
195	A	21693	VARUN DESHMUKH	SIRC	250	A	28383	GOPABANDHU MISHRA	NIRC
196	A	40909	SHRUTI AGGARWAL	NIRC	251	A	15495	NANDA VASANT MAVINKURVE	SIRC
197	A	33284	JUHI CHAWLA	NIRC	252	A	43674	SHIRIJA VENKATESH PASHAM	WIRC
198	A	17593	ANAND KUMAR GARG	NIRC	253	A	18262	VANDANA LOHIA	SIRC
199	A	26065	ANKUR GOYAL	NIRC	254	A	33134	SAKSHI GULATI	NIRC
200	A	15120	LALIT KUMAR	NIRC	255	A	43458	JAYADEV MISHRA	NIRC
201	A	23566	PAYAL SHARAF	NIRC	256	A	32434	PARUL MEHTA	NIRC
202	A	24990	AFSHAN NADIM SHAIKH	WIRC	257	A	33579	NARENDRA KUMAR ARORA	NIRC
203	F	5298	JAGADEESH HIEMATH	SIRC	258	A	18300	RAVAL MEHUL JAYANT	WIRC
204	A	6343	DATTATRAYA JOSHI	SIRC	259	A	8027	MADHUKAR B GORE	WIRC
205	A	12151	ANURADHA MEHTA	SIRC	260	A	6346	P K GUPTA	NIRC
206	A	18184	ANURADHA NAGAR	NIRC	261	A	3410	R S MARDIA	SIRC
207	A	43872	SHATAKCHI PANDEY	NIRC	262	F	7304	RAJENDRA KUMAR G. PATEL	WIRC
208	A	6687	KAMAL KISHORE BAHETI	EIRC	263	A	24289	DINUBHAI D PATEL	WIRC
209	A	7055	PRAMOD KUMAR SANGHAI	EIRC	264	F	5310	PANKAJ NARANG	NIRC
210	A	33632	VARSHA SANGHAI	EIRC	265	A	34647	GODA RAGHAVAN	SIRC
211	A	30082	NEHA MEHRA	EIRC	266	A	5958	MILAN P SHAH	WIRC
212	F	7974	GAUTAM RAJ CHOUDHARY	EIRC	267	A	4505	R R MIRANDA	F/WIRC
213	A	30811	SONU AGARWAL	EIRC	268	A	32401	HITESH SONI	NIRC
214	A	6058	ANIL BHALCHANDRA KALE	WIRC	269	F	7498	SANJEEV CHURIWALA	WIRC
215	A	38385	PREITY SIKARIA	EIRC	270	A	13398	SATISH ANAND SHARMA	WIRC
216	F	2078	LAXMI NARAYAN SHARMA	SIRC	271	A	23647	SUMEDH SATISH PATIL	WIRC
217	F	6320	JYOTSNA SHARMA	NIRC	272	A	20549	PRAGYA JAIN	WIRC
218	A	42818	PRERIKA GUPTA	NIRC	273	A	22860	PRITI GHOSH	F/SIRC
219	A	40380	APOORVA DWIVEDI	NIRC	274	A	26092	SHWETA RISHIRAJ KALANTRI	WIRC
220	A	30825	NEERAJ KUMAR MODI	WIRC	275	A	36540	AASTHA MUNDHRA	EIRC
221	A	32753	HASHIMA BHAKOO	NIRC	276	A	38012	KHUSHBOO PANJWANI	WIRC
222	A	25542	PALLAVI BARJATIYA	NIRC	277	A	25136	VERSHA SINGHAL	NIRC
223	A	29712	SUCHI AGGARWAL	NIRC	278	A	10810	AMAR NATH SATIJA	NIRC
224	A	22793	HIMANI GUPTA	NIRC	279	A	30585	NEETU AGARWAL	NIRC
225	A	44289	VAIBHAV SHARMA	WIRC	280	A	27141	SARAS GOYAL	WIRC
226	A	43443	LIKHIT KASHINATH MASRAM	WIRC	281	F	3161	PRASHANT KAMAL	WIRC
227	A	36378	ANAND CHOBEY	NIRC	282	F	4968	SANTOSH KHANDELWAL	NIRC

283	A	14732	MD. AFZAL LODHI	F/EIRC	338	A	38223	MD TANWEER ALAM SUNNY	EIRC
284	A	16207	LALIT CHAND SHARMA	EIRC	339	A	21487	CHANPREET SINGH	NIRC
285	A	43434	SHIVANGI RAJA	NIRC	340	A	24276	NOOPUR SHARMA	SIRC
286	A	43309	SHRUTI AGARWAL	NIRC	341	A	14928	ASHOK KUMAR GULGULIA JAIN	EIRC
287	F	7550	MANISH SARAF	EIRC	342	A	14932	HIREN VIRENDRABHAI JAVERI	WIRC
288	A	5927	R S AGARWAL	EIRC	343	A	14483	SOMAYAJULA VENKAT SHASTRY	SIRC
289	A	20109	GAURAB GARODIA	EIRC	344	A	26942	ARVIND GARG	WIRC
290	A	39131	AASHNA BHAVESH GANDHI	WIRC	345	A	8164	P K BALAJI	F/SIRC
291	F	1117	BIPIN BHALABHAI BHAVSAR	WIRC	346	A	15871	BHUPINDER KUMAR	NIRC
292	A	20758	SUBRAMONIAM T R VENKITA	NIRC	347	A	16968	VIMAL MAKKER	NIRC
293	A	14658	CHIRAG NIRANJAN SHAH	WIRC	348	A	14030	ANJALI MALHOTRA	NIRC
294	A	37954	KAMAL KISHOR SEWODA	EIRC	349	A	7349	C M W FERNANDES	WIRC
295	A	19624	TRIPTI KANWAR SEKSARIA	EIRC	350	A	33728	RAHUL RUNGTA	EIRC
296	A	36074	CHINTAN HARENDRAKUMAR VAKIL	WIRC	351	A	22297	PRATAP RUDRA BHUVANAGIRI	SIRC
297	A	13398	SATISH ANAND SHARMA	WIRC	352	A	19631	JAYESH S JARIWALA	F/WIRC
298	A	27687	RICHA JAISWAL	EIRC	353	A	24872	RICHA KUMAR	NIRC
299	A	8777	RANGANATHAN PASHUPATHY	NIRC	354	A	24511	ANKUR SHARMA	WIRC
300	A	5874	R GANESH	WIRC	355	A	7945	MANOHAR LAL	WIRC
301	A	18314	APURVA VIJAY JOSHI	WIRC	356	A	22801	MOHAMMED ABDUL HABIB JAN	WIRC
302	A	27949	RAJESH TANEJA	NIRC	357	A	9013	V THIYAGARAJAN	SIRC
303	F	3138	CYRUS RAJA	F/WIRC	358	A	25469	SHABNAM SIDDIQUI	SIRC
304	F	949	NYAMATI SETTRA SHIVANANDA	SIRC	359	A	28139	AMIT PAREEK	WIRC
305	A	2769	M NEELKANTAN	SIRC					
306	A	19746	KASTURI PRASAD	SIRC					
307	A	23246	GAZAL INANI	NIRC					
308	A	34718	BHARATH KUMAR G N	SIRC					
309	A	33526	ANKITA SODANI	EIRC					
310	A	27268	VIKASH KUMAR DUBEY	EIRC					
311	F	3516	S K AGGARWAL	NIRC					
312	A	2928	HETA P MEHTA	WIRC					
313	A	15043	YATISH NARENDRA DOSHI	SIRC					
314	A	19202	AKSHAYA RANJAN MISHRA	WIRC					
315	A	14283	RAJENDRA JAYPRAKASH BOHRA	WIRC					
316	A	12875	SANDEEP VINAYAK SHIDHORE	WIRC					
317	F	5489	N. RAMANATHAN	SIRC					
318	A	18107	CHANDRA SHEKHAR ANIMALLA	SIRC					
319	A	35434	ANAND CHANDAK	F/EIRC					
320	F	8182	RADHABALLAV MANDAL	EIRC					
321	A	7991	S B MURALIDHARAN	SIRC					
322	A	12858	MANJUREE RAI	EIRC					
323	A	30541	POOJA BANSAL	NIRC					
324	A	35603	KAUSHAL KUMAR SHARMA	WIRC					
325	A	10338	KULDEEP MATHUR	F/WIRC					
326	A	43978	ARCHANA SINGH	NIRC					
327	A	18115	KALPESH KUMAR ISHWAR OJHA	WIRC					
328	A	18363	SANDEEP CHOUDHARY	NIRC					
329	A	43976	VISHWANI JAGDISH RAJYAGOR	WIRC					
330	F	6554	DEBABRATA THAKURTA	EIRC					
331	A	11615	SURESH ANANTHALAKSHMI	SIRC					
332	A	5632	S RAVISHANKAR	SIRC					
333	A	6293	SHEELA RAVISHANKAR	SIRC					
334	A	41358	SONAM LAKHOTIA	EIRC					
335	A	34880	MITHILA MOHAN RATHOD	WIRC					
336	A	41650	TANYA CHATURVEDI	NIRC					
337	A	41056	ASHU SHARMA	NIRC					

CERTIFICATE OF PRACTICE

ISSUED*

SI. NO.	NAME	MEMB NO.	REGN	COP NO.
1	SH. GAJANAN KULKARNI	FCS - 2705	WIRC	17976
2	SH. K S SATHYAPRAKASH	FCS - 4370	SIRC	17977
3	SH. VENKATASUBRAMANIAM KRISHNAMOORTHY	FCS - 9045	SIRC	17978
4	MS. RASHI BEHAL	ACS - 39876	NIRC	17979
5	MS. SURBHI RAIVADERA	ACS - 40654	EIRC	17980
6	MS. NIDHI MITTAL	ACS - 41473	NIRC	17981
7	MR. KIRAN SURESH CHANNE	ACS - 43685	WIRC	17982
8	MS. MONIKA CHAWLA	ACS - 43812	NIRC	17983
9	MS. ASHWINI MANGALAMPALLE	ACS - 44418	SIRC	17984
10	MS. PRIYA SHARMA	ACS - 45136	NIRC	17985
11	MS. RUKSAR SALIMBHAI DAKWALA	ACS - 45288	WIRC	17986
12	MS. ANKITA VINAYAK JOSHI	ACS - 46812	WIRC	17987
13	MS. SHIKHA SAXENA	ACS - 46886	NIRC	17988
14	MR. RAHUL KUMAR JAIN	ACS - 47001	EIRC	17989
15	MS. SRINIDHI SRIDHARAN	ACS - 47244	SIRC	17990
16	MS. PURNIMA CHOPRA	ACS - 47725	NIRC	17991
17	MS. KAJAL SHAM HANDE	ACS - 48003	WIRC	17992
18	MR. MAHAVIR SINGH RATNOO	ACS - 48530	NIRC	17993
19	MR. MANOJ KUMAR SAMAL	ACS - 49053	SIRC	17994
20	MR. ABHINAV JAIN	ACS - 49313	SIRC	17995
21	MR. KARINCHERI MOIDEEN LUKMAN SADHIK	ACS - 49318	SIRC	17996
22	MS. MADHAVI DEVKARAN KANANI	ACS - 49471	WIRC	17997
23	MS. PAPIYA BISWAS	ACS - 45150	EIRC	17998
24	MR. SHANU MATA	ACS - 45276	WIRC	17999
25	MS. HIMANSHI SINGH	ACS - 49493	NIRC	18000
26	MR. MANISH JAIN	ACS - 48094	WIRC	18001

← ISSUED DURING THE MONTH OF FEBRUARY, 2017

27	MS. SHALU BANORIA	ACS - 33520	NIRC	18002	83	MS. PAMMY JAISWAL	ACS - 48046	EIRC	18059
28	MS. SNEKHA S	ACS - 47907	SIRC	18003	84	MS. BARSHA DIKSHIT	ACS - 48152	EIRC	18060
29	MR. NEERAJ RAJ KUMAR PARWANI	ACS - 48250	WIRC	18004	85	MR. AKASH GOEL	ACS - 48800	NIRC	18061
30	MS. BINDU JAIN	ACS - 48906	NIRC	18005	86	MS. BYRAJU SIVA	ACS - 49311	SIRC	18062
31	MR. PRAKASH G	ACS - 49017	SIRC	18006	87	MS. CHAKKINGAL THODI JIMSHI	ACS - 49324	SIRC	18063
32	MS. POONAM SHARMA	ACS - 49023	WIRC	18007	88	MS. TRAPTI JAIN	ACS - 49382	NIRC	18064
33	MR. PIYUSH KUMAR MISHRA	ACS - 49650	EIRC	18008	89	MS. SUSHMA BUDHIA	ACS - 49474	EIRC	18065
34	MS. SONAL BAJAJ	ACS - 49653	NIRC	18009	90	MS. POOJA BANG	ACS - 45476	SIRC	18066
35	MR. KAMLESH MOHANLAL RAJORIA	ACS - 43016	WIRC	18010	91	MS. SAKSHI MITTAL	ACS - 49533	NIRC	18067
36	SH. VIPIN SHUKLA	FCS - 6798	NIRC	18011	92	MR. AAMIR ASLAM	ACS - 49686	NIRC	18068
37	SH. INDER PAL KWATRA	FCS - 9069	NIRC	18012	93	MR. VIPIN AGGARWAL	ACS - 49690	NIRC	18069
38	SH. N KUMAR	ACS - 9419	SIRC	18013	94	MS. PRAJWALA ANANTHA NARAYAN	ACS - 49728	SIRC	18070
39	MS. ARTI CHABRIA	ACS - 16226	WIRC	18014	95	MR. ABHISHEK CHAURASIA	ACS - 29062	NIRC	18071
40	MRS. SAMPADA AMOL KULKARNI	ACS - 23880	WIRC	18015	96	MS. SHRIDEVI SHRIDATTA KULKARNI	ACS - 32450	WIRC	18072
41	SH. MURTAZA CHECHATWALA	ACS - 24505	WIRC	18016	97	MR. SUDHEER REDDY GUNDU	ACS - 35278	SIRC	18073
42	MS. KHUSBOO AGARWAL	ACS - 30456	SIRC	18017	98	MR. LOKESH AGARWAL	ACS - 35764	SIRC	18074
43	MR. RAJESH DEEPAK PALANDE	ACS - 30939	WIRC	18018	99	MS. MANISHA PRIYA	ACS - 43061	WIRC	18075
44	MS. KANIKA AGARWAL	ACS - 36010	EIRC	18019	100	MS. ARUNDHATI DINESH	ACS - 46148	SIRC	18076
45	MS. SHRADDHA TRIPATHI	ACS - 38885	WIRC	18020	101	MR. DHEERAJ TIWARI	ACS - 47897	SIRC	18077
46	MS. DIPANJALI NAGPAL	ACS - 39288	WIRC	18021	102	MS. POOJA VIJAY GOHIL	ACS - 48414	WIRC	18078
47	MR. GANESH NAMDEO HEDAU	ACS - 39992	WIRC	18022	103	MS. SNEHAL RAJENDRA KUMAR LADDHA	ACS - 48985	WIRC	18079
48	MS. DRISHTI SHARMA	ACS - 40359	NIRC	18023	104	MS. B SARADA PATRO	ACS - 49636	WIRC	18080
49	MR. YATHIN NARAYANADAS SUMA	ACS - 41974	SIRC	18025	105	MR. JITENDRA KUMAR	ACS - 49684	NIRC	18081
50	MR. AMAN JAIN	ACS - 42072	WIRC	18026	106	MS. PRIYANKA CHOPRA	ACS - 49798	EIRC	18082
51	MS. POOJA PANDURANG PARKHI	ACS - 44130	WIRC	18027	107	MS. NEHA MEHUL PARIKH	ACS - 49823	WIRC	18083
52	MS. SHRUTI SINGHANIA	ACS - 49632	EIRC	18028	108	MR. MAHESH BALUSA CHOUDHARI	ACS - 49925	SIRC	18084
53	MS. PRERNA VERMA	ACS - 47079	EIRC	18029	109	MR. BASKAR SANKAR	ACS - 41077	WIRC	18085
54	MR. RAJAT CHADHA	ACS - 47188	NIRC	18030	110	MS. HIREMATH SOURABHA GURUPADAYYA	ACS - 49166	WIRC	18086
55	MS. KRITIKA JAIN	ACS - 47207	NIRC	18031	111	MR. KHUSHAL BHERULAL BAJAJ	ACS - 49466	WIRC	18087
56	MS. YUMA PANDEY	ACS - 47521	NIRC	18032	112	MS. BHAGYASHRI SHANTILAL JAIN	ACS - 38638	WIRC	18088
57	MR. AKHIL JAIN	ACS - 48416	SIRC	18033	113	MS. NIKITA SNEHIL	ACS - 42491	EIRC	18089
58	MR. RANJEET SINGH	ACS - 48058	NIRC	18034	114	MR. HIMANSHU	ACS - 42707	NIRC	18090
59	MR. VIVEK KANWAR	ACS - 48785	WIRC	18035	115	MS. UDETI SUNIL GAJJAR	ACS - 46551	WIRC	18091
60	MS. RACHANA KANOR	ACS - 48840	WIRC	18036	116	MS. DEEP GUPTA	ACS - 49470	NIRC	18092
61	MS. MANISHA BHIMRAOJI WASE	ACS - 48996	WIRC	18037	117	SH. PRALAY KUMAR BANERJEE	ACS - 4434	EIRC	18093
62	MS. PRIYANKA GARG	ACS - 49087	NIRC	18038	118	MS. DEEPAL SHAH	ACS - 24686	WIRC	18094
63	MR. MOHIT SAXENA	ACS - 49490	NIRC	18039	119	MS. SONIA ARORA	ACS - 25863	NIRC	18095
64	MS. NIDHI MISHRA	ACS - 49502	NIRC	18040	120	MR. KULKARNI RAVINDRA SANJEEV	ACS - 34716	SIRC	18096
65	MR. SONU ASWANI	ACS - 49520	NIRC	18041	121	MS. SHUBHAMANGALA GANAPATI HEGDE	ACS - 36037	SIRC	18097
66	MR. JULKAR NAIN	ACS - 49525	NIRC	18042	122	MS. SEJAL MAHENDRAKUMAR JAIN	ACS - 37379	WIRC	18098
67	MS. POOJA MITTAL	ACS - 49700	NIRC	18043	123	MS. MANDAKINI RAJARAM JADHAV	ACS - 44785	WIRC	18099
68	MS. ALASINGRACHAR NARAYANA JANHAVI	ACS - 49714	SIRC	18044	124	MS. SHILPA SURESH G	ACS - 45069	SIRC	18100
69	MR. SANTOSH KRISHNANAND KINI	ACS - 49724	WIRC	18045	125	MS. MEGHA CHADHA	ACS - 47780	NIRC	18101
70	MR. SAGAR VIVEK KULKARNI	ACS - 49731	WIRC	18046	126	MS. PANKHURI SINGHAL	ACS - 48896	NIRC	18102
71	MRS. NIDHI GIRIA	ACS - 38031	NIRC	18047	127	MS. NEEMA BISHT	ACS - 48937	NIRC	18103
72	MS. SUMITRA PRADHAN	ACS - 44667	EIRC	18048	128	MS. VRINDA SHARMA	ACS - 49528	NIRC	18104
73	MR. MOHD ARIF	ACS - 49783	NIRC	18049	129	MS. SHAIKH ZAIBA PARVEEN	ACS - 49587	WIRC	18105
74	MR. AKARSHIT KAPOOR	ACS - 47851	NIRC	18050	130	MR. GOURAV SARAF	ACS - 49646	EIRC	18106
75	MR. SANDEEP RAGHUWANSHI	ACS - 48376	WIRC	18051	131	MR. SHOBHIT JAIN	ACS - 49666	NIRC	18107
76	MS. ARUNA RAMACHANDRAN	ACS - 20865	SIRC	18052	132	MR. SUJAY AJAY BOGAWAT	ACS - 49721	WIRC	18108
77	MS. BHAWNA AGARWAL	ACS - 31001	NIRC	18053	133	MS. SADHANA BHANSALI	ACS - 49843	EIRC	18109
78	MR. SIMARJEET SINGH	ACS - 40311	NIRC	18054	134	MR. R K KOUNDINYA D	ACS - 49991	SIRC	18110
79	MR. MANGESH MADHUKAR MORE	ACS - 41540	WIRC	18055	135	MR. PRAVIN PREMLAL JAISWAL	ACS - 49997	WIRC	18111
80	MS. GURMOHINI SACHDEVA	ACS - 42984	NIRC	18056	136	MS. SARITA RAMESHLAL AHUJA	ACS - 50012	WIRC	18112
81	MS. EVA SRIVASTAVA	ACS - 45048	NIRC	18057	137	MS. RAJSHREE RAJARAM KUNJIR	ACS - 50034	WIRC	18113
82	MR. RAJESH	ACS - 46622	NIRC	18058	138	SH. JAI PRAKASH PRAJAPAT	ACS - 21811	NIRC	18114

139	MR. RAFAQ MD	ACS - 40419	SIRC	18115
140	MR. MOHD SAQIB	ACS - 48433	NIRC	18116
141	MR. RUCHIN KUMAR NAHAR	ACS - 49231	NIRC	18117
142	MS. KARISHMA NITIN BHUSARI	ACS - 49429	WIRC	18118
143	SH. MUKESH ARORA	ACS - 16069	NIRC	18119
144	MRS. AKANSHA MEHTA	ACS - 41085	NIRC	18120
145	MR. NAGESH DNYANOBA GULBHILE	ACS - 49027	WIRC	18121
146	MR. VENKITA RAMANAN G	ACS - 49048	SIRC	18122
147	MR. SHARATKUMAR KUTTY SHETTY	ACS - 31888	WIRC	18123
148	MR. NITIN SHARMA	ACS - 35048	NIRC	18124
149	MS. RITA MAITY	ACS - 40961	EIRC	18126
150	MR. ANSHUL SHYAM	ACS - 42972	NIRC	18127
151	MS. SONAM GUPTA	ACS - 43573	NIRC	18128
152	MS. RUPALI SHARMA	ACS - 47473	WIRC	18129
153	MS. SWETA	ACS - 49934	EIRC	18130
154	MR. ANIKET KUMAR VERMA	ACS - 50046	EIRC	18131
155	MS. KAJAL JAIN	ACS - 47315	EIRC	18132
156	MR. AKASH JAIN	ACS - 41707	WIRC	18133

CANCELLED*

SI. NO.	NAME	MEMB NO.	COP NO.	REGN
1	MR. VINOD KUMAR SHARMA	ACS - 47945	17688	WIRC
2	MS. NIKITA AGARWAL	ACS - 43097	16745	NIRC
3	MR. SATISH SHARMA	ACS - 28706	13783	WIRC
4	MR. SAURABH ARORA	FCS - 8870	9361	NIRC
5	MS. NIDHI LOHARUKA	ACS - 46615	17063	EIRC
6	MS. ARUNITA CHOUDHURY	ACS - 46518	17681	EIRC
7	MS. MAHIMA SURI	ACS - 31768	12056	NIRC
8	MS. PURNIMA SRIVASTAVA	ACS - 34480	14168	NIRC
9	MS. SHILPA BHATT	ACS - 30586	11621	NIRC
10	MS. KRISHNABEN JAYESHBHAI PAREKH	ACS - 48017	7601	WIRC
11	MRS. SWETA BIYANI	ACS - 22218	8320	EIRC
12	MRS. PRITI KUMATH	ACS - 13896	9551	WIRC
13	MS. PRIYANKA RANA	ACS - 46145	17093	NIRC
14	MS. PARUL HARI OM SARDA	FCS - 8659	8448	WIRC
15	MR. SURYA PRAKASH JINARA	ACS - 37691	16542	NIRC
16	MS. KIRAN BHATIA	ACS - 34694	13112	EIRC
17	MRS. SUNITA AJAY KANUNGO	ACS - 16678	5953	NIRC
18	MR. AKSHAR JAGDISH PATEL	ACS - 24925	8962	WIRC
19	MR. VIPUL KUMAR SINGH	ACS - 20478	11612	WIRC
20	MS. VINITA KABRA	ACS - 47504	17463	EIRC
21	MS. RITU GULATI	ACS - 21906	8809	NIRC
22	MR. DEEPAK SINGH	ACS - 36436	13776	NIRC
23	MR. YOGESH SOPAN KADAM	ACS - 33886	12616	WIRC
24	MR. AJAY KUMAR CHHABRA	ACS - 43650	16054	NIRC
25	MR. RAJEEV KUMAR JAIN	ACS - 40182	14895	NIRC
26	MS. MINAL RAKESH JAIN	ACS - 43173	16442	WIRC
27	MS. BHAWNA GUPTA	ACS - 46502	17277	EIRC
28	MS. NEHA JAIN	ACS - 31484	11609	NIRC
29	MR. ANKUR GUPTA	ACS - 37030	16332	NIRC
30	MS. NANDHINI B	ACS - 38777	16314	SIRC
31	MR. ROHIT MEHRA	ACS - 34493	14271	NIRC
32	MR. PRASENJIT DAS	ACS - 35430	13714	EIRC
33	MS. CHAITALI DHAR	ACS - 33631	15969	EIRC
34	MR. RITESH NAITA	ACS - 29580	13985	WIRC
35	MR. S NATARAJAN	FCS - 1943	12482	SIRC

*CANCELLED DURING THE MONTH OF FEBRUARY, 2017

36	MS. HARINI V J	ACS - 37807	14470	SIRC
37	MR. V V PRASAD	FCS - 1375	17969	SIRC
38	MR. MOHANDAS	ACS - 20857	7679	SIRC
39	MR. SAHEB ALI	ACS - 33361	12653	EIRC
40	MR. GIRISH M NADKARNI	FCS - 8114	14383	WIRC
41	MR. ROSHAN JHA	ACS - 48309	17857	NIRC
42	MS. ANAMIKA KHARE	ACS - 32499	13952	NIRC
43	MR. A P BALAKUMAR	ACS - 3992	4048	SIRC
44	MR. GIRISH RATAN KOTHARI	ACS - 8483	11270	EIRC
45	MS. RIDDI KANODIA	ACS - 33590	12778	EIRC
46	MS. BINITA PANDEY	ACS - 41594	16036	EIRC

LICENTIATE ICSI**ADMITTED***

S. NO.	LICENTIATE NO.	NAME	REGION
1	6916	MS KIRTI NARESH AGRAWAL	WIRC
2	6917	MS S LAKSHMI	SIRC
3	6918	MR JETHARAM BHANARAM SIRVI	WIRC
4	6919	MR. YASH MAHESH BUDHWANI	WIRC
5	6920	MR VIGNESH S	SIRC
6	6921	MR SUBHAM R SETHIA	SIRC

*ADMITTED DURING THE MONTH OF FEBRUARY, 2017

ANNUAL MEMBERSHIP FEE

Revision in the Annual Membership fee, Entrance Fee and Certificate of Practice fee for Associate and Fellow Members w.e.f. 1st April, 2017

The Council of the Institute has revised the Annual Membership fee, Entrance fee and Certificate of Practice fee for Associate and Fellow Members w.e.f. 1st April, 2017, as under:

Particulars	Associate Revised fee	Fellow Revised fee
Annual Membership fee	Rs. 2500	Rs. 3000
Entrance fee	Rs. 2000	Rs. 2000
Certificate of Practice fee	Rs. 2000	Rs. 2000

The existing facility for payment of fee in advance/concessional fee shall remain in vogue for the revised fee structure.



List of Practising Members
Registered For The Purpose of
Imparting Training
During The Month of
February, 2017

ABDUL QUADIR

R-261A, 1ST FLOOR, OPP. ABDULLAH MASJID, GALI NO. 12, RAMESH PARK LAXMI NAGAR, DELHI-110092

AKANSHA GUPTA

J-81 A, LAXMI PATH, TAGORE NAGAR, AJMER ROAD JAIPUR-302024

AKSHAY ANANT BUDUKH

C-21, SAI COLONY, NR. GURUDWARA, AKURDI PUNE-411033

AMAN DEEP SINGH

808, PHASE 4, MOHALI-160059

AMIT SHANTARAM TODKAR

A-204, PARVATI PARK BLDG, OPPO PARVATI WATER SUPPLY CENTRE, PANMALA, SINHGAD ROAD, PUNE-411030

ANIL KUMAR TEKALKOTE

H O # 2-1-510/511, STREET NO. 8, BESIDE SBH LANE NALLAKUNTA, HYDERABAD-500044

ANITA KUMARI SINGH

6, R IT BUILDING COURT COMPOUND, 834001

ANUBHA MAHESHWARI

III-D-16 GOVERNMENT MULTY STORY, FLATS GANDHI NAGAR, JAIPUR-302015

ANUJ SRIVASTAVA

2ND FLOOR, D-27, KAMLA TOWER VIBHUTI KHAND GOMTI NAGAR, LUCKNOW-226010

ARPIT SURI

31/323 A-2 PROFESSOR COLONY, KAMLA NAGAR, AGRA-282005

B SANKARANARAYANAN

31/8, WELCOME COLONY, THIRUMANGALAM, ANNA NAGAR WEST, CHENNAI-600101

BHAGYASHREE A WALVEKAR

FLAT NO. 9, PLOT NO. 41, NISHIGANDH APART, BEHIND MIRCH MASALA HOTEL, SUVARNABAUG COLONY, KOTHRUD-411029

BHARAT KUMAR PRAJAPAT

205, SAUMYA COMPLEX, KALPANA SOC., NR. GANESH PLAZA NAVRANGPURA, AHMEDABAD-380009

BHARGAVI MILAN BHIDE

FLAT NUMBER 7, SHREE VIDYA PARK 2031, SADASHIV PETH, TILAK ROAD, PUNE-411030

BHAVESH VITTHALBHAI KOLADIYA

FLAT NO-E 101, SANSKRUT RESIDENCY, VARACHHA ROAD 395006

CHELLAPPAN PRASANNA KUMARI

NO. 3/153, MALAR STREET, ANANTHANAGAR, ASARIPALLAM, KANYAKUMARI DISTT-629201

DABHOLKAR DIPENDRA

ROOM LNO. 27, HARIA ROTARY HOSPITAL, STAFF QUARTERS, CHHARWADA ROAD, GIDC, VAPI-396195

DEEPAK RAMAKANT AMRUTKAR

OFFICE NO: 302, SUDAMA YASH, 3RD FL, NEXT TO RAMKRISHNA HOTEL & BAL BHAVAN, CHITTARANJAN DAS ROAD, DOMBIVLI(E) THANE DISTT-421201

DEVESH PANT

232, THIRD FLOOR RWA-DDA, MALVIYA NAGAR, NEW DELHI-110017

GANAPATHY KAVIN RAJ

NO 53 A, BARODA STREET, WEST MAMBALAM CHENNAI-600033

GAURAV KAUSHIK

F-1/8, SECTOR 15, ROHINI, DELHI-110085

GHANSHYAM SONI

C/O CHANDRAWANSHI NIWAS, NEAR VERMA PRINTERS, HANDI PARA, AZAD CHOWK, RAIPUR-492001

HIMANSHU MAHESHWARI

C-10, VAIBHAV APPT., PART-1, OPP. BOMBAY GARRAGE, SHAHIBAUG-380004

KANCHAN KUMARI SAH

H-60A, 3RD FLOOR, GALI NO-2, GARHWALI MOHALLA, LAXMI NAGAR, NEW DELHI-110092

KARISHMA DIXIT

KD-267, PITAMPURA, 110034

KUSUM ASWAL

B-14, A-2, IIND FLOOR, MOHAN DELUX APPARTMENT SHALIMAR GARDEN EXT -II, GHAZIABAD-201005

LABDHI KOCHAR

MANOJ BHAWAN, OLD JAIL ROAD, BIKANER-334001

LEENA SANTOSH AMBWANI

1, SETUR BUNGALOW, 1ST FLOOR, OPPOSITE GSFC, NEAR RELIANCE MART, DRIVE IN ROAD, AHMEDABAD-380052

MAKHIMASRI SRIRANGASWAMY

NO.1, BEST COMPLEX, KUMARAN ROAD, TIRUPPUR-641601

MANASI JOSHI

C/O GITANJALI ENTERPRISES, PRANAMI MANDDIR ROAD NEAR PAYAL HALL, SEVOKE ROAD, SILIGURI-734001

MANISH LOKWANI

E-8, 3RD FLOOR, SECTOR 3, NOIDA-201301

MOHAMMAD HAMID

09, BUILDING NO.45, L.I.G. COLONY, V. B. NAGAR KURLA (W) MUMBAI-400070

NAGENDRA BHAGWAT

ALF 1/1, BDA APARTMENTS, NANDINI LAYOUT, 560096

NEHA GUPTA

OFFICE NO.205/206, F-06, 3RD FLOOR, LOTUS TOWER, LAXMI NAGAR, NEAR NATHU SWEETS, NEW DELHI-110092

NEHA GUPTA

E 7/12 LGF, MALVIYA NAGAR, 110017

NIDHI JAYANTIBHAI THAKAR

140, SHREENATH NAGAR SOC., RANNAPARK, GHATLODIA-380061

NISHA RADHAKISHAN NAWANI

HOUSE NO S.A.X.-110,111, ADIPUR, KUTCH-370205

POONAM GUPTA

V-15/2 PHASE-1, BUDH VIHAR, NEAR SHARMA OFFICE & PNB-NEW DELHI- 110086

PRAFFUL GUPTA

OFFICE NO. 121, THE SUMIT BUSINESS BAY, ANDHERI

KURLA ROAD, ANDHERI EAST, MUMBAI-400093

PRASHANT DHONDIKAR PAWAR

S.NO. 14/03/30, SAMARTH NAGAR, HINGANE KHUURD,
SINHGAD ROAD, PUNE-411051

PRATIK TRIPATHI

306, MANAS BHAWAN EXT.11, R.N.T. MARG- 452001

PRAVEEN TIWARI

7TH GROUND FLOOR, 128/130, MUNSHI BUILDING, FORT
MUMBAI-400001

PRIYANKA SHARMA

B 501 RIDDHI VINAYAK TOWERS N, NEAR VIJAY
NARAILWAY CROSSING, NARANPURA-380013

PUNEET

C-140, SECTOR-51, NOIDA-201301

PUTHI SRIKANT KUMAR

H.NO: 3-6-1247,FLAT NO. 301, 3RD FLOOR, METRO
RESIDENCY, RAJ BHAVAN ROAD, HYDERABAD-500004

RAGHUNATHA REDDY

III RD FLOOR, SADHANA APARTMENTS, NO:11,
NANDANAM EXTN, MAIN RD, CHENNAI-600035

RAHUL JOSHI

15, VIVEKANAND ROAD, KOLKATA-700007

RAHUL MALHOTRA

453, HOUSING BOARD COLONY, AMBALA CANTT-133001

RAJNI KOHLI

W-2, B/12, HARI NAGAR, RAMPURA COLONY-110064

RAKESH HULIHALLI

NO. 69, 2ND FLOOR, SAPTHAGIRI APARTMENTS, 6TH
CROSS, MALLESHWARAM,
BANGALORE-560003

RAVENDRA SINGH PARIHAR

SHOP NO. 1 JALSA INN MARRIAGE, GARDEN COMPLEX
AAMAHIYA-486001

REENA ROY

208-B, TOWER 1, PANCHSHEEL WELLINGTON,
CROSSING REPUBLIC, GHAZIABAD-201016

REEPTIKA BARMERA

FARAS O KA BUNGALOW, MOTI CHOWK,
JODHPUR-342001

RISHI SHARMA

C/O AVP ASSOCIATES, OPP VEER TEJAJI MANDIR, NEAR
14 NO. BYE PASS JODLA SIKAR ROAD, JAIPUR-302013

ROHIT UPPAL

1ST FLOOR, WG 329, BAST, ADDA CHOWNK,
NEAR PETROL PUMP, JALANDHAR-144002

SAKSHI JAIN

F-17/16, SECTOR -8, ROHINI-110085

SANJAY KUSHWAH

106, VISHNUPURI MAIN,
NEAR BHAWARKUA, INDORE-452001

SANJEEV PANDEY

509, SG SHOPPING MALL, DC CHOWK
SECTOR 9, ROHINI
DELHI-110085

SANTOSH KUMAR

509, S G SHOPPING MALL, D C CHOWK
SECTOR 9, ROHINI DELHI-110085

SANTOSH KUMAR SINGH

B-303, SAI ENCLAVE-1, SHREE VINAYAK NAGAR,
PLEASANT PARK, MIRA ROAD (E) MUMBAI-401107

SAPNA JAIN

A-119A, KAMLA NEHRU NAGAR, EXTEN,

FIRST, JODHPUR-342001

SHARMILA

5-5, SHYAM SAUNDARYAM APARTMENT,
PLOT NO.11 & 12, JESHWANTH NAGAR, MOGGAPPAIR
WEST, CHENNAI-600037

SHIKHA MUNJAL

C-301, SURAJMAL VIHAR, NEAR YAMUNA
SPORTS COMPLEX DELHI-110092

SHILPA SHIVAYOGI TURMARI

NO. 8/3, 3RD CROSS, 2ND FLOOR, PALACE GUTTAHALLI,
NAGAPPA STREET,
MALLESWARAM, BANGALORE-560003

SHIVANG JAGDISHKUMAR DESAI

101, OM APPT, PRASHANTI NILAYAM PARK, BHAGWATI
COLONY, RENTLAV,
POST UDVADA (RS), VAPI, TA -PARDI-396185

SHRADHA JAIN

C 4/143 SAFDARJUNG DEVELOPMENT AREA,
NEW DELHI-110016

SHREYA SRIVASTAVA

112/206 A, SWAROOP NAGAR, KANPUR-208002

SHUBHAM ARORA

40/ 273, FIRST FLOOR, SKY TOWER,
SANJAY PLACE, AGRA-282002

SIDDHARTH TRIVEDI

A-40, CHANDRIKA PARK SOC.,
OPP MANGLAM SOC., GHODASAR-380050

SNEHA AGARWAL

07-SEP KINGS ROAD, HOWRAH-711101

SORABH JAIN

WZ-248/2, VIRENDER NAGAR, JANAK PURI
DELHI-110058

SRINIVASARAO VATTIKUTI

1-1-750/1, FLAT NO.102, PPR RAJESWARI
GARDENS, BAKARAM, GANDHI NAGAR,
HYDERABAD-500080

SUBHRANSU SEKHAR SAHOO

PLOT NO. 466/1277, ANAND NAGAR, OPPISITE TO L & T
FINANCE, MATIASAHI, ANGUL-759143

SUHASI BANTHIA CENTURY SALES

BEHIND RESERVE BANK OF INDIA,
EXHIBITION ROAD PINCODE-800001

SURBHI BANSAL

46, BLOCK B-3, 2ND FLOOR, PASCHIM VIHAR,
NEW DELHI-110063

SWATI

B-311, ROMAN COURT, ANSAL SUSHANT CITY, KUNDLI
PINCODE-131029

SWATI DHRUV AGGARWAL

49, EKJOT APARTMENTS, PITAM PURA,
DELHI-110034

VAISHALI SINGH

D-59/105-C-16, CHANDRIKA NAGAR COLONY,
SIGRA, VARANASI-221010

VENKAT NARSAIAH KOVURI

F. NO. 418, 4TH FLOOR, KUBERA TOWERS,
NARAYANAGUDA HYDERABAD-500029

YOGESH MAHESHWARI

A-1/244 A, LAWRENCE ROAD, KESHAV PURAM, NEW
DELHI-110035

YOGITA RUPCHAND DASWANI

C-902, RNA HEIGHTS, JVL R, ANDHERI (E) MUMBAI-400093



List of Companies Registered for Imparting Training during the month of January, 2017

ARYA TOLL INFRA LIMITED

SHOP NO. 12 SUNITA ANAND PALACE, CHS NEAR
PIPELINE ROAD, BAL RAJESHWARI
MULUND WEST MUMBAI

CHOICE TRADING CORPORATION PRIVATE LIMITED

CHOICE HOUSE, P. V. SREEDHARAN ROAD
KUMBALAM, KOCHI

CRAFTSMAN AUTOMATION PRIVATE LIMITED

SENTEL TOWERS, 4TH FLOOR, 1078,
AVINASHI ROAD COIMBATORE

CREDO HOLDING PRIVATE LIMITED

301, THIRD FLOOR, DEV COMPLEX
OPP. PARIMAL, GARDEN, AHMEDABAD

EXL SERVICE.COM (INDIA) PRIVATE LIMITED

CORPORATE OFFICE, A-48. SECTOR 58, NOIDA

FULLERTON INDIA HOME FINANCE COMPANY LIMITED

FLOOR 6, B-WING, SUPREME CITY, POWAI, MUMBAI

JOY BHAVYA PLYBOARD PVT. LTD.

E-98, RICCO INDUSTRIAL AREA, BASSI, JAIPUR

OPPO MOBILES (DELHI) PRIVATE LIMITED

E-42/2, OKHLA INDUSTRIAL AREA,
PHASE-II, DELHI

OYSTER STEEL AND IRON PRIVATE LIMITED

102, FIRST FLOOR, ROOTS TOWER, LAXMI NAGAR
DISTRICT CENTRE LAXMI NAGAR, DELHI

REDFARM FEEDS PRIVATE LIMITED

KASBA - SUBHASH NAGAR, PURNIA, BHAGALPUR

SAPNA CANS P LTD.

811-812 , AGGARWAL CYBER PLAZA -1,
NETAJI SUBHASH PALACE, PITAMPURA, NEW DELHI

SEDAR HIMALAYAN PARADISE PRIVATE LIMITED

DHARAMKOT P.O. MCLEODGANJ DHARAMSHALA,
KANGRA HP

SHISHIR FINSTOCK PRIVATE LIMITED

11/6B SHANTI CHAMBER, 2ND FLOOR
PUSA ROAD, DELHI

SHREE BALAJI HOLDFINP LTD.

2318/22 TOTA RAM BAZAR TRI NAGAR, NEW
DELHI-110035

SILVERTOAN PAPERS LIMITED

C-107, GROUND FLOOR, DDA FLATS, WEST
GORAKH PARK, SHAHDARA, DELHI

STMICROELECTRONICS PVT LTD

PLOT NO. 1, KNOWLEDGE PARK-III, GREATER NOIDA

STONE SAPPHIRE INDIA PRIVATE LIMITED

PLOT NO. 901/5/10, G.I.D.C, MAKARPURA
ESTATE, VADODARA

SUPER FINE KNITTERS LIMITED

269 INDUSTRIAL AREA, LUDHIANA, PUNJAB

SUPER GOLD SUITINGS PRIVATE LIMITED

E-14, FIRST FLOOR, BHILWARA TEXTILE
MARKET, BHILWARA

TECHNOCRAFT CONSTRUCTION PRIVATE LIMITED GH-

8/21, SAHYOG APPARTMENT, PASHCHIM VIHAR,

NEW DELHI

TIMESOFMONEY PRIVATE LIMITED

LEVEL 4, B WING, RELIABLE TECH PARK, THANE
BELAPUR ROAD, AIROLI, NAVI MUMBAI, THANE

TYCO FIRE AND SECURITY INDIA PRIVATE LIMITED

D - 601, RMZ CENTENNIAL, KUNDALAHALLI MAIN ROAD
BANGALORE

ASYA INFOSOFT LIMITED

H.N. HOUSE C-4TH FLOOR, (NIDHI COMPLEX),
STADIUM 5 ROADS NAVRANGPURA, AHMEDABAD

MANGALAM DRUGS & ORGANICS LTD

RUPAM BUILDING, 3RD FLOOR, 239, P.D' MELLO ROAD,
NEAR GPO, FORT, MUMBAI



List of Companies Registered for Imparting Training during the month of February, 2017

AIRAN LIMITED

408 KIRTIMAN COMPLEX, B/H REMBRANDT C G ROAD
AHMEDABAD-380006

ANK FASHION PRIVATE LIMITED

A/3 NARAYAN PLAZA, CHANDIVALI,
ANDHERI (EAST), MUMBAI

ANSALDO STS TRANSPORTATION

SYSTEMS INDIA PVT LTD.

SLV COMPLEX , AVS COMPOUND, #35, 80 FEET ROAD, 4TH
BLOCK, KORAMANGALA, BANGALORE

ASTRON PAPER & BOARD MILL LIMITED

D 702 SEVENTH FLOOR GANESH MERIDIAN, OPP HIGH
COURT S G HIGHWAY, AHMEDABAD

BAANI MILK PRODUCER COMPANY LIMITED

SCO 37 & 38, URBAN ESTATE, PHASE II, RAJPURA ROAD
PATIALA

BGSE FINANCIALS LIMITED

NO. 51, 1ST CROSS, JC ROAD, BANGALORE

BURN STANDARD COMPANY LTD.

22B RAJA SANTOSH ROAD, KOLKATA-700027

CREMICA FOOD INDUSTRIES LTD

CREMICA FOOD INDUSTRIES LTD., GROUND FLOOR, 202,
OKHLA PHASE 3 DELHI

ESSAE DIGITRONCIS PVT LTD

13,3RD FLOOR, 13TH CROSS, WILSON GARDEN,
BANGALORE

GANDHAR OIL REFINERY (INDIA) LIMITED

18TH FLOOR, DLH PARK, S V ROAD, NEAR MTNL, GOREGAON
(WEST) MUMBAI

GENIUS CONSULTANTS LTD.

SYNTHESIS BUSINESS PARK TOWER, 1C, 1ST FLOOR, CBD/1
ACTION AREA - II, NEW TOWN, KOLKATA

KALIAPPA RENAL CENTRE PRIVATE LIMITED

OLD NO. 50, NEW NO. 14, 3RD STREET

ABHIRAMIPURAM CHENNAI-600 018

LAKHOTIA TRANSPORT COMPANY PRIVATE LIMITED

26 TARACHAND DUTTA STREET, KOLKATA-700073

NATIONAL SECURITIES DEPOSITORY LTD.

TRADE WORLD, A WING, 4TH FLOOR, KAMALA MILLS
COMPOUND, SENAPATI BAPAT MARG, LOWER PAREL,

MUMBAI - 400013

NGP INDUSTRIES LIMITED

M-13, CONNAUGHT PLACE, NEW DELHI-110001

PRIMARC RETAIL STORES PRIVATE LIMITED

18, RABINDRA SARANI, 2ND FLOOR, PODDAR COURT, KOLKATA

SADGURU SRI SRI SAKHAR KARKHANA LIMITED

C/O. INTELUX ELECTRONICS PVT. LTD., UNIT NO.2, ELECTRONIC CO-OP ESTATE, PUNE- SATARA ROAD, PUNE

SARVESHWAR OVERSEAS LIMITED

LANE NO. 4, PHASE NO. 2, SIDCO INDUSTRIAL COMPLEX, BARI BRAHMANA, JAMMU

SB SOLAR SERVICES PRIVATE LIMITED

5TH FLOOR, WORLDMARK-2, AEROCITY, DELHI

SINGHANIA & PARTNERS

P-24, GREEN PARK EXTENSION, NEW DELHI - 110016 **SUN**

CAPITAL ADVISORY SERVICES PRIVATE LIMITED

302, 3RD FLOOR, KUMAR PLAZA, KALINA KURLA ROAD, NEAR KALINA MARKET, SANTACRUZ EAST

MUMBAI-400 029

VHV BEVERAGES PRIVATE LIMITED

4TH FLOOR GULMOHAR HOUSE, YUSUF SARAI, NEAR GREEN PARK METRO STATION, DELHI

ZAMIL STEEL BUILDINGS INDIA PRIVATE LIMITED

KHARADI, PUNE,

NEW OPPORTUNITY CONSULTANCY PRIVATE LIMITED

NO. 1106, 11TH FLOOR, CYBER ONE PLOT NO 4 & 6, SECTOR

NO. 30A, VASHI, NAVI MUMBAI 400703

PANSARI DEVELOPERS LIMITED

14 N.S ROAD KOLKATA 700007

PATIDAR BUILDCON LIMITED

G-1205 TITANIUM CITY CENTRE, NEAR SEEMA HALL, ANANDNAGAR ROAD, SATELLITE, AHMEDABAD-380015

PERFECT INFRAENGINEERS LIMITED

R-637, TTC INDUSTRIAL AREA, MIDC, T. B. ROAD RABALE, NAVI MUMBAI

PRISM CEMENT LIMITED

RAHEJAS, 2ND FLOOR, MAIN AVENUE, V. P. ROAD, SANTACRUZ (WEST), MUMBAI

SHREE RAMA MULTI-TECH LIMITED

301, CORPORATE HOUSE, OPP. TORRENT HOUSE, INCOME TAX, AHMEDABAD

SINEW DEVELOPERS PRIVATE LIMITED

10TH FLOOR, KUMAR BUSINESS CENTRE, CTS NO. 29, OPP. PUNE CENTRAL, BUND GARDEN ROAD, PUNE

SONAL MERCANTILE LIMITED

105/33, VARDHMAN GOLDEN PLAZA, ROAD NO. 44 PITAMPURA, DELHI - 110034

TIGER LOGISTICS (INDIA) LIMITED

804A-807, SKYLARK BUILDING, 60 NEHRU PLACE, BEHIND IFCI TOWER, DELHI

CORRIGENDUM

The designation of Gunjan Khanna in her research paper CEO Duality and Financial performance, published on page 69 of March 2017 issue of Chartered Secretary be read as Assistant Professor, Department of Commerce, Lakshmbai College, University of Delhi instead of Associate Professor as inadvertently published. The error is regretted.

ANNOUNCEMENT

Extension of time for obtaining the mandatory Programme Credit Hours in terms of the Guidelines for Compulsory Attendance of Professional Development Programmes by the Members

The Council of the Institute in its 243rd meeting held at 27 March, 2017 at New Delhi has approved extension of 3 months' time for obtaining the mandatory Programme Credit Hours for the block of three years ended on March 31, 2017.

Accordingly, the Members who have not completed the mandatory PCH till date are advised to obtain their remaining PCH for the Block Year 2014-17, by June 30, 2017.

Members may view their credit hours information by visiting the link: http://www.icsi.edu/Quick_Links.aspx

ATTENTION MEMBERS

Members can submit Form-D (for issue, renewal and restoration of Certificate of Practice) using online services at ICSI website www.icsi.edu using their username and password. For filling the same offline, Form-D is also available at the link <https://www.icsi.edu/Member/FormsForMembers.aspx>

APPOINTMENT

Required Company Secretary

A Full time qualified Company Secretary proficient in English and well acquainted with company law and legal matters with a minimum experience of 3 years, is required for four private limited Companies in Hyderabad, Telangana.

Interested Candidates may send their applications with detailed resume giving information about professional experience to the following address:

**The Manager, Human Resources
SKP Business Consulting LLP**

**VEN Business Centre, 135/1, Baner - Pashan Link
Road, Pashan, Pune - 411021, India
Tel: +912067203800, Email: careers@skpgroup.com**

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Dubai (United Arab Emirates)



Chief Guest

His Highness Sheikh Nahyan bin Mubarak Al Nahyan, Hon'ble Cabinet Member & Minister of Culture & Knowledge Development, Govt. of UAE

Lt. Gen. Dhahi Khalfan Tamim
Deputy Chairman Dubai Police & Public Security, UAE, receiving the Golden Peacock Global Award for Leadership in Public Service during 2016 Dubai Global Convention.

“The excellence that you recognize today with the **Golden Peacock Awards** is precisely the kind of excellence that we continually seek”

says **His Highness Sheikh Nahyan bin Mubarak Al Nahyan**
Hon'ble Cabinet Member and Minister of Culture, Youth & Knowledge Development, Government of UAE,
at IOD, India's Dubai Global Convention in Dubai

Galaxy Of Speakers



H. H. Sheikh Nahyan bin Mubarak Al Nahyan, Minister of Culture & Knowledge Development, Govt. of UAE



H. E. Abdulla Al Saleh
Undersecretary - Foreign Trade & Industry Ministry of Economy United Arab Emirates



H.E. Marwan Jassim Al Sarkal
CEO, Sharjah Investment and Development Authority (Shurooq)



H.E. Navdeep Singh Suri, IFS
Ambassador of India to United Arab Emirates



Dr. B. R. Shetty
Executive Vice Chairman and CEO NMC Healthcare, UAE



CS (Dr.) Shyam Agrawal
President, Institute of Company Secretaries of India

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sushil@iodglobal.com
sm@iodglobal.com

6

MISCELLANEOUS CORNER



- ETHICS & SUSTAINABILITY CORNER
- NEW SYLLABUS FOR FOUNDATION PROGRAMME
- THE STANDING AND NON-STANDING COMMITTEES OF THE COUNCIL/BOARDS – 2017-18
- GST CORNER
- CG CORNER

ETHICAL LEADERSHIP FOR SUSTAINABILITY

Contributed by Brahma Kumaris, Om Shanti Retreat Centre, Gurugram

Leadership in today's world is a much discussed quality of an individual which is given a lot of weightage when we talk about being successful. But to truly imbibe this quality of leadership, one must be aware of its true meaning and method.

- ✓ Leadership is a continuous process of influential behaviour. For this, it is not necessary to have a prime position but it is important to take ownership and lead by example.
- ✓ Leadership gives us authority but along with it comes responsibility. This responsibility does not remain limited to achieving goals or timelines but includes the responsibility of growth of each individual whom we are leading.
- ✓ There is always a difference between mere management and leadership. Management ensures development of the system but leadership ensures innovative ways to progress for the benefit of all- the system as well as those in the system. In administration, we do need good management, but it is incomplete without an efficient leadership.

Even the concept of leadership has evolved over a period of time to 'Ethical Leadership'. It is experienced that where the heart conceives, the head follows. When the leader touches the heart of the people, it draws their 100% effort and loyalty which mobilizes the positive energy in the system. And through this positive energy that binds us, we can together overcome or face even the biggest challenges. When it comes to trigger this positive energy in the system, it is through our pure and benevolent intentions that can bring about behavioural change in the people we lead.

A leader walks along with everyone showing them the path and motivating them to move forward instead of simply instructing from a faraway distance. A leader says 'we' instead of 'I' or 'you', and this is what differentiates a true leader from a mere boss. One of the very famous authors, John C Maxwell says 'A leader is the one who knows the way, goes the way and shows the way.'

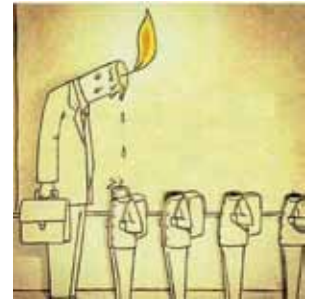
Leadership quality is an important tool to raise but the strength of the tool lies in the ethics of the leader. Let us discuss more on some basic ethical components that result in better leadership and sustainable success:

◆ Self Introspection:

A progressing and motivated leader sets out an example for his entire team. He must be aware fully of his 'Success DNA', which are his strengths or limitations and on the basis of this wisdom, he stands out in the crowd based on his skills which are nothing but strengths used to their best. If one does not know his real strengths or limitations, how can I use those strengths for achieving an edge our situations or help others realise their strengths? Also, a leader has to be aware of his limitations which can result in any obstacle on his way to success or sustaining it. Only when I know my limitations, can I be able to overcome them and motivate others to overcome theirs. If a leader tends to impose or project his strengths, hiding the limitations, his entire team would end up doing the same. As a result, although the team would seem to be very strengthened and capable, they may face challenges when it comes to achieving success, because no effort has been made to analyse and improvise the limitations. So a continuous self-introspection is a must for a good leader. Self-introspection leads to harmonious relations with the self and only then can one establish harmonious relations with others, which is a very important ingredient to have a good and effective team.

◆ Available to all, compassionate and accommodating:

A person connected to the self is compassionate. A good leader has the art to strike a balance between being focussed and goal oriented, but at the same time being compassionate and emotionally sensitive to other's feelings. He values the greatest resource – human resource and is ready to accommodate everyone and help them develop under his leadership. He ensures no one is left behind in the process of chasing success. And so members of his team feel more comfortable and connected to him and to one another. This leads to proper and healthy interaction and sharing which arouses a feeling of oneness in the team and makes the working atmosphere very light and happy. Only in such



Leadership gives us authority but along with it comes responsibility. This responsibility does not remain limited to achieving goals or timelines but includes the responsibility of growth of each individual whom we are leading.



Leadership quality is an important tool to raise but the strength of the tool lies in the ethics of the leader.





The picture of today's society is nothing but a reflection of our actions which in turn are highly influenced by the external world.



To give is to first generate, secondly experience them and finally get them in return. Thus giving gives us thrice the benefit. If each one of us today starts giving peace, love, power, compassion to others how beautiful this world would become!

a light and positive atmosphere can an individual deliver his maximum. A happy mind can be focussed and goal oriented but an unhappy or tensed mind cannot be productive. So maintaining a light and positive atmosphere by his positive conduct is another responsibility of a leader.

◆ Faith, Respect & Love:

A leader keeps faith in himself and his team. Gives love and respect to each individual and their ideas. He recognizes the specialty of people around and creates opportunities for them to leverage it. Like a plant needs fertile foundation, sunlight and water for sustenance; trust acts as the fertile foundation, respect is the sunlight in which the specialties of others are seen and love is the water that runs across length and breadth of a relationship. Like a small seed, if given proper nutrition, water and sunlight, gives rise to a mighty tree with beautiful flowers, relishing fruits and relaxing shade, a true leader nurtures his team with trust, love and respect. Mother Teresa was firm on this belief that "You are going to change your people but do you know them and do you love them?" In return, along with achieving the desired fruits of results and targets, he gains the flowers and shade of faith, respect and love from his fellow team-mates. This binds the team even more, making them unshakable. It is said that trust is not easy to obtain. It needs to be earned. But a true leader is the one who through his pure intentions and continuous care does not find it difficult to earn trust.

◆ Responsible for the progress of the team:

A true leader is always the one who is genuine, responsible for the team, ready to face challenges and leads by example and this is why he need not ask for everyone's support, it is obtained automatically. With such a support, one gains confidence and courage which directs him towards innovation to explore new horizons. Such a leader is always ready to take new initiatives for the right cause. He is ready to walk, first in the line and so ready to face the challenges ought to come on any new path. He does not simply guides but leads. He takes charge and feels responsible. Because of the pure intentions and real support he gets success easily. After facing and overcoming challenges, he and his team eventually come out being more strong and capable than before and gear up for further new initiatives. This becomes a chain. Gradually each individual of that team starts gaining leadership qualities like courage, creativity and overcoming difficulties and eventually become capable to be called a leader. This is why it is said that 'A True Leader Creates Leaders, Not Followers'.

- ✓ Other qualities that are required are determination, power to catch signals from the environment, sense of discretion, power to make accurate decisions, controlling power, power to face, broad mindedness (open to new ideas & ready to explore), discipline, focus, good intentions, better communication skills, detached involvement, self motivation, service motive, intuitive, learner, maintains integrity and many more.

Apart from this, a leader should also refrain from assumptions, worry, anger, fear, comparison, criticism, complaints, confusion, impatience, abuse of authority, blaming others for failures.

Today's society would have been very different if everyone made efforts to Lead from the heart and generate more leaders in the real sense. Leadership today seems to lose its charm because of the biggest barrier of Ego and selfishness. The 'I' factor has influenced everyone's mind so much that people tend to see their own causes bigger than the common cause. Ego and selfishness have percolated in every field and every mind. It has hampered relations, communication and oneness in the society. The huge potential and energy of everyone dies down under unhealthy competition and comparison prevalent today. We attend various trainings and sessions on team building and positive attitude, lot of good information and motivating talks, but remain very far from achieving them in practical life. Everyone knows what is to be followed and what not, but because being unable to do what should be done, they keep justifying why the righteous cannot be followed in today's world. We hear people complaining that qualities like compassion, genuineness and selflessness have become redundant in today's world. Let us pause and check, who is responsible for this ethically weak society of today? It is certainly we and our actions. The picture of today's society is nothing but a reflection of our actions which in turn are highly influenced by the external world. Because of this viscous circle the situation is continuing to degrade. In order to break this viscous circle we need to practice the qualities of a true leader, few of which



are listed and discussed above. There is a need today, for us to awaken and take the lead for change. For this, we should be free from any mental clutter, be aware of and well connected to our own self.

Cumulative awakening at a personal level leading to self-transformation can bring world-transformation. So before applying them for the outside world, we need to apply them on ourselves. Analysing the qualities one by one, let us check, do we use them on ourselves today. Before we try to be compassionate to others, are we really compassionate to ourselves to help ourselves come out of the sufferings we have. Do we constantly motivate ourselves in life? Before we can trust anyone else, do we have faith in ourselves? Do we really love the way we are? Do we accept our qualities and shortcomings? Are we ready to do something new in life or feel hesitant to break the monotony? It is onto the readers to reflect...

What is really needed to answer all the above questions in a 'Yes'? We need to know the source of these qualities. From where can I increase compassion, motivation, love, faith, etc. The answer lies within us. Deep inside we already have these treasures. We are not merely creatures of bones and flesh. We are the energy, the consciousness, called the Soul- that drives this entire body. The qualities discussed above are our original nature.

Everywhere if we see today, we find people using anger, hatred, ego, comparison, greed etc. in every field of life. Some try to eradicate them without knowing the way to do so. The simplest way to remove them is to stop using them and instead start using our original qualities. But because we have lost the way to ourselves, we scarcely make a journey inward and this is why we are unable to find them. We search for peace, love, happiness and power outside. We expect these from others whether be at home or workplace. But the fact is that first we need to explore, practice and give these qualities to others. To give is to first generate, secondly experience them and finally get them in return. Thus giving gives us thrice the benefit. If each one of us today starts giving peace, love, power, compassion to others how beautiful this world would become!

The best way to start using these original qualities is by re-strengthening our mind and intellect which are our faculties, responsible for creating thoughts and bringing them to action. The art of strengthening our mind and intellect is called Rajyoga Meditation. Rajyoga Meditation is nothing but rejuvenating the connection with ourselves and the Supreme Energy who is the ocean of all the virtues. Like a mobile gets charged when connected to the electricity source, similarly the Soul gets charged with the virtues when its consciousness is connected to the Supreme Consciousness- the source of all virtues. It is not merely a method to be practiced while sitting silently in a room, but on the contrary it is the easy remembrance of the Supreme Father of all souls, which can be practiced daily along with doing the day-to-day tasks. It is more a way of life than merely a method to be followed. Meditation transforms the way of thinking, interacting and doing work. Or in simpler words, we become the leader of our mind and intellect.

Rajyoga Meditation is rejuvenating the connection with ourselves and the Supreme Energy who is the ocean of all the virtues. The Soul gets charged with the virtues when its consciousness is connected to the Supreme Consciousness- the source of all virtues.





New Syllabus for Foundation Programme

ICSI Notification No.4 (updated) of 2017 Introduction of New Syllabus for the Foundation Programme of the Company Secretaryship Course

The Council of the Institute of Company Secretaries of India in exercise of the powers vested under clause (a) of sub-section (2) of Section 15 of the Company Secretaries Act, 1980, as amended by the Company Secretaries (Amendment) Act, 2006 approved the Syllabus (2017) for the Foundation Programme of the Company Secretaryship Course, as under:

- The Syllabus (2017) for Foundation Programme shall comprise of four papers.
PAPER 1: BUSINESS ENVIRONMENT AND LAW
PAPER 2: BUSINESS MANAGEMENT, ETHICS & ENTREPRENEURSHIP
PAPER 3: BUSINESS ECONOMICS
PAPER 4: FUNDAMENTALS OF ACCOUNTING AND AUDITING
- The mode of examination will be Computer based MCQs.
- The New Syllabus (2017) for the Foundation Programme shall be applicable for the students who register in Foundation Programme on or after 1st April 2017. The first examination under New Syllabus (2017) for Foundation Programme shall be conducted in June 2018. . The detailed contents for each of the Four papers of the Foundation Programme under the Syllabus (2017) and the switchover scheme as approved by the Council are as under:

Scheme of Papers

DETAILED SYLLABUS FOR FOUNDATION PROGRAMME

PAPER 1: BUSINESS ENVIRONMENT AND LAW

Level of Knowledge: Basic Knowledge

Objective: To give orientation about different forms of organizations, functions in organizations, business strategies and environment, along with an exposure to elements of business laws.

PART A: BUSINESS ENVIRONMENT (40 MARKS)

1. Business Environment

Introduction and Features; Concepts of Vision & Mission Statements; Types of Environment-Internal to the Enterprise(Value System, Management Structure and Nature, Human Resource, Company Image and Brand Value, Physical Assets, Facilities, Research & Development, Intangibles, Competitive Advantage), External to the Enterprise(Micro- Suppliers, Customers, Market Intermediaries; Macro- Demography, Natural, Legal & Political, Technological, Economy, Competition, Socio-cultural and International); Business Environment with reference to Global Integration; Comparative Analysis of Business Environment: India and Other Countries

2. Forms of Business Organization

Concept and Features in relation to following business models- Sole Proprietorship; Partnership; Company; Statutory Bodies and Corporations; HUF and Family Business; Cooperatives, Societies and Trusts; Limited Liability Partnership; OPCs; Other Forms of Organizations.

3. Scales of Business

Micro, Small and Medium Enterprises; Large Scale Enterprises and Public Enterprises; MNCs

4. Emerging Trends in Business

Concepts, Advantages and Limitations-Franchising, Aggregators, Business Process Outsourcing (BPO) & Knowledge Process Outsourcing (KPO); E-Commerce, Digital Economy

5. Business Functions

Strategic- Planning, Budgetary Control, R&D, Location of a Business, Factors affecting Location, Decision Making and Government Policy; Supply Chain-Objectives, Importance, Limitations, Steps, Various Production Processes; Finance- Nature, Scope, Significance of Financial Management, Financial Planning (Management Decisions – Sources of Funds, Investment of Funds, Distribution of Profits); Marketing- Concept, Difference between Marketing and Selling, Marketing Mix, Functions of Marketing; Human Resources- Nature, Objectives, Significance; Services- Legal, Secretarial, Accounting, Administration, Information and Communication Technology; Social Functions.

PART B: BUSINESS LAWS (60 MARKS)**6. Introduction to Law**

Meaning of Law and its Significance; Relevance of Law to Modern Civilized Society; Sources of Law; Legal Terminology and Maxims; Understanding Citation of Cases

7. Elements of Company Law

Meaning and Nature of Company; Promotion and Incorporation of a Company; Familiarization with the Concept of Board of Directors, Shareholders and Company Meetings; Company Secretary; E-Governance

8. Elements of Law relating to Partnership and LLP

Nature of Partnership and Similar Organizations- Co-Ownership, HUF; Partnership Deed; Rights and Liabilities of Partners- New Admitted, Retiring and Deceased Partners; Implied Authority of Partners and its Scope; Registration of Firms; Dissolution of Firms and of the Partnership; Limited Liability Partnership Act.

9. Elements of Law relating to Contract

Meaning of Contract; Essentials of a Valid Contract; Nature and Performance of Contract; Termination and Discharge of Contract; Indemnity and Guarantee; Bailment and Pledge; Law of Agency

10. Elements of Law relating to Sale of Goods

Essentials of a Contract of Sale; Sale Distinguished from Agreement to Sell, Bailment, Contract for Work and Labour and Hire-Purchase; Conditions and Warranties; Transfer of Title by Non-Owners; Doctrine of Caveat Emptor; Performance of the Contract of Sale; Rights of Unpaid Seller.

11. Elements of Law relating to Negotiable Instruments

Definition of a Negotiable Instrument; Instruments Negotiable by Law and by Custom; Types of Negotiable Instruments; Parties to a Negotiable Instrument- Duties, Rights, Liabilities and Discharge; Material Alteration; Crossing of Cheques; Payment and Collection of Cheques and Demand Drafts; Presumption of Law as to Negotiable Instruments.

12. Elements of Information Technology Act

Cyberspace; Cyber laws; Scope of Cyber Laws; Classification of Cyber Crime; Information Technology Act 2000; Regulation of Certifying Authorities; Adjudication.

13. Role of CS- Duties and Responsibilities, Areas of Practice

Introduction; Role of Company Secretary under Companies Act, 2013- Role of Company Secretary in Employment, Role of Company Secretary in Practice; Recognition to Company Secretary in Practice under Various Laws.

PAPER 2: BUSINESS MANAGEMENT, ETHICS & ENTREPRENEURSHIP

Level of Knowledge: Basic Knowledge

Objective: To acquaint with the basic principles of management, ethics, communication techniques and entrepreneurship

PART A: BUSINESS MANAGEMENT (40 Marks)**Nature of Management and its Process**

Meaning, Objectives, Importance; Nature of Management- Science, Art, Profession; Evolution of Management;

Management Functions- Planning, Organising, Personnel Management, Directing and Control; Principles of Management- Fayol and Taylor Principles; Managerial Skills; Task and Responsibilities of Professional Manager

- 1. Planning**
Concept, Features, Importance, Limitations; Planning process; Types of Plans- Objectives, Strategy, Policy, Procedures, Method, Rule, Budget; Plan vs Programme- Policies and Procedures; Decision making
- 2. Organizing**
Concept, Features, Importance, Limitations; Organising process; Types of Organisation; Structure of Organisation; Centralisation and De-Centralisation; Delegation; Growth in Organisation
- 3. Human Resource Management**
Concept, Features, Importance, Limitations; Recruitment process- Selection; Training and Development- Methods; Functions of Personnel Manager; Performance Management; Appraisal Methods; Human Resource Planning;; Talent Management; Organization Development
- 4. Direction and Co-ordination**
Direction: Concept, Features, Importance, Limitations; Elements of Directing- Supervision, Motivation, Leadership, Communication; Co-Ordination-Concept, Features, Importance, Limitations; Co-Ordination Types- Internal and External; Co-Ordination- the Essence of Management
- 5. Controlling**
Concept, Features, Importance, Limitations; Control process; Essentials of a Good Control System; Techniques of Control- Traditional and Non-Traditional Control devices; Relationship between Planning and Controlling
- 6. Recent Trends in Management**
Change Management; Crisis Management; Total Quality Management; Risk Management; Global Practices

PART B: BUSINESS ETHICS (10 MARKS)

- 7. Business Ethics**
Overview of Ethics in Business; Elements; Ethical principles in Business- Indian and Ancient Indian Perspective

PART C: BUSINESS COMMUNICATION (25 MARKS)

- 8. Business Communication**
Concept, features, importance, limitations; means of Communication- Written, Oral, Visual, Audio Visual; Principles and Essentials of Business Communication; Process of Communication; Barriers to Communication
- 9. Essentials of Good English**
Grammar and Usage; enriching vocabulary, words- multiple meaning, single word for a group of words, choice of words, words frequently misspelt, punctuations, prefix and suffix, parts of speech, articles; synonyms and antonyms, tenses, idioms and phrases; foreign words and phrases commonly used; abbreviations and numerals; pronunciation, Latin, French and Roman words used in abbreviated form; Legal Terminologies- idioms and phrases
- 10. Business Correspondence**
Introduction; Meaning of Business Correspondence; Importance of Business Correspondence; Essential Qualities of a Good Business Letter; Parts of a Business Letter; Types of Business Letters; Human Resource; Purchase; Sales; Accounts
- 11. Interdepartmental Communication**
Internal memos; messages through Electronic Media; Public Notices and Invitations; Representations to Trade Associations, Chambers of Commerce and Public Authorities
- 12. E Correspondence**
Concept of E-Correspondence: Web, Internet; Concept of e-mail- History of E-mail, Features; Electronic Mail System- optimizing personal e-mail use, proper E-mail Correspondence, E-Mail Etiquette; Advantages and Disadvantages of E-mail; Intranet- Benefits of Intranet, Purpose of Intranet

PART D: ENTREPRENEURSHIP (25 MARKS)

13. Entrepreneurship

Four Key elements of Entrepreneurship; Traits of an Entrepreneur; Characteristics of an Entrepreneur; Who is an Entrepreneur; Why Entrepreneurship; Types of Entrepreneur

14. Entrepreneurship-Creativity and Innovation

Creativity and Innovation in an Entrepreneurial organisation; Tools for Environment Scanning- SWOT Analysis, PESTLE Analysis, Porters approach to Industry Analysis; Environmental Scanning Process; Types of Environmental Scanning; Market Assessment; Assessment of Business Opportunities- Developing Effective Business Plans, identification and evaluation of the opportunity, Determination of the required Resources, management of the resulting enterprise

15. Growth and Challenges of Entrepreneurial Ventures

Entrepreneurial opportunities in contemporary business environment; Strategic Planning for emerging venture- Financing the entrepreneurial Business, Resource Assessment- Financial and Non-Financial; Fixed and Working Capital Requirement; Funds flow; Sources and means of Finance; Managing the growing Business- Effecting Change, Modernization, Expansion and Diversification

16. Social Entrepreneurship

Introduction; Definition of Social Entrepreneurship; Who is a Social Entrepreneur; how to identify a Social Entrepreneurship Opportunity; Creating a social business model; Funding social ventures; Strategies for success; Challenges for the Indian Social Enterprise Sector

17. Government Initiatives for Business Development

Skill India; Ease of Business; Start Up India; Stand Up India

PAPER 3: BUSINESS ECONOMICS

Level of Knowledge: Basic Knowledge

Objective: To familiarize the basic concepts and theories of economics, elementary statistics and mathematics.

PART A: ECONOMICS (80 MARKS)

1. The Fundamentals of Economics

The Economic Problem-Scarcity and Choice; Nature and Scope- Positive and Normative Economics, Micro and Macro Economics; Central Problems of an Economy; Production Possibility Curve; Opportunity Cost; Working of Economic Systems; Economic Cycles

2. Basic Elements of Demand and Supply

Demand- Meaning, Demand Schedule, Individual and Market Demand Curve, Determinants of Demand, Law of Demand, Changes in Demand; Supply- Meaning, Supply Schedule, Individual and Market Supply Curve, Determinants of Supply, Law of Supply, Changes in Supply; Equilibrium of Demand and Supply- Determination of Equilibrium Price and Quantity, Effect of a shift in Demand or Supply; Elasticity of Demand and Supply

3. Theory of Consumer Behaviour

Cardinal Utility Approach-Law of Diminishing Marginal Utility, Law of Equi-Marginal Utility; Indifference Curve Approach- Indifference Curves, Properties of Indifference Curves, Budget Line, Consumer's Equilibrium

4. Theory of Production and Costs

Theory of Production- Factors of Production, Basic Concepts, Production Function, Law of Variable Proportions, Returns to Scale; Producer's Equilibrium- Least-Cost Factor Combination and Output Maximisation for a given Level of Outlay; Theory of Costs- Basic Concepts, Short-run Total Cost Curves- Fixed and Variable, Short-run Average and Marginal Cost Curves, Relationship between Average and Marginal Cost Curve, Average and Marginal Cost Curves in the Long-run

5. Analysis of Markets

Basic Concepts of Revenue, Revenue Curves, Relationship between Average and Marginal Revenue Curve; Concept of Market and Main Forms of Market; Equilibrium of the Firm- Meaning, Objectives of the Firm, Total

Revenue-Total Cost Approach, Marginal Revenue-Marginal Cost Approach; Price and Output under Determination Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly.

6. Indian Economy- An Overview

Basic Characteristics of the Indian Economy; Major Issues of Development; Development Experience and Recent Trends in Indian Economy; Indian Economy in Comparison to Major Economies of the World

7. Basic Elements of Money and Banking

Concept of Money-Its Functions, Quantity Theory of Money, Credit Creation; Central Bank (Reserve Bank of India)- Role and Functions; Commercial Banks-Role and Functions; Basic Elements of E-Banking; Monetary Policy in India

PART B: ELEMENTARY STATISTICS (20 MARKS)

8. Descriptive Statistics

Statistics- Definition, Functions, Scope, Application in Business, Law of Statistics, Limitations of Statistics; Collection and Presentation of Statistical Data-Primary and Secondary Data, Classification and Tabulation, Frequency Distribution, Cross Tabulation; Diagrams and Graphs; Measures of Central Tendency-Mean, Median, Mode; Measures of Dispersion-Mean Deviation, Standard Deviation, Range, Coefficient of Variation; Bi-variate Analysis-Covariance, Coefficient of Correlation.

9. Mathematics of Finance and Elementary Probability

Mathematics of Finance-Simple Interest, Compound Interest; Time Value of Money-Compounding & Discounting, Present Value & Future Value of an Annuity; Probability- Random Experiments, Sample Spaces, Events and Probability, Approaches to Probability- Classical & Empirical; Expected Value.

PAPER 4: FUNDAMENTALS OF ACCOUNTING AND AUDITING

Level of Knowledge: Basic Knowledge

Objective: To familiarize and develop an understanding of the basic aspects of accounting, auditing concepts and their principles.

PART A: FUNDAMENTALS OF ACCOUNTING (70 MARKS)

1. Theoretical Framework

Meaning and Scope of Accounting; Accounting Concepts; Accounting Principles, Conventions and Standards - Concepts, Objectives, Benefits; Accounting Policies; Accounting as a Measurement Discipline - Valuation Principles, Accounting Estimates

2. Accounting Process

Documents & Books of Accounts- Invoice, Vouchers, Debit & Credit Notes, Day books, Journals, Ledgers and Trial Balance; Capital and Revenue- Expenditures and Receipts; Contingent Assets and Contingent Liabilities; Rectification of Errors

3. Bank Reconciliation Statement

Meaning; Causes of difference between Bank Book Balance and Balance as per Bank Pass Book /Bank Statement; Need of Bank Reconciliation Statement; Procedure for Preparation of Bank Reconciliation Statement

4. Depreciation Accounting

Brief of various Methods; Computation and Accounting Treatment of Depreciation (Straight line and Diminishing Balance Method); Change in Depreciation Methods

5. Preparation of Final Accounts for Sole Proprietors

Preparation of Profit & Loss Account; Balance Sheet

6. Partnership Accounts

Goodwill- Nature of Goodwill and Factors Affecting Goodwill; Methods of Valuation- Average Profit, Super Profit and Capitalization Methods; Treatment of Goodwill; Final Accounts of Partnership Firms- Admission of a Partner, Retirement/Death of a Partner, Dissolution of a Partnership Firm; Joint Venture and Consignment Account

7. Introduction to Company Accounts

Issue of Shares and Debentures; Forfeiture of Shares; Re-Issue of Forfeited Shares; Redemption of Preference Shares

8. Accounting for Non-Profit Organizations

Receipt and Payment Accounts; Income and Expenditure Accounts

9. Computerized accounting environment

Basic Utility of SAP, TALLY, ERP

PART B: FUNDAMENTALS OF AUDITING (30 MARKS)

10. Auditing

Concepts and Objectives; Principles of Auditing; Types of Audit; Evidence in Auditing; Audit Programmes

11. Audits and Auditor's Reports

Internal Audit; Statutory Auditor- Appointment, Qualification, Rights and Duties; Secretarial Audit- An Overview; Cost Audit- An Overview; Reporting- Types, Meaning, Contents, Qualifications

Scheme of Paperwise Exemptions for Switch over from Syllabus (2012) to Syllabus (2017) for Foundation Programme Examination

- All candidates registered under Syllabus (2012), enrolled for the Foundation Programme examination shall be examined under Syllabus (2017), from June 2018 session onwards, i.e., candidates shall be compulsorily switched over from Syllabus (2012) to Syllabus (2017) for Foundation Programme Examination with effect from June 2018.

Paperwise Exemption Scheme

- The Scheme of Paper-wise Exemption in corresponding subjects for switching over from Syllabus (2012) to Syllabus (2017) for Foundation Programme shall be as under:

Subjects under Syllabus (2012)	Corresponding Subjects under Syllabus (2017)
Business Environment and Entrepreneurship	Business Environment and Law
Business Management, Ethics and Communication	Business Management, Ethics and Entrepreneurship
Business Economics	Business Economics
Fundamentals of Accounting and Auditing	Fundamentals of Accounting and Auditing

- The students under Syllabus (2012) compulsorily switched over to Syllabus (2017) would be provided with Study Material free of cost for Foundation Programme under Syllabus (2017) in their respective subjects.

Qualifying Marks

- The qualifying marks for Foundation Programme Examination will remain as per Regulation 39A(3) of The Company Secretaries Regulations, 1982, as under:

A candidate shall be declared to have passed in the Foundation Programme Examination if he obtains at one sitting a minimum of forty per cent marks in each subject and fifty per cent marks in the aggregate of all subjects.

Provided that a candidate who has appeared in all the subjects for which he was enrolled and has obtained sixty per cent marks or above in any subject, but failed shall be declared to have passed in the subsequent examination if he obtains a minimum of forty per cent marks in each remaining subject and fifty per cent marks in the aggregate of the remaining subjects at one sitting within the next three following examinations.

Qualification Based Exemption Scheme

All graduates or post graduates (excluding fine arts) and those passed in the Foundation Examination of The Institute of Cost Accountants of India (ICAI-CMA) or CPT Examination of The Institute of Chartered Accountants of India (ICAI) or of any other accountancy institution in India or abroad recognized as equivalent thereto by the Council of the Institute shall be exempted from passing the Foundation Programme Examination. Such students may directly seek registration to Executive Programme of Company Secretaryship Course.

By order of the Council
CS Dinesh C. Arora
Secretary

APPOINTMENTS

Anchorcert Analytical India Private Limited having its registered office at Unit No.101 B, SDF- IV, SEEPZ, SEZ, Andheri-East Mumbai– 411006, Maharashtra, India requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs to meinakshi.nath@anchorcert.in

Contrinex Automation Private Limited having its registered office at Office No. 605, Sixth Floor, East Court Phoenix Market City, Vimannagar, Pune - 411014 requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs to Hrishikesh.Madal@contrinex.com

A multinational company having its private limited subsidiary in Rajkot, Gujarat is looking for a qualified Company Secretary.

The Candidate should be a qualified Company Secretary with 3 years of professional experience.

Candidate should be capable of liaising with various Government/ Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs to lhvigilanceaudit@gmail.com

Norfolk Mechanical (India) Private Limited having its registered office at E-101, 1st Floor, Silver Tower Thakur Complex, Kandivali (East), Mumbai-400101 requires dynamic, diligent & result oriented Company Secretary.

The Candidate should be a qualified Company Secretary with 3 Years of experience preferably worked in Company or similar industry.

Candidate should be capable of liaising with various Government Authorities and shall have flair for writing, drafting and vetting of legal documents, agreements, contracts, MOU. Drafting and filing of various returns with different Government Authorities.

Interested candidates fulfilling the above criteria can email their CVs to hemant.kumar@rcrtom.com.au

The Standing and Non-Standing Committees of the Council/Boards – 2017-18

STANDING COMMITTEES		
1. Executive Committee		
Shyam Agrawal (Dr.)	Chairman	Jaipur
Makarand M Lele	Member	Pune
Amardeep Singh Bhatia	Member (Govt. Nominee)	New Delhi
Mamta Binani (Ms.)	Member	Kolkata
Ahalada Rao V	Member	Hyderabad
Ashish Garg	Member	Indore
Ranjeet Kumar Pandey	Member	New Delhi
2. Finance Committee		
Shyam Agrawal (Dr.)	Chairman	Jaipur
Makarand M Lele	Member	Pune
Yamal A Vyas	Member (Govt. Nominee)	Ahmedabad
Ahalada Rao V	Member	Hyderabad
Ashish C Doshi	Member	Ahmedabad
Rajiv Bajaj	Member	Noida
Santosh Kumar Agrawala	Member	Kolkata
3. Examination Committee		
Shyam Agrawal (Dr.)	Chairman	Jaipur
Makarand M Lele	Member	Pune
Gopal Krishna Agarwal	Member (Govt. Nominee)	Noida
Gopalakrishna Hegde	Member	Bengaluru
Ranjeet Kumar Pandey	Member	New Delhi
C Ramasubramaniam	Member	Chennai
Santosh Kumar Agrawala	Member	Kolkata
NON STANDING COMMITTEES		
4. Financial Services Committee		
Mahavir Lunawat	Chairman	Mumbai
Ashish C Doshi	Member	Ahmedabad
Ashish Garg	Member	Indore
Rajiv Bajaj	Member	Noida
C Ramasubramaniam	Member	Chennai
Satwinder Singh	Member	New Delhi
Santosh Kumar Agrawala	Member	Kolkata
5. Corporate Laws and Governance Committee		
Vineet K. Chaudhary	Chairman	Noida
Mamta Binani (Ms.)	Member	Kolkata
Ashish C Doshi	Member	Ahmedabad
Gopalakrishna Hegde	Member	Bengaluru
Mahavir Lunawat	Member	Mumbai
Ranjeet Kumar Pandey	Member	New Delhi

C Ramasubramaniam	Member	Chennai
6. Professional Development Committee		
Shyam Agrawal (Dr.)	Chairman	Jaipur
Vijay Kumar Jhalani	Member (Govt. Nominee)	New Delhi
Yamal A Vyas	Member (Govt. Nominee)	Ahmedabad
Ahalada Rao V	Member	Hyderabad
Ashish C Doshi	Member	Ahmedabad
Ashish Garg	Member	Indore
Gopalakrishna Hegde	Member	Bengaluru
Rajiv Bajaj	Member	Noida
Santosh Kumar Agrawala	Member	Kolkata
Atul H Mehta	Member	Mumbai
7. Training & Educational Facilities Committee		
Makarand M Lele	Chairman	Pune
Amardeep Singh Bhatia	Member (Govt. Nominee)	New Delhi
Gopal Krishna Agarwal	Member (Govt. Nominee)	Noida
Rajesh Sharma	Member (Govt. Nominee)	New Delhi
Mamta Binani (Ms.)	Member	Kolkata
Mahavir Lunawat	Member	Mumbai
Ranjeet Kumar Pandey	Member	New Delhi
C Ramasubramaniam	Member	Chennai
Satwinder Singh	Member	New Delhi
Vineet K. Chaudhary	Member	Noida
8. Practising Company Secretaries Committee		
Ashish C Doshi	Chairman	Ahmedabad
Ahalada Rao V	Member	Hyderabad
Gopalakrishna Hegde	Member	Bengaluru
Atul H Mehta	Member	Mumbai
Rajiv Bajaj	Member	Noida
Ranjeet Kumar Pandey	Member	New Delhi
Santosh Kumar Agrawala	Member	Kolkata
Vineet K. Chaudhary	Member	Noida
9. Information Technology Committee		
C Ramasubramaniam	Chairman	Chennai
Ashish C Doshi	Member	Ahmedabad
Ashish Garg	Member	Indore
Mahavir Lunawat	Member	Mumbai
Rajiv Bajaj	Member	Noida
Ranjeet Kumar Pandey	Member	New Delhi
Satwinder Singh	Member	New Delhi
Vineet K. Chaudhary	Member	Noida

10. Peer Review Board		
Makarand M Lele	Chairman	Pune
Gopalakrishna Hegde	Vice Chairman	Bengaluru
Ashish Garg	Member	Indore
C Ramasubramaniam	Member	Chennai
Rajiv Bajaj	Member	Noida
Satwinder Singh	Member	New Delhi
Anil Murarka	Member	Kolkata
Ashok Tyagi	Member	New Delhi
Milind B Kasodekar	Member	Pune
Savitri Parekh (Ms.)	Member	Mumbai
Sudhir Babu C	Member	Hyderabad
11. Placement Committee		
Rajiv Bajaj	Chairman	Noida
Ahalada Rao V	Member	Hyderabad
Ashish C Doshi	Member	Ahmedabad
Mahavir Lunawat	Member	Mumbai
Satwinder Singh	Member	New Delhi
Santosh Kumar Agrawala	Member	Kolkata
Vineet K. Chaudhary	Member	Noida
12. PMQ Course Committee		
Ranjeet Kumar Pandey	Chairman	New Delhi
Ashish Garg	Member	Indore
Mahavir Lunawat	Member	Mumbai
C Ramasubramaniam	Member	Chennai
Satwinder Singh	Member	New Delhi
13. ICSI CCGRT Management Committee		
Ashish Garg	Member	Indore
Gopalakrishna Hegde	Member	Bengaluru
Rajiv Bajaj	Member	NOIDA
C Ramasubramaniam	Member	Chennai
Satwinder Singh	Member	New Delhi
Atul H Mehta	Member	Mumbai
Kaushik Jhaveri	Member	Mumbai
Manoj Sonawala	Member	Mumbai
Om Prakash Bagdia	Member	Nagpur
B L Jain	Member	New Delhi
Sunil Samdhani	Member	Vadodara
Rahul Sharma	Member	Jaipur
14. Secretarial Standards Board		
Pavan Kumar Vijay	Chairman	Delhi
Anil Kumar Murarka	Member	Kolkata
Amit Gupta	Member	Lucknow
B Shanmugasundaram	Member	Chennai

Dipti Mehta (Ms.)	Member	Mumbai
Geetika Anand (Ms.)	Member	Mumbai
J. N. Gupta	Member	Mumbai
Milind B Kasodekar	Member	Pune
N Hariharan	Member	Mumbai
Narayan Shankar	Member	Mumbai
Parvatheesam Kanchinadham	Member	Mumbai
R. Ravi	Member	Chennai
Rajiv Bajaj	Member	Noida
Raju Ranganathan	Member	Mumbai
S C Vasudeva	Member	Delhi
S H Rajadhyaksha	Member	Mumbai
S Sudhakar	Member	Mumbai
Savithri Parekh (Ms.)	Member	Mumbai
Subhash C Setia	Member	Delhi
Shujath Bin Ali	Member	Hyderabad
Vineet K. Chaudhary	Member	Noida
C S Govindarajan	Representative of MCA	Delhi
C D Srinivasan	Representative of RBI	Mumbai
Girish Joshi	Representative of BSE	Mumbai
S. Madhavan	Representative of NSE	Mumbai
B Murli	Representative of FICCI	Gurugram
G P Madaan	Representative of ASSOCHAM	Delhi
P.K. Rustagi	Representative of PHD Chamber of Commerce and Industry	Delhi
K. Sriprya (Ms.)	Representative of ICAI	Chennai
Mr.Amit Anand Apte	Representative of ICAI (Cost)	Pune
Representative of SEBI	Member	-
Representative of CII	Member	-

15. Expert Advisory Board

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Gopalakrishna Hegde

Members
Being finalized

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Shyam Agrawal, President, ICSI	Ex - officio Member	Jaipur
Makarand Lele, Vice President, ICSI	Ex - officio Member	Pune

GST UPDATES

1. Lok Sabha passed four GST related Bills on March 29, 2017 i.e.,
 - Central GST Bill, 2017
 - Integrated GST Bill, 2017
 - Union Territory GST Bill, 2017
 - GST (Compensation to States) Bill, 2017

The GST Bills have been introduced as Money Bills. Rajya Sabha may recommend amendments which may or may not be considered by the Lok Sabha which is being discussed on 05.04.2017. The Bills will finally move to the President for assent which are rapidly usher the new indirect tax regime, most likely from July 1, 2017.

The GST Council will soon roll out the fitment of goods into the rate slabs as well as the final rules relating to GST. State legislatures are also expected to enact to approve the SGST legislations in respective states.

Jammu and Kashmir will have to pass special laws to introduce GST as the current Constitutional status does not mandate it.

2. GST Council held its 11th Meeting on March 4, 2017 wherein the following was concluded:
 - GST Council approved the Central Goods and Services Tax (CGST) and Integrated Goods and Services Tax (IGST) Laws
 - Composition scheme was not applicable to service sector but it was decided to cover restaurants under Composition Scheme whose turnover is upto Rs. 50 Lakhs and rate would be 2.5% by the Centre & 2.5% by the State.
3. The 12th meeting of the GST Council held on March 16, 2017 to decide upon the following:
 - Approval of the two crucial bills for implementing GST in States and Union Territories i.e., SGST and UTGST
 - Capping of cess on luxury goods at 15% for the four to five commodities including luxury cars and aerated drinks
 - The GST Council to take up the exercise of fitment of various commodities in the GST tax slabs – 5%, 12%, 18% and 28% besides the Nil rate after 31st March, 2017.
4. The 13th meeting of the GST Council was held on 31st March, 2017 decided on the following issues:
 - Approval to draft GST rules (5 out of 9) which were released in September 2016 duly aligned with GST law as approved by Lok Sabha on 29 March, 2017
 - The rules approved by GSTC are in relation to-
 - (i) Registration of taxpayers
 - (ii) Payment of tax
 - (iii) Filing of returns
 - (iv) Invoicing, debit & credit notes
 - (v) Refunds
5. The 14th meeting of the GST Council has been scheduled for 18-19 May, 2017 at Srinagar (J&K) which has been kept out of CGST regime as per the

law passed for technical / legal reasons. The main agenda for the next GSTC meeting would be to: Grant final approval to tentatively approved four set of rules, and

- Approval of rate structure in relation to individual items of goods and services
6. The rates under GST regime are unlikely to be out before April-end as the Government wants to avoid any tax evasion attempt by Companies.
7. GSTN, the nodal agency under GST for laying down the IT infrastructure, is currently building an offline application to help taxpayers with limited internet connectivity, to upload invoices and file returns.
8. The GST Council has agreed to consider the proposal of bringing in real estate into its ambit within one year of its roll out.
9. Centralized registration for banks under GST is ruled out but it has been agreed to allow banks to submit a single invoice per state per month instead of multiple invoices for each transaction.

GST BILLS: KEY FEATURES

1. Central GST provides for a maximum tax of 20 per cent
2. Actual rates would however be a four-tier tax structure of 5, 12, 18 and 28 per cent as approved by the GST Council
3. A Union Territory GST Bill will take care of taxation in UTs of Chandigarh, Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli and Daman and Diu
4. A Bill on Integrated-GST to be levied and collected by the Centre on inter-state supply of goods and services, was also introduced in the Lok Sabha.
5. The IGST law provides for a maximum tax of 40 per cent
6. A fourth legislation called GST (Compensation to States) Bill, 2017 has also been introduced for mechanism for making good any loss of revenue of states from introduction of GST in first five years of rollout.
7. Another mirror legislation of CGST, called State-GST, will amalgamate all state taxes like VAT, will be levied by states and has to be approved by all state legislatures
8. Together, CGST and SGST will enable the GST incidence of 40 per cent
9. CGST law will not apply to Jammu and Kashmir
10. The CGST Bill also provides for e-commerce companies to collect tax at source at a rate not exceeding 1 per cent of net value of taxable supplies, out of payments to suppliers supplying goods or services through their portals
11. To protect small businesses, the CGST provides for a tax of not more than 1 per cent of turnover for manufacturers with annual turnover of up to Rs 50 lakh
12. To ensure that benefit of lower taxes is passed on to consumers, an anti-profiteering measure has been

incorporated in the law. It provides for constituting an Authority to examine whether input tax credits availed by any registered taxable person, or the reduction in the price on account of any reduction in the tax rate, have actually resulted in a commensurate reduction in the price of the said goods and/or services supplied by him

13. The law provides for arrest, ordered by no less than a Tax Commissioner, in case of suppression of any transaction or evading taxes. A person convicted is punishable up to 5 years of imprisonment and/or fine.
14. Compensation will be paid bi-monthly and the amount due would be calculated after considering a 14 per cent growth rate in taxes over the base year of 2015-16.
15. Hotels selling liquor cannot avail the composition scheme even if the turnover does not cross Rs. 50 lakhs.
16. Schedule I of GST Bill provides that gifts not exceeding Rs 50,000 in value in a financial year by an employer to an employee shall not be treated as supply of goods and services. However, use of assets and many other amenities like car drops, scholarship to employees' children etc. may be covered under GST ambit.
17. Leasing of land, renting of buildings as well as EMIs paid for purchase of under-construction houses will start attracting the Goods and Services Tax. Sale of land and buildings will be, however, out of the purview of GST

DRESS CODE

Dress Code for a CS appearing before Judicial/Quasi – Judicial bodies and Tribunals like NCLT – NCLAT, etc.

The Council prescribed the Professional Dress Code for Company Secretaries to appear before judicial / quasi-judicial bodies and tribunals like NCLT- NCLAT, SAT, etc. as under:

S. No.	Guidelines
1	For Male Members: a. Navy Blue Suit (Coat & Trouser), with CS logo, Insignia OR Navy Blue Blazer over a sober colored Trouser b. Neck Tie (ICSI) c. White full sleeve Shirt d. Formal Black Leather Shoes (Shined)
2.	For Female Members: a. Navy Blue corporate suit (Coat & Trouser), could be with a neck tie / Insignia OR b. Saree / any other dress of sober colour with Navy Blue Blazer with CS logo c. A sober footwear like Shoes/Bellies/Wedges, etc (shined)
3.	Members in Employment – As prescribed in 1 or 2 above

Members are advised to strictly adhere to the Dress Code prescribed by the Council.



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DEVELOPMENTS – MARCH 2017

CORPORATE GOVERNANCE CORNER

1. OECD (2017), RESPONSIBLE BUSINESS CONDUCT FOR INSTITUTIONAL INVESTORS: KEY CONSIDERATIONS FOR DUE DILIGENCE UNDER THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

The recent OECD report on 'Responsible Business Conduct for Institutional Investors' released on 28th March, 2017, details how the OECD Guidelines for Multinational Enterprises will apply to the global investment sector.

Background

The OECD Guidelines for Multinational Enterprises are one of four parts of the 1976 OECD Declaration on International Investment and Multinational Enterprises.

The OECD Guidelines have been revised several times, most recently in 2011, provide voluntary principles and standards for RBC, consistent with applicable laws and internationally recognised standards, although Adherents make a binding commitment to implement them. There are currently 47 Adherents to the Declaration - 35 OECD countries and 12 non-OECD countries.

The OECD Guidelines are the most comprehensive set of government-backed recommendations on what constitutes Responsible Business Conduct (RBC) and cover all major RBC areas, such as: information disclosure, human rights, employment and industrial relations, environment, combatting bribery and corruption, consumer interests, science and technology, competition, and taxation. They are fully aligned with the recommendations of the UN Guiding Principles for Business and Human Rights (UNGPs).

Purpose of the OECD Guidelines

The OECD Guidelines for Multinational Enterprises are standards on corporate social responsibility agreed by OECD countries and an additional eleven non-OECD governments. The guidelines are recommendations from governments to corporations about how they should make positive contributions to economic, environmental and social progress worldwide. The OECD's guidelines are voluntary principles and standards for responsible business conduct in line with applicable laws and internationally recognised standards.

The report helps institutional investors:

- To understand what steps they need to take in carrying out due diligence to identify and respond to environmental and social risks.
- To implement due diligence recommendations in the OECD Guidelines for Multinational Enterprises "in order to prevent or address adverse impacts related to human and labour rights, the environment, and corruption in their investment portfolios".

The report also identifies:

- What factors investors should be taking into account, how

they should be responding to risk, and how they need to engage with companies they own to protect themselves from business and reputational risk.

- Key actions for asset managers and asset owners. It argues that carrying out due diligence in line with the OECD guidelines will help investors fulfil their fiduciary duty, and bring benefits such as avoiding financial and reputational risks and being more able to meet expectations of clients and pension fund beneficiaries.

The guidance also suggests that, in most cases, minority shareholders can be directly linked to an adverse impact, but are unlikely to cause or contribute to one. However, it said that although the OECD guidance makes clear it is the responsibility of investee companies to prevent or mitigate adverse impacts, "investors are nevertheless responsible to show that they have adopted sufficient due diligence practices".

Expected benefits of carrying out due diligence under the OECD Guidelines includes:

- Increased ability to implement the OECD Guidelines, as well as the UN Guiding Principles on Business and Human Rights (UNGPs) and other relevant frameworks, such as the UN-supported Principles for Responsible Investment (PRI);
- "Knowing and showing" that the investor meets expectations under the OECD Guidelines, and makes a positive contribution to sustainable development;
- Increased ability to meet expectations of clients (in the case of investment managers) and beneficiaries/members (in the case of asset owners such as pension funds) related to RBC standards (e.g. the OECD Guidelines);
- Increased understanding and management of investment risks that may be material.

Structure of the Guidelines:

The introduction of the guidelines provides context on the background, objective, scope and nature of the Guidelines as well as potential benefits to investors of carrying out due diligence.

Section 1 provides a high-level overview of the main recommendations of the OECD Guidelines.

Section 2 the core of the guidelines, describes the key components of due diligence and considerations for investors to implement the OECD Guidelines and carry out due diligence.

Each sub-section corresponds to a different step of the due diligence process or important processes to support due diligence, and provides a list of examples of recommended actions under each step, adapted specifically to the context of investors.

These include:

- RBC policy and management systems
- Identifying actual and potential adverse impacts
- Seeking to prevent and mitigate actual and potential

- adverse impacts
- Accounting for how adverse impacts are addressed by
 - (a) tracking due diligence and progress; and
 - (b) communicating on efforts and results through public reporting and engagement with impacted stakeholders as appropriate
- Remediation where an enterprise is causing or contributing to an adverse impact.

Each sub-section also includes a description of key considerations for implementing these actions in the context of investment and, where relevant, an overview of how these actions may vary in practice across asset owners and managers and across different investment classes and strategies.

Finally, the guidelines include several annexes to provide additional background on:

- (1) distinctions in terminology used in the OECD Guidelines and in the context of institutional investment generally;
- (2) common investment value chains;
- (3) different investment strategies and asset classes.

These annexes are intended to provide explanatory information for stakeholders such as OECD National Contact Points (NCPs), policy-makers, workers, trade unions and civil society who are not investment practitioners but may be interacting with issues of RBC in the context of institutional investment.

The guidelines are available at: <http://www.oecd.org/finance/RBC-for-Institutional-Investors.pdf>

2. AMENDMENTS IN SINGAPORE COMPANIES ACT

The Singapore Parliament on 10th March, 2017 passed the Companies (Amendment) Act, 2017 which become effective with effect from 31st March, 2017. In line with the global surge to enhance and make effective the existing corporate governance structures, the Amendment is intended to ensure that the economy of the country stays immune to the financial crimes that have paced up in the past years thereby maintaining the robustness of the corporate governance system of the nation.

The changes brought about through the Amendment aims to reduce regulatory burden on companies and limited liability partnerships (LLPs), improve the ease of doing business in Singapore and improve the transparency of the ownership and control of companies and LLPs.

It also aligns Singapore with more stringent international standards for combating money laundering and terrorism financing. In addition, there are also new provisions to support the sustainability of businesses by making considerable changes to the current debt restructuring regime.

Briefly putting forth, the Companies (Amendment) Act, 2017 has been brought into force with the following intentions:

- (1) to establish a new regime to enable a foreign corporate entity to transfer its registration to Singapore by registering as a company limited by shares in Singapore;
- (2) to simplify the timelines for holding of annual general meetings and filing of annual returns and to implement other measures to reduce the regulatory burden for companies;
- (3) to introduce a process by which a Court may approve a

- compromise or an arrangement without a meeting of the creditors;
- (4) to modify the insolvency requirement that needs to be met for a judicial management order to be made;
- (5) to make the requirement of common seal an optional one. A company may execute a document described or expressed as a deed without affixing a common seal onto the document by signature on behalf of the company by a director of the company and a secretary of the company, by at least 2 directors of the company, or by a director of the company in the presence of a witness who attests the signature and that such a document has the same effect as if the document were executed under the common seal of the company
- (6) to amend the provisions for private companies pertaining to dispensing with annual general meetings ; and
- (7) to adopt the UNCITRAL Model Law on Cross-border Insolvency.

Companies re-domicile for various business reasons – such as a change in the original country's operating conditions or to be closer to their main operational base. Incorporating a new company may lead to the likely extinguishment of a company's experience, its contracts, history and even reputation. Re-domiciliation permits a foreign company to transfer its registration from its original jurisdiction to Singapore and hence allows it to retain its corporate identity, branding and history. However, once a foreign corporate entity re-domiciles to Singapore, it becomes a Singapore company and must comply with the Companies Act of Singapore.

The amended Companies Act also demands foreign companies and LLPs registered in Singapore to maintain a public register of beneficial owners, known as the Register of Controllers. A beneficial owner or a controller can be an individual or a legal entity that has more than 25% interest in or control over a company. Companies should have proper and adequate procedures in place to identify, obtain and update information on their ultimate beneficial owners or controllers, which include sending notices to potential individuals who are aware of these details.

Comprehensively, the Companies (Amendment) Act, 2017 takes both strict and liberal approach towards the corporate and LLPs of the nation as well as foreign business entities intending to pursue business activities in Singapore. The Act falls in line with the global business agenda of enhancing the ease of doing business while at the same time not compromising on the corporate governance mechanism rather strengthening it at its core.

Feedback & Suggestions

Readers may give their feedback and suggestions on this page to Ms. Banu Dandona, Joint Director, ICSI (banu.dandona@icsi.edu)

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