

VOL 47 | NO. : 02 | Pg. 1-132 | FEBRUARY 2017 | ₹100/- (Single Copy)

CHARTERED SECRETARY

THE JOURNAL FOR CORPORATE PROFESSIONALS



BUDGET-2017

*“Transform, Energise
and Clean India”*

CS (Dr.) Shyam Agrawal
New President - ICSI



**THE INSTITUTE OF
Company Secretaries of India**

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

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CHARTERED SECRETARY GREETES AND CONGRATULATES CS (Dr.) SHYAM AGRAWAL AND CS MAKARAND LELE ON THEIR ELECTION AS PRESIDENT AND VICE PRESIDENT RESPECTIVELY OF THE INSTITUTE FOR THE YEAR 2017-18



CS (Dr.) Shyam Agrawal, President, ICSI

A man of stupendous vision, professional vigour and colossal discipline having an unyielding belief in prosperity of revered profession of Company Secretaries, CS (Dr.) Shyam Agrawal of the Institute of Company Secretaries of India (ICSI) has taken over as the zenithal torch-bearer of Corporate Governance profession in India for the year 2017 on joining the Institute as 'the President' from 19th January 2017.

His association with the Institute eventuated on earning Associate Membership from the Institute in the year 2005. Being a Fellow Member of the Institute, his proactive and whole hearted approach towards matters concerning excellence of profession and his unique qualities made majority members to foster his candidature for elections of 'Jaipur Chapter of NIRC-ICSI' in the ensuing year of 2006 for the term 2007-10. His calibre led him to emerge as a winner of these elections and he, thereby became a Member of Managing Committee and further the 'Chairman of Jaipur Chapter' in the years 2009 and 2010. His initiatives for 'Jaipur Chapter' further built up a budding support for contesting elections of NIRC of ICSI in the year 2010. His zest for upliftment of CS profession led him to earn 'Highest First Preference Vote' in NIRC elections and he was elected as a 'Regional Council Member' for the term 2011-14. Excellent approach towards his work led to his election as the 'Vice Chairman of NIRC' in the year 2013 and subsequently, the position of 'the Chairman, NIRC' in the year 2014.

Moving forward, his sprightliness led him to be elected as a 'Central Council Member' for the term 2015-18 and then the 'Vice President of ICSI' during the year 2016. During all these years, he has already proved his exceptional organizational, administrative and leadership qualities. To mention particularly, this is a distinct instance of any member of ICSI winning elections in the very first attempt at the Chapter, Regional as well as Central Council level and occupying supreme positions at these levels in the very first attempt at such a young age.

Besides being a learned Company Secretary, he is also a thoroughly academically accomplished person and a learned researcher. He not only holds Degree of Master of Law (LLM) but is also holder of a Doctoral Degree (Ph.D) in Law. Besides, he is also a Member of the Chartered Institute for Securities & Investment, United Kingdom.

CS (Dr.) Shyam Agrawal has proved his mettle as a professional at national as well as international platforms. He is also a recipient of the Prestigious "Emerging Leader of the Year" Award in the year 2016. He holds positions of Director, Governance Research and Knowledge Foundation, ICSI and Director, ICSI Insolvency Professional Agency and vouches for taking the profession of Company Secretaries of India on a sky-scraping pedestal of Governance globally.

CS Makarand Lele, Vice - President, ICSI



CS Makarand Lele is a Fellow Company Secretary (FCS) and Member of The Institute of Company Secretaries of India since 1992. He has completed his Commerce graduation (B.Com) from Garware College of Commerce Pune and Law graduation (L.L.B) from ILS Law College Pune. He holds the Certificate of Practice of ICSI since 1993.

His expertise is in providing total business solutions. He has been consulting to various Indian and International businesses on compliances, governance, risk management, joint ventures, policies, structuring and various critical matters in corporate laws over 2 decades.

He is actively associated with The Institute of Company Secretaries of India (ICSI) since 1994. He was Chairman of the Pune Chapter for the year 2003, and during his tenure as the Chairman, Pune chapter was conferred with 'Best National Chapter' Award.

He was a member of Western India Regional Council of ICSI for the terms from 2007-14 and was also the Chairman of Western India Regional Council of ICSI in the year 2011.

He is appointed as the first Chairman of ICSI Auditing Standards Board formed by The Institute of Company Secretaries of India. He is also a Core Group Member of Corporate Legislation sub-committee of Mahratta Chamber of Commerce, Industry & Agriculture (MCCIA) and was invitee on the Business Law Syllabus Review Committee of University of Pune.

CS Makarand Lele is a popular faculty for training programmes & seminars organized by ICSI & other professional bodies. He is a guest faculty for regulatory and judicial training programmes of government of India and private organizations. He has delivered several lectures on various aspects of the Companies Act 2013, FEMA & on topics like governance and compliances. He regularly contributes to professional and business journals & in local leading newspapers & magazines.

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Vice President

- Makarand Lele

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ISSN 0972-1983[®]

CHARTERED SECRETARY

[Registered under Trade Marks Act, 1999]

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QR Code/Weblink of Chartered Secretary Journal
<https://www.icsi.edu/JournalsBulletins/CharteredSecretary.aspx>



Annual Subscription

Inland : Rs. 1000 (Rs. 500 for Students of the ICSI)
Foreign : \$100; £60 (surface mail) Single Copy : Rs. 100

'Chartered Secretary' is normally published in the first week of every month. ■ Non-receipt of any issue should be notified within that month. ■ Articles on subjects of interest to company secretaries are welcome. ■ Views expressed by contributors are their own and the Institute does not accept any responsibility. ■ The Institute is not in any way responsible for the result of any action taken on the basis of the advertisements published in the journal. ■ All rights reserved. ■ No part of the journal may be reproduced or copied in any form by any means without the written permission of the Institute. ■ The write ups of this issue are also available on the website of the Institute.

Edited, Printed & Published by

Dr. S.K.Dixit for The Institute of Company Secretaries of India,
'**ICSI House**', 22, Institutional Area, Lodi Road, New Delhi- 110 003.

Phones : 41504444, 45341000, Grams : 'COMPSEC'

Fax : 91-11-24626727

E-Mail : info@icsi.edu

Website : <http://www.icsi.edu>

Mode of Citation: CSJ (2017)(02)/--- (Page No.)



Design & Printed at

M. P. Printers

B-220, Phase II, Noida-201305
Gautam Budh Nagar, U. P. - India
www.mpprinters.co.in



सत्यं वद । धर्मं चर ।

Satyam Vada, Dharmam Chara
(Speak the Truth, Abide by the Law)



Dear Professional Colleagues

While penning this communication for the first time for this esteemed journal as a torch bearer of this glorious Institute facilitating 'Good Corporate Governance' in India for the year 2017, flashbacks of my journey of Company Secretary profession from a small village of Sikar district of Rajasthan almost a decade back in the year 2005 on earning my Associate Membership from the Institute make a perfect picture before me, when the glory of the profession attracted me to explore horizons of Governance. Since then, I started living this profession every day and moment and today, I feel modest while holding the baton of leadership of the Institute.

I wish to express my gratitude for immense love and support to all my Fellow Members, my Predecessors, Central, Regional Council and Chapter Managing Committee Members, Chapter Officials and Team ICSI, not to forget

my dear Students, who appreciated and valued my travails for elevating this revered profession to the next level. Representing our profession at various platforms at national and international platforms in this year at such a young age, though, is a matter of pride for me, yet, at the same time, I know, it is a strenuous as well as industrious assignment. But, it is my promise to put in best of my efforts, zeal and dedication and to not let my cherished stakeholders down in their expectations and premonitions from me and the Institute as well.

Youth is the most cherished asset of any Nation and they are truly, the dreamers of tomorrow. We cannot build the future for our youth, but we can build our youth for the future, an American President once said. Father of the Nation Mahatma Gandhi remarked so beautifully 'The future of India lies in its villages'. Friends, myself, being the face of the Youth

and Rural India both, which represent the largest pie of our nation in general and CS Fraternity in particular, I promise to initiate a series of steps to promote both young CS and also those belonging to rural background, so that both of these may get their due share and represent Indian CS profession on the global platforms. I will strive to turn young members in agile and brilliant Governance Professionals of the future and provide them with every possible opportunity to arch their future and the profession as a whole.

Under my leadership, my team in ICSI is working on carving a Vision Document in line with Vision and Mission of ICSI as a path-breaking quest of new professional paradigms. While doing this, we are keeping following Shaloka from Bhagwad Gita in mind:

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।
मा कर्मफलहेतुर्भूमां ते सङ्गोऽस्त्वकर्माणि ॥ २-४७

**(You have the right to work only
but never to its fruits.**

**Let not the fruits of action be your motive,
nor let your attachment be to inaction.)**

I will be unveiling this Vision Document in upcoming communications about the strategies to project 'Brand CS India' on a lofty pedestal of global recognition. We have a clear objective in mind to integrate Indian Corporate Governance profession with World Class Institutions for enhanced recognition of our profession.

Further, we have to broaden our horizon and unite the cause of Corporate Governance with **National Governance**, thereby, lending our full support to our policy makers to on matters pertaining to national interest to make our Nation a Global leader in Governance. It will call for imbibing the motto "**Change, Emerge & Lead**" in our professional initiatives and spreading the wings of our profession. I will make it a point to extend the services of the Institute in hidden or novel areas, where there is ample scope to prove our potential. It will be my wholehearted effort to deliberate on all suggestions and implement the ideas which

are in the best interest of the profession.

On a signing off note, I will quote example of determination and strenuous will of eminent Economist and Professor Muhammad Yunus who is founder of the Grameen Bank of Bangladesh, for which he was awarded the Nobel Peace Award in 2006. It was single minded determination of a man from modest background with a mission in his mind to uplift unorganized rural communities. Therefore, reading his and myriad other biographies of such determined persons having humble beginnings make my belief firm that I, with the unyielding support of all my fraternity, regulators and well wishers, will be able to do justice to my responsibilities as the President and lead ICSI on its journey towards excellence.

Best wishes.

Yours sincerely



February 05, 2017
New Delhi

(CS (Dr.)Shyam Agrawal)
president@icsi.edu

Highlights of the Budget 2017

» P-17

T.N. Pandey

An unsavoury impact of demonetization was cash crunch created by huge bunch of Rs.500 & Rs.1000 notes (of nearly Rs.15.40 lakh crore value) declared as illegal tender and the RBI not being able to replenish this gap by new notes in a fast way. Hence, there arose a need for developing alternate ways for meeting such crisis. The PM advocated for resorting to digitization for meeting such situation and also for developing cashless economy and suggested ways and means for doing so. This process has been carried forward in the budget exercises by the FM on 1.2.2017. The author, in this article, has examined the general aspects relating to digitization and move towards cashless economy and how the FM has extended this concept through the medium of direct and indirect tax laws. He has, however, quoting from the 'Economic Survey' expressed the note of caution that over-zealousness in this matter needs to be avoided.

Merger and Amalgamation under Companies Act, 2013- Dispensation of Meeting of Members by National Company Law Tribunal (NCLT), a grey area but not a grave area.

» P-21

Dr. U.K. Chaudhary, Manisha Chaudhary and Ravi Kumar

Merger and Amalgamation under Companies Act, 2013- dispensation of meeting of members by National Company Law Tribunal (NCLT), grey area but not a grave area. The Article deals with and tries to find the answer of an important question that has been aroused due to a very recent judgement passed by the National Company Law Tribunal (the Tribunal), in the case of JVA Trading Private Limited and C & S Electric Limited, a scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013, read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in which it has been held that the Tribunal does not have the power to dispense with the requirement of convening of meetings of members even if the written consent of requisite number of members have already been produced before it. This Article thus is an attempt to discuss and analyse the law on the subject and to reach a just and fair proposition of law in this regard, as already in existence, under the Companies Act, 1956 and English Law, on the subject.

Calling of General Meetings

» P-26

Pradeep K Mittal

The article elaborately discusses the provisions relating to calling of General Meetings by the company in accordance with the provisions of the Companies Act 2013 read with Companies (Management and Administration)

Rules, 2014 and National Company Law Tribunal Rules, 2016 duly supported by legal precedents.

Meeting of Independent Directors (Under Schedule IV of Companies Act 2013 and the Listing Regulations)

» P-33

Prof. R. Balakrishnan

The Companies Act 2013 contains several provisions for independent directors which are in line with the changing needs and also in line with listing agreement which is now replaced by Listing Obligations and Disclosure Requirements Regulations. The provisions relating to independent directors in Companies Act 2013 are to ensure greater transparency and independence and at the same time to bring value to the company by providing input on strategy, business, marketing, legal, compliance and other matters including performance of monitoring functions. The Companies Act 2013 imposes a higher level of responsibility by clearly defining independent directors' role, code of conduct for them, having separate meetings themselves without executive /non-executive directors and management team. This article is making an attempt to analyze the provisions relating to "Meetings of independent directors" and related procedural issues and the role of the company secretary. Company secretary being a professional and expert could assist the independent directors in conducting the meeting and add value to the meeting which would bring efficiency and effectiveness in the board room and take the corporate governance to greater height as spelt out in the Secretarial Standard-1 issued by the ICSI which is now mandatory as per sub-section (10) of section 118 of Companies Act 2013.

Board's Report under the Companies Act, 2013 - An ambitious step towards better corporate governance

» P-37

Payel Jain

Even after two years of the Companies Act, 2013 in place, the exact inclusion and exclusion in the Report of the Board of Directors still remains a challenge. With information scattered and placed at different places within the Act, Rules prescribed under different sections of the Act, SEBI Regulations and other legislations, the Author has made an attempt to collate and bring them at one place so as to be useful to the readers. With the penal provisions being stricter and the recent NCLT orders also indicating an era of high penalty regime, one has to be very careful and diligent in complying with the provisions of the Act. With such onerous and enhanced disclosure requirements in place, the role of Company Secretaries as Governance Professionals also increases manifold which gives them the opportunity to carve a niche for themselves.

Sick Companies: Legal Scenario and Coming out strategy P-42

Anil Sharma

The Sickness of the business always has the effect on the mind of entrepreneurs. At that time he can't concentrate and work upon the coming out strategy. In this Article, guidance is given to formulate strategy to come out of sickness. Multifold strategies are required to be adopted in tandem as single strategy does not work. Three strategies i.e. Business Strategy, Legal Strategy, Relationship Strategy are explained in details. The soundness of these strategies and their execution help in coming out of the sickness. Further an attempt has been made to describe the legal scenario relating to Sick Companies. With the operationalization of the Insolvency and Bankruptcy Code, 2016, there are visual changes in this scenario which are explained in brief in this Article.

Status of Legal Fiction: 'Deemed unable to Pay its Debts' - when winding up notice is not signed by the person authorised by The Board of Directors P-46

V P Chhabra

Winding up provisions of Companies Act, 2013 have become effective from 15.12.2016. Section 271 provides the circumstances in which Company may be wound up and sub-section (2) provides that when a winding up notice is given and company fails to pay/settle the sum within twenty-one days the company shall be wound up. In the Companies Act, 1913 Section 163 was on the lines of Section 271 of the Companies Act, 2013 where it was not mentioned clearly that in the case of companies winding up notice should be signed by person authorized by the Board. Under the Companies Act all powers are with the Board and individual Director/even the Chairman has no power except the specifically delegated powers. It was held by courts that winding up notice given in routine by counsel of company was not valid and Section 163 of the Companies Act, 1913 was amended by Indian Companies (Amendment) Act, 1936 and sub-section (2) was added which provided that specific authority of Board is required for winding up notice. On this point, after 100 years this provision has gone back to 1913 which needs to be amended and in the meantime professionals need to remain conscious on this point..

Value of Corporate Control (An Effective Tool to Apply) P-49

Sabyasachi Sengupta

Many acquisition/takeover deals (both of friendly and hostile natures) are justified on the basis of existence of an opportunity of gaining "corporate control" in the post

deal scenario. Under such circumstances, the investors are willing to pay large premiums over the ruling market price of target firms to control the management of these companies. The value that may be attributed to controlling a firm stems from changes that may be made to the existing management policies & practices which are likely to enhance the value of the target firm in the near future. These changes may cover several areas like liquidation of non-productive resources, undertaking appropriate debt restructuring exercise, changing the dividend policies so on and so forth. This article attempts to explain the conceptual framework for valuing "corporate control" giving due importance to the various practical realities encompassing the commercial world. An attempt had also been made to clarify the conceptual framework with the help of two simple hypothetical examples that may aid financial analysts and managers to put such concepts into effective practice while assessing the true "value of control" embedded in such prospective acquisition/takeover deals.

RESEARCH CORNER P-53

GST: A Real Impact on Indian Economy P-55

Meenu Gupta

GST concept is not new to World, since keeping in mind governance, accounting and making a single line of tax system, undoubtedly there is a need of GST in India. It is not just a tax reform, but truly a black money law and the biggest social reform that the country has ever seen since Independence. While the enthusiasm of Govt. to work towards speedy introduction of GST is appreciable, it is imperative that the Model GST Law is riddled with flaws that will jack up the compliance costs, if not addressed by Govt. in timely manner, so that companies are ready for transition in time and any unwarranted litigation is avoided. Businesses need to ready themselves to sprint the final lap towards GST which requires a continuous chain of unlearning and relearning as several existing concepts and practices would fade away in times to come. The author, through the research paper, undertakes detailed impact analysis of introduction of GST in Indian Economic Development

Developments of International Corporate Governance and Construction of Corporate Governance Index for Banks P-61

Naresh Kumar and Dr. Sudesh

Today, corporate governance is looked upon as a distinctive brand and benchmark in the profile of corporate excellence and issue of corporate governance has assumed a lot of importance. Governance is a

necessary discipline and proper governance would lead effectiveness and transparency in the functioning of any corporate entity. The compliance of corporate governance has been given top priority by the regulatory bodies with the objective of providing better and effective protection to investors and also to make the market confident and vibrant. The objectives of the present study are to understand the banking perspective of corporate governance, to study the developments of corporate governance through different Committees and Acts, recommendations at international level and to construct a corporate governance index (parameters based) for banks on which a bank can be rated. The study is purely based on secondary data. The study found that the codification of corporate governance and its effective implementation in true spirit would bring about radical change in the way in which banking companies are directed and controlled.

LEGAL WORLD

P-71

- **LMJ 16: 02: 2017** But under section 134 of the 1913 Act the obligation to send a copy of the balance-sheet and profit and loss account is dependent completely on its being laid before a general meeting. It is clear, therefore, that on principle and authority it should be held that no offence was committed by the directors in this case under section 134. [SC]
- **LW 09: 02: 2017** In view of the belated show cause notice being served on the appellant, the defence of the appellant that it was not in possession of the copies of Bill of Entry for the two transactions is plausible. [SC]
- **LW 10: 02: 2017** The sale/purchase price has to be adjudged on a combined consideration of the tax invoice or bill of sale as the case may be along with the accounts reflecting the trade discount and the actual price paid. [SC]
- **LW 11: 02: 2017** Though Section 10A, as amended, is a provision for deduction, the stage of deduction would be while computing the gross total income of the eligible undertaking under Chapter IV of the Act and not at the stage of computation of the total income under Chapter VI. [SC]
- **LW 12: 02: 2017** Mobile tower can be taxed as building, by the Municipal Corporation, for the purposes of property tax. [SC]
- **LW 13: 02: 2017** In our opinion, filing of an application without reply to the allegations of the plaintiff does not constitute first statement on the substance of the dispute. [SC]
- **LW 14: 02: 2017** The Court is satisfied that the impugned award is opposed to the fundamental policy of India as it has numerous glaring errors which appear on the face of the award. [Del]
- **LW 15: 02: 2017** The writ petition cannot be entertained and the same is dismissed due to failure to make the pre-deposit as ordered by the DRT, which is the mandatory requirement under Section 18 of the SARFAESI Act. [Del-DB]
- **LW 16: 02: 2017** CCI issues cease and desist order to DLF group to stop abuse of dominance by imposing unfair restrictions in the Flat Buyers' Agreement.

FROM THE GOVERNMENT

P-81

- Companies (Incorporation) Amendment Rules, 2017.
- Provisions of Companies Act, 2013 not to apply or apply with modification to specified IFSC Unlisted Public Companies.
- Provisions of Companies Act, 2013 not to apply or apply with modification to specified IFSC Private Companies.
- Companies (Incorporation) Fifth Amendment Rules, 2016.
- Removal of names of companies from the Register of Companies-clarification regarding availability of Form STK on MCA-21portal- reg.
- Date of coming into force the provisions of sections 248 to 252 of Companies Act, 2013.
- Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016.
- Delegation of Powers to RDs
- Procedures for Exchange Listing Control Mechanism
- Fair and transparent access to data feeds of the stock exchanges
- Criteria for Eligibility, Retention and re-introduction of derivative contracts on Commodities
- Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2017
- Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2017.
- Exclusively listed companies of De-recognized/Non-operational/exited Stock Exchanges placed in the Dissemination Board (DB).
- Guidance Note on Board Evaluation
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016
- Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2016
- Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and FPIs in International Financial Services Centre (IFSC).
- Securities and Exchange Board of India (Portfolio Managers) (Amendment) Regulations, 2016
- Reference to Circular no. FITTC/FII/02/2002 dated May 15, 2002- In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors.

OTHER HIGHLIGHTS

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- Members Admitted/Restored
- Certificate of Practice Issued/cancelled
- Licentiate ICSI Admitted
- Revision in the Annual Membership fee, Entrance Fee and Certificate of Practice fee for Associate and Fellow Members
- List of Practising Members/Companies Registered for Imparting Training
- Company Secretaries Benevolent Fund
- Regional News
- Ethics & Sustainability Corner
- GST Corner
- CG Corner
- Brain Teasers



- 1.▶ Outgoing President CS Mamta Binani putting the President's Collar to CS (Dr.) Shyam Agrawal the newly elected President of the Institute.
- 2.▶ Newly elected President of the Institute CS (Dr.) Shyam Agrawal pinning the ICSI insignia to CS Makarand Lele, the newly elected Vice President of the Institute.
- 3.▶ CS (Dr.) Shyam Agrawal Chairing the Council Meeting of the Institute.
- 4.▶ CS Dinesh C Arora presenting photo albums to CS Mamta Binani, the outgoing President of the Institute.
- 5.▶ Group Photo of incoming President, Vice President, outgoing President with Council Members and Secretary of the Institute.



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- 6.▶ Felicitation Function – CS Alka Kapoor felicitating CS (Dr.) Shyam Agrawal, the Incoming President of the Institute.
- 7.▶ Ankur Yadav felicitating CS Makarand Lele, the Incoming Vice President of the Institute.
- 8.▶ A view of the Council Members present on the occasion.
- 9.▶ A view of Team ICSI.
- 10.▶ CS Preeti Malhotra seen cutting the ribbon to mark the opening of the President's Office.



- 11. ▶ CS (Dr.) Shyam Agrawal and CS Makarand Lele seen presenting a bouquet to Arjun Ram Meghwal (Hon'ble Union Minister of State for Finance and Corporate Affairs).
- 12. ▶ CS (Dr.) Shyam Agrawal presenting a bouquet to Tapan Ray (Secetray, MCA) while CS Makarand Lele looks on.
- 13. ▶ Meeting of ICSI delegation with Additional Secretary, MCA – From Left: CS Dinesh C Arora, CS Makarand Lele, CS (Dr.) Shyam Agrawal and Pritam Singh (Addl. Secretary, MCA).
- 14. ▶ CS (Dr.) Shyam Agrawal presenting a bouquet to K V R Murty (JS, MCA). Also present on the occasion CS Makarand Lele.
- 15. ▶ CS (Dr.) Shyam Agrawal presenting a bouquet to A Asholi Chalai (JS, MCA).Others standing from Left: Preeti Kaushik Banerjee, CS Banu Dandona, CS Dinesh C Arora and CS Makarand Lele.
- 16. ▶ CMA Sanjay Gupta (VP, Institute of Cost Accountants of India) and CMA Amit Anand Apte (Council Member, Institute of Cost Accountants of India) presenting a memento at a meeting with the newly elected President, ICSI CS (Dr.) Shyam Agrawal and Vijay Kumar Jhalani (Govt. Nominee to the Central Council of the ICSI).



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17. SIRC – Amravati Chapter - National Seminar on GST & IBS - CS P Siva Kumar addressing. Others sitting from Left: CS K Srinivasa Rao, C Kutumba Rao (Vice Chairman, AP Planning Board), CS V Ahalada Rao and CS J V Rama Rao.
18. SIRC – Amravati Chapter - 1st Foundation Day Celebrations - CS K Srinivasa Rao addressing. Others sitting from Right: CS V Ahalada Rao, Koneru Sridhar (Mayor, Vijayawada Municipal Corporation), Kesineni Srinivasa (Nani) (MP Vijayawada) and other dignitaries.
19. WIRC – Bhayander Chapter - Full Day Seminar on New Opportunities for CS in New Era - CS Manish Baldeva addressing. Others sitting from Left: Adv. Harekrishna Ashar, CS Manoj Mimani, CS Ashish Garg, CS Praveen Soni and CS Sunil Agarwal.
20. Dubai Conference – Standing from Right: Sajith Kumar P K (CEO and MD, IBMC Group), Rashid Al Noori, Anurag Bhusan (The Consul General of India, Dubai), H.E. Sheikh Khalid Bin Ahmed Al Hamed (Chairman, IBMC International DMCC), H.E. Navdeep Singh Suri (Ambassador of India to the UAE), Ms. Mani, CS Mamta Binani, Ms. Neeta Bhusan (Deputy Chief of Mission, Indian Embassy, Abu Dhabi).
21. EIRC - Full Day Seminar on Company Secretary – The Road Ahead - Chief Guest CS M S Sahoo (Chairperson, IBBI) addressing. Others sitting from Left: CS Gautam Dugar, CS Ashok Purohit, CS Siddhartha Murarka, CS Sandip Kumar Kejriwal, CS Mamta Binani, CS S K Agarwala, and CS Rupanjana De.
22. EIRC – Group photo of Chief Guest Debashish Sen (CMD, WBHIDCO Ltd and Additional Chief Secretary, Govt. of West Bengal) and others at the Foundation Stone Laying ceremony and Bhoomi Poojan of the ICSI Centre of Excellence, Kolkata at Rajarhat while celebrating Uday Diwas.
23. EIRC – Hooghly Chapter - 3rd Annual Members' Conference – Seen in the picture from Left: CA Anirban Datta, CS Aditya Purohit, CS Deepak Kr. Khaitan and Chief Guest Manorama Kunhari (Member (Judicial), NCLT (Kolkata Bench).
24. 2nd ICSI - NIRC Convocation-2016 (1st Session) – Standing from Left: CS Manish Gupta, CS Vineet K Chaudhary, Dr. Justice Balbir Singh Chauhan (Chairman, Law Commission of India), CS Mamta Binani, Arjun Ram Meghwal (Hon'ble Union Minister of State for Finance and Corporate Affairs), CS (Dr.) Shyam Agrawal, CA Rajesh Sharma and CS Dinesh Chandra Arora.



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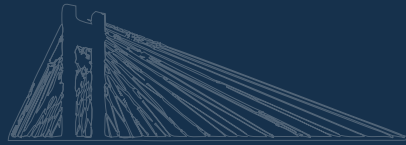


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- 25.► NIRC - Sensitization Workshop on CSR – A Road Ahead jointly with MCA – Sitting on the dais from Left: CS Nitesh Sinha, CS Puneet Duggal (RoC, Kanpur), CS D Bandopadhyay (RoC, NCT of Delhi & Haryana), CS Seema Rath (JD(CSR),MCA) and CS Pradeep Debnath.
- 26.► NIRC - Seminar on Rise-n Shine-Keeping Pace in the Marathon of Life – Sitting from Left: CS Nitesh Sinha, CS Dhananjay Shukla, CS Dinesh Chandra Arora, CS Manish Gupta, CS Ranjeet Pandey, CS Pradeep Debnath, CS Monika Kohli and CS Saurabh Kalia.
- 27.► SIRC - Half Day Seminar on Updates on Companies Act, 2013 - CS Ganapathi G M addressing. Others sitting from Left: Sarah Arokiaswamy, CS Nagendra D Rao, CS (Dr.) B Ravi, CS Chandra B and CS Mohan Kumar A.
- 28.► Meeting on Simplification of the Procedures under the Companies Act, 2013 – a view of the participants interacting on the topic.
- 29.► SIRC – Mysore Chapter – Session on Compliance for Investment by NRI & foreign Entities and Transfers – Sitting on the dais from Left: CS. Balakrishnan V.J., CS R V Seckar, CS Sivakumar P and CS Bhansali M.C.
- 30.► WIRC – Thane Chapter - ICSI- BSE Joint Seminar on Compliances under LODR and Secretarial Audit - Sitting from Left: CS Nitin Upadhye, Bharti Bhamwani (Assistant Manager, Listing Cell, BSE Ltd), CS P M Vala, Prasanta Mahapatra (General Manager, Corporation Finance Dept., SEBI), Nisha Mehta (Associate Manager, Listing Compliance Cell BSE Ltd), CS Anshu Shrivastava (Asst. Manager, Listing Compliance- Monitoring, BSE Ltd.) and CS Rahul Sahasrabudde addressing.
- 31.► NIRC – Jaipur Chapter – Half Day Seminar on Decoding the Insolvency and Bankruptcy Code - Ram Charan Bohra (Member of Parliament, Jaipur City) addressing. Others sitting from Left: CS Rahul Sharma, CS Susshil Daga, CS (Dr.)Shyam Agrawal, Nirmala Rawat (Social Entrepreneur) and CS Deepak Arora.
- 32-33.► Flag hoisting on the occasion of the Republic day Celebration at SIRO and at the ICSI- HQ.



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ARTICLES



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- MERGER AND AMALGAMATION UNDER COMPANIES ACT, 2013- DISPENSATION OF MEETING OF MEMBERS BY NATIONAL COMPANY LAW TRIBUNAL (NCLT), A GREY AREA BUT NOT A GRAVE AREA.
- CALLING OF GENERAL MEETINGS
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- BOARD'S REPORT UNDER THE COMPANIES ACT, 2013 - AN AMBITIOUS STEP TOWARDS BETTER CORPORATE GOVERNANCE
- SICK COMPANIES: LEGAL SCENARIO AND COMING OUT STRATEGY
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- VALUE OF CORPORATE CONTROL (AN EFFECTIVE TOOL TO APPLY)

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Highlights of the Budget 2017



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I. BOOST TO DIGITALIZATION AND CASHLESS ECONOMY

Stress on digitalization and cashless economy is a boon flowing from demonetization, which, otherwise, has been criticized on various counts. Cash crunch was witnessed during 9th Nov. to 30th Dec., 2016, when currency notes of Rs.500 and Rs.1,000 notes ceased to be legal tender and curbs were placed for withdrawal of new currency. Hence, ways and means were searched to find a solution to the cash crunch and it was during this period that the Prime Minister emphasized the need for digitalization and move towards a cashless economy. He stressed the need for this in his various addresses to the people of the country in his meetings and his continued emphasis for this, started yielding results and more and more people resorted to various modes like mobile banking, use of Aadhar cards for money transactions, BHIM app, etc. He exhorted the people that henceforth their thumb will be their bank. Various electronic devices started becoming a success and encouragement for this continued. The FM announced cash rewards for those using the digital mode of payment at petrol pumps and umpteen other places.

The budget has continued with the process of pushing for a digital economy set in motion

In furtherance of the demonetization measures announced in November 2016, the Budget for 2017 seeks to give a boost to digitalization and pave the way for a cashless economy. This article mainly outlines the proposals relating to digitalization of the economy more particularly how the tax laws will be used to achieve the above objective of digitalization and cashless economy. It also briefly states some other important tax and general proposals.

in the aftermath of the demonetization of high-value currency notes. The FM has said that there are plans to promote usage of the Bharat Interface for Money (BHIM) app through two new schemes: A referral bonus scheme for individuals and a cashback scheme for merchants. The app has been adopted by 125 lakh people so far, the Minister said.

Aadhar Pay, a merchant version of the Aadhaar Enabled Payment System (AEPS), will be launched shortly, he added. "This will be specifically beneficial for those, who do not have debit cards, mobile wallets and mobile phones".

The Govt. will set up a mission with a target of 2,500 crore digital transactions for FY 18 through UPI, Unstructured Supplementary Service Data (USSD), Aadhaar Pay, IMPS and debit cards. Banks have a target to introduce 10 lakh new point-of-sale (POS) terminals by March 2017. They will be encouraged to introduce 20 lakh Aadhaar-based POS terminals by September-2017.

The digital payment infrastructure and grievance-handling mechanism will be strengthened with a focus on rural and semi-urban areas through post offices, fair price shops and banking correspondents. Measures will be taken to promote or even mandate petrol pumps, fertilizer depots, municipalities, block offices, road transport offices, universities, colleges, hospitals and other institutions to have facilities for digital payments. A proposal to mandate all Govt. receipts beyond a prescribed limit through digital means is also under consideration.

The Govt. will review the Payment and Settlement Systems Act, 2007 in light of the proposals of the panel on digital payments headed by former Finance Secretary, Ratan Watal. These include the creation of a payments regulatory board in the RBI to replace the existing Board for Regulation and Supervision of Payment and Settlement of Systems.

* Former Chairman, CBDT and Special Secretary, Ministry of Finance.

The Govt. will set up a mission with a target of 2,500 crore digital transactions for FY 18 through UPI, Unstructured Supplementary Service Data (USSD), Aadhaar Pay, IMPS and debit cards. Banks have a target to introduce 10 lakh new point-of-sale (POS) terminals by March 2017. They will be encouraged to introduce 20 lakh Aadhaar-based POS terminals by September-2017.



Use Of Tax Laws To Encourage Digitalization

The Union Budget proposals presented to the Parliament on 1st February contain provisions, which will encourage people to resort to electronic modes of payments, avoiding cash transactions. In the discussion to follow, the measures proposed under the Indirect Tax laws like Customs and Excise duties and service tax legislation and direct taxes like Income Tax Act, 1961 are being outlined.

Indirect Taxes Acts

The FM, through his budget proposals has waived off all service charges from e-ticket booked for train reservations, which is reported to have gone up from 58% to 68% in the past one year.

He has removed all duties on devices for digital payments such as point of sale machines, finger print readers, etc. He has observed in his budget speech thus: "To promote cashless transactions, I propose to exempt BCD (basic custom duties), excise duties, CVD (countervailing duties), SAD (special additional duty) on miniaturized card readers and mPOS micro ATMs standards for version 1.5.1, finger print readers, scanners and iris scanners".

This would mean that tax savings of anywhere between 5% to 12% for digital payment machine manufacturers. However, the FM has failed to give tax incentives for startups that would help push digital payments. The budget has only proposed 3 years out of 7 years of tax holiday, only if a startup is profitable.

Measures for promoting digitalization under the I.T. Act

Promoting digital payment in cases of small unorganized sector

To encourage merchants towards digital transactions, the budget has reduced the presumptive taxation rate from 8% to 6% on non-cash revenue. Simply put any money that a merchant earns from digital payments only 6% will be deemed as the profit on which tax will have to be paid.

Restriction of cash transactions

In order to achieve the mission of the Govt. to move towards a less cash economy to reduce generation and circulation of black money, it is proposed to insert section 269ST in the Act to provide that no person shall receive an amount of three lakh rupees or

more –

- [a] in aggregate from a person in a day;
- [b] in respect of a single transaction; or
- [c] in respect of transactions relating to one event or occasion from a person,

otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account.

The restriction is not to apply to Govt., any banking company, post office savings bank or cooperative bank. Further, it is proposed that such other persons or class of persons or receipts may be notified by the Central Govt. for reasons to be recorded in writing, on whom the proposed restriction on cash transactions shall not apply. Transactions of the nature referred to in section 269SS are proposed to be excluded from the scope of the said section.

Restricting cash donations

Under the existing provisions of section 80G, deduction is not allowed in respect of donation made of any sum exceeding Rs.10,000/-, if the same is not paid by any mode other than cash. In order to provide cashless economy and transparency, it is proposed to amend section 80G so as to provide that no deduction shall be allowed under section 80G in respect of donation of any sum exceeding two thousand rupees unless such sum is paid by any mode other than cash.

Disallowance of depreciation on cost of assets and capital expenditure u/s 35D acquired by cash payments

In order to discourage cash transactions even for capital expenditure, it is proposed to amend the provisions of section 43 of the Act to provide that where an assessee incurs any expenditure for acquisition of any asset in respect of which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft or use of electronic clearing system through a bank account exceeds ten thousand rupees, such expenditure shall be ignored for the purposes of determination of actual cost of such asset. It is further proposed to amend section 35AD of the Act to provide that any expenditure in respect of which payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or an account



payee bank draft or use of electronic clearing system through a bank account, exceeds ten thousand rupees, no deduction shall be allowed in respect of such expenditure.

Other Measures To Discourage Cash Transactions

In order to disincentivise cash transactions, it is proposed to amend the provision of section 40A of the Act to provide the following:

- (i) To reduce the existing threshold of cash payment to a person from twenty thousand rupees to ten thousand rupees in a single day; i.e. any payment in cash above ten thousand rupees to a person in a day, shall not be allowed as deduction in computation of Income from "Profits and gains of business or profession";
- (ii) Deeming a payment as profits and gains of business of profession if the expenditure is incurred in a particular year but the cash payment is made in any subsequent year of a sum exceeding ten thousand rupees to a person in a single day;
And
- (iii) Further expand the specified mode of payment under respective sub-section of section 40A from an account payee cheque drawn on a bank or account payee bank draft to an account payee cheque drawn on a bank or account payee bank draft or use of electronic clearing system through a bank account.

II. HIGHLIGHTS CONCERNING DIRECT, INDIRECT TAXES AND SOME GENERAL ASPECTS

Direct Taxes (Income Tax)

Individual taxpayers

*5%, not 10%, to be the tax rate for individuals with annual income between Rs.2.5 lakh and Rs.5 lakh.

*Zero tax on income upto Rs.3 lakh per annum.

*Rs.2,500/- tax liability for people with income between Rs.3 lakh

and Rs.3.5 lakh.

*Zero tax liability on income of Rs.4.5 lakh if the limit of Rs.1.5 lakh u/s 80C is used fully.

*Rs.12,500/- uniform benefit for taxpayers in Rs.5 lakh to Rs.50 lakh category.

*No tax relief for senior citizens (aged 80 years or more)

*One-page form to be filed as income-tax return for individuals having taxable income of upto Rs.5 lakh other than business income.

*10% surcharge to be levied on tax payable on categories of individuals, whose annual taxable income is between Rs.50 lakh and Rs.1 crore.

*15% existing surcharge on tax for people earning more than Rs.1 crore stays

Corporate taxpayers

*51% of voting rights as a condition for carrying forward to start-ups losses has been relaxed subject to the holding of the original promoter/promoters continuing.

*25% to be the reduced tax rate for companies with annual turnover of upto Rs.50 crore. About 96% of all companies will benefit from this.

*15 years to be the carry forward period for minimum alternate tax (MAT), instead of 10 years at present, to enable companies to use MAT credit in future years.

*5% concessional withholding rate charged on interest earned by foreign entities in external commercial borrowings or in bonds and Govt. securities extended to June, 30, 2020.

*Tax neutral conversion of preference shares to equity shares has been proposed.

Others

A draft bill to curtail the menace of illicit deposit schemes has been placed in the public domain and will be introduced shortly to protect poor and gullible investors.

*No notional income to be taxed in respect of house properties held as stock-in-trade.

*Extension of eligible period (upto 1st July, 2020) of concessional rate of tax on interest in case of ECB and Rupee Denominated Bonds.

*Provision relating to tax deduction at source in case of fees for professional or technical services u/s 194J has been simplified.

*Sections 211 & 234C, relating to advance tax payments, have been rationalized.

*Time limits for completion of assessments and re-assessments have been rationalized and that for filing revised return has been reduced.

In order to discourage cash transactions even for capital expenditure, it is proposed to amend the provisions of section 43 of the Act to provide that where an assessee incurs any expenditure for acquisition of any asset in respect of which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft or use of electronic clearing system through a bank account exceeds ten thousand rupees, such expenditure shall be ignored for the purposes of determination of actual cost of such asset.

*Certain exempt categories of taxpayers will have to file returns mandatorily.

*Survey can be conducted at places where a charitable organization carries on its activities.

*Income from carbon credits has been made liable to tax @ 10%.

*Number of changes have been proposed concerning political parties. The important one is that they cannot receive donation exceeding Rs.2,000/- and above in cash.

*Base year has been shifted from the year 1982 to 2001 for computation of capital gains.

*Holding period for treating long-term capital gains in the case of immovable properties has been reduced from 3 years to 2 years.

*Some changes have been proposed for encouraging digitalization. Important amongst these is banning of cash transactions above Rs.3 lakh.

Indirect Taxes

Not many changes have been made concerning Indirect Taxes because of GST law is coming into force shortly. However, to promote cashless transactions, the FM has removed all duties on devices for digital payments such as point of sale(s) machines, finger print readers, etc. This would mean tax savings anywhere between 5% to 12% for digital payment machine manufacturers.

*There have been no changes concerning Service Tax except providing for some rationalization measures.

*Excise duty on some categories of cigarettes and tobacco products like jarda and pan masala and biris has been increased. In some cases, like solar products, resin and catalyst, the duty has been reduced.

*Some changes have been made concerning custom duties and amendments in Customs Act, which are not very significant.

General aspects

*90% FDI already coming through automatic route, hence the Foreign Investment Promotion Board (FIPB) will be abolished in 2017-18.

*The commodities markets will undergo reforms. A panel will study and promote creation of an operational and legal framework to integrate spot market and derivatives market for commodities trading.

*Ordinary Indians, dreaming of owning a house, will benefit as allocation for the Prime Minister Awas Yojana is being raised from Rs.15,000 crore to Rs.23,000 crore, though no specific incentives were announced for first-time buyers.

*The focus area of Railways will hinge on two aspects – safety and upgrading passenger amenities. A Rail Safety Fund, with a corpus of Rs.1 lakh crore, has been announced.

*Infrastructure get boost by allocation of Rs.3.96 lakh crore.

*Housing sector gets infrastructure tag.


*1 crore families, to be out of poverty line in next 2 years.

CONCLUDING COMMENTS

The foregoing discussion gives an account of measures taken by the Govt. to usher in cashless economy. However, merely taking resort to legislative measures may not provide a foolproof solution to the problem. The mindset of the people will need to be changed. For this, proper publicity through media, meetings at business centres, more incentives of the nature as announced by the FM sometime back and similar other measures will have to be thought of on a larger scale. However, it needs to be realized that strict compliance, not appreciating the circumstance under which cash payment has been made or received may not be appropriate. The Economic Survey placed before the Parliament on 31.01.17 has struck precautionary notes on any aggressive push for digitalization when it says:-

“Digitalization is not a panacea, nor is cash all bad. Public Policy must balance benefits and cost of both forms of payments. The transition to digitalization must be gradual; take full account of the digitally deprived; respect, rather than dictate choice and be inclusive; rather than controlled”.

Suggesting that digitalization drive was a potentially powerful stick, “it now needs carrots as compliments”. There could be monetary incentives, tax reliefs, lower stamp duties, reduction in corporate taxes and similar other measures. The survey has also observed that the Tax Dept. should not get overzealous and harass taxpayers.

The survey’s approach seems to be on right lines and needs to be followed in pushing the digitalization move. 

Merger and Amalgamation under Companies Act, 2013- Dispensation of Meeting of Members by National Company Law Tribunal (NCLT), a grey area but not a grave area.



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BACKGROUND

A very recent order of the National Company Law Tribunal (the Tribunal), in the case of JVA Trading Private Limited and C & S Electric Limited, relating to a scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013, read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, has raised an interesting question of law for extensive debate and discussion. The Tribunal in the said case has held- “we are not inclined to grant dispensation taking into consideration the provisions of Companies Act, 2013 and the rules framed there under, both of which expressly do not clothe this Tribunal with the power of dispensation in relation to the meeting of shareholders/members. On the other hand reference to section

The National Company Law Tribunal, in a recent case has ruled that it has no power to order dispensation of the meeting of members or class of members for considering proposed compromise or arrangement, though section 230(9) of the Companies Act, 2013 expressly provides for dispensation of meeting of creditors. However this article, after analyzing the provisions of the present and earlier Acts opines that the Tribunal has the power to order dispensation of such a meeting.

230(9) of the Companies Act, 2013, which provision was relied by the Learned Counsel for the applicants discloses that the Tribunal may dispense with the calling of a meeting of creditor or class of creditors, where such creditors or class of creditors, having at least ninety per cent value, agree and confirm, by way of affidavit, to the scheme of compromise or arrangement and does not provide for dispensation of the meeting of members. Further the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 more specifically Rule 5 which provides for directions to be issued by this Tribunal discloses that determining the class or classes of creditors or of members meeting or meetings have to be held for considering the proposed compromise or arrangement; or dispensing with the meeting or meetings for any class or classes of creditors in terms of sub-section (9) of section 230. Keeping in view the above provisions, dispensation of the meeting of members of the company cannot be entertained...”

This Article is an attempt to discuss and analyse the law on the subject and to reach a just and fair proposition of law in this regard, as already in existence, under the Companies Act, 1956 and English Law, on the subject.

INTRODUCTION

Merger and Amalgamation has been recognized as one of the many ways of corporate restructuring and used by corporates for ages as an important corporate strategic weapon, in the hands of internal management, namely shareholders/members and the Board of Directors appointed by them. Therefore, the provisions relating to compromise and arrangements (including mergers and amalgamation) under Companies Act, 1956 came under the scanner of many High Courts as well as of the Supreme Court of India

* Past President of ICSI.



and as a result of the same, many substantive and procedural aspects of this corporate jurisdiction are now well settled and enshrined in the company jurisprudence.

However, while drafting the provisions of Companies Act, 2013, the law makers on the one hand tried to cover some of the grey areas of compromise and arrangements and also tried to provide more clarity on various aspects of compromise or arrangement, but on the other hand ignored the well settled principles of law. The new provisions relating to compromises, arrangements or amalgamations leave many grey areas and rules of interpretations and also have given rise to various new issues in this regard. One such issue is whether the National Company Law Tribunal (the Tribunal) has the power to dispense with the meeting of members or class of members? The question becomes highly debatable due to the provisions of section 230(9) which expressly provides for dispensation of meeting of creditors, but no such express provisions are there for dispensation of meeting of shareholders, as interpreted by the Tribunal, recently while considering a case of amalgamation as mentioned above. The Tribunal reached a conclusion that it is not clothed with the power to dispense with the meeting of members or class of members. Let us examine whether it is truly so?

COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS

Provisions relating to compromises, arrangements and amalgamations are covered under Chapter XV of the Companies Act, 2013 and under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The said provisions of the Act came into force w.e.f. 15th December, 2016 vide notification S.O. 3677(E) dated 07th December, 2016.

Power of the Tribunal to order the meetings in compromise or arrangements with creditors and members [Section 230(1)]

Pursuant to section 230 (1) of the Companies Act, 2013, where a compromise or arrangement is proposed between a company and its creditors or class of creditors or between a company and its members or any class of members, the Tribunal may, on the

application of the company or of any creditor or member of the company, or in the case of a company which is being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members or class of members, as the case may be, to be called, held and conducted in such manner as the Tribunal directs.

Power of the Tribunal to order the meetings in merger and amalgamation of companies [Section 232(1)]

Pursuant to section 232(1) of the aforesaid Act, where an application is made to the Tribunal under section 230 for sanctioning of compromise or arrangement proposed between a company and any such persons as are mentioned in that section, and it is shown to the Tribunal that the compromise or arrangement has been proposed for the purpose of or in connection with merger or amalgamation of any two or more companies, the Tribunal may, on such application, order a meeting of the creditors or class of creditors or the members or class of members, as the case may be, to be called, held and conducted in such manner as the Tribunal may direct. Further it has also been provided that in case the meeting has been ordered by the Tribunal then the provisions of section 230(3) to (5) shall apply *mutatis mutandis* to such meetings which basically provide the manner of giving of notices to such members, creditors and other statutory authorities and further the calling, holding and conducting of meeting(s) of such creditors and members.

ANALYSIS OF SECTION 230 (1) AND 232(1)

On perusal of the language of the aforesaid provisions, it seems in the first instance that it is the discretion of the Tribunal whether to call the meeting of the creditors or class of creditors or the members or the class of members, as the case may be, or to dispense with the requirement of the same in certain circumstances of each case as may be considered just and fair. The use of the word 'may' in section 230(1) itself is significant and needs careful examination for its impact on the powers of the Tribunal. In this regard, reference be made to the observations in the treatise of 'The Guide to Companies Act' 17 Edition; Page 4669 where it is commented that "The word 'may' is used only to indicate the discretionary power to be exercised by the court in respect of matters under this section."

WHAT IS TRUE FOR COURT IS EQUALLY TRUE TO TRIBUNAL

However, section 230(9) of the Companies Act, 2013 is considered by the Tribunal as a limitation on the aforesaid power of the Tribunal of dispensing with the meeting of members as it specifically provides that the Tribunal may dispense with the calling of meeting of creditors or class of creditors, where such creditors or class of creditors, having at least 90% value, agree and confirm, by way of affidavit, to the scheme of compromise or arrangement and this specifically clothes the Tribunal with the power of dispensation in respect of creditors, but no such subsection is framed for dispensation of members' meeting. It is pertinent to mention here that in case the meeting, as aforesaid, has been ordered by the Tribunal, then at such meeting, the scheme is required to be approved by a majority of persons representing three fourths in value of the creditors or class of creditors or members or class of members, as the case may be. Does that necessarily mean that the Tribunal has no power to dispense with the meeting of members or class of members specially where the requisite consent of three fourths majority or 100% is obtained in writing prior to the filing of the petition under section 230(1) of the present Act?

AREA OF CONSIDERATION

Therefore, the important issue in relation to a scheme of merger or amalgamation faced by the corporates at present is whether the Tribunal has the power to dispense with the meeting of members in case consent by requisite majority of members i.e. anywhere between 76% to 100% is given in writing, before filing the scheme of amalgamation, as there is no specific provision in this regard under the present Act, unlike the specific provisions that have been incorporated in relation to the dispensing of the meeting of creditors or any class of creditors, as the case may be under the present Act? The confusion is compounded by the language of Rule 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, which provides for the directions to be given at the hearing of the application under section 230(1) of the said Act. Rule 5(1) of the said rules provides that upon hearing of application under section 230(1) of the Act, the Tribunal shall, unless it thinks fit for any reason to dismiss the application, give such directions as it may think necessary in respect of the matters provided in the said rule. Clause (a) of the said rule reads that the Tribunal shall determine the class or classes of creditors or of members whose meeting or meetings have to be held for considering the proposed compromise or arrangement; or dispensing with the meeting or meetings for any class or classes of creditors in terms of section 230(9) of the said Act. The answer to the issue in question lies in the various judgements under the relevant provisions of the Companies Act, 1956, from many High Courts and Supreme Court of India, as examined hereinafter.

POSITION UNDER THE COMPANIES ACT, 1956

Under the earlier Companies Act, 1956, sections 391-394 read with Companies (Court) Rules, 1959 contained the provisions with regards to compromise and arrangements and amalgamation. It may be noted that, (i) there was no specific provision for dispensation of meeting of shareholders/members and even of creditors under the earlier Act or rules, and (ii) the High Courts (which means company court so designated) like the Tribunal, are also the creation of the statute, but the High

Court used to dispense with the requirement of convening of meeting of members or creditors upon production of written consent of requisite majority of such members or creditors, particularly when consent was 100% or close to 100%. Ordinarily, the convening of meetings of members and creditors is a must. But it has been established through various judicial pronouncements over the years that meetings may be dispensed with by the High Court not as a matter of right but at the discretion of the court, not based on the power of the court, clothing it by the provisions of the Act, but on the principles of just and fair, and principles and doctrine of acquiescence. It has also been held that such discretion under exceptional circumstances, must be exercised in favour of the applicants. In this regard reference be made to the decision of *B.V. Gupta v. Bangalore Plastics*, CA No. 1676/1981 (unreported) (Karnataka) applied in *S.M. Holding Finance P. Ltd. v. Mysore Machinery Manufacturers Ltd.*, (1993) 78 Comp. Cas. 432 (Kar.).

The most important part in the said decision of *B.V. Gupta*, is the reliance upon the doctrine of acquiescence to clothe the court with the power of dispensation, in absence of any specific power of the court, under the Companies Act. It was thus observed: "A third exception to the rule that all the shareholders of a company must cast their votes in a formally called meeting is made by the doctrine of acquiescence. If all the shareholders acquiesce in a certain arrangement, the question of a meeting having been called does not arise at all."

In law, the doctrine of acquiescence occurs when a person knowingly stands by without raising any objection to the waiver of their rights, while someone else unknowingly and without malice and as an afterthought makes a claim on their rights.

The aforesaid doctrine of acquiescence has also been recognized by the High Court of Delhi in the case of *Mazda Theatres Pvt. Ltd. and Anr. v. New Bank of India Ltd. and Ors.* (1975) ILR 1 Delhi on the same lines as above. What comes out from the said judgement is that the written consent given by shareholders is sufficient for dispensation of their meeting.

The relevant paras of the said judgement are reproduced hereunder:

"(14) Inroads have however, been made on this formal doctrine. Firstly, the consent of all the shareholders given even outside a meeting is sufficient to comply with the requirement of a meeting. After this principle was established by judicial decisions, a legislative recognition was given to it by paragraph 5 of Part II of Table A of the English Companies Act, 1948 which applies to the management of a private company limited by shares and is relevant for our purpose. It runs as follows:-

"SUBJECT to the provisions of the Act, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held."

Further, section 143 of the English Companies Act, 1948 now expressly enables written resolutions which are not passed at a general meeting to be registered. This change is reflected in India also. Under section 82 of the Indian Companies Act, 1913, special and extraordinary resolutions passed at general meetings alone were capable of being registered. But section

It seems that it is the 'doctrine of acquiescence' which clothed the High Court(s) with the power to dispense with the meetings of shareholders under the earlier Act in the absence of any specific power to do so, also clothes the Tribunal under the Companies Act, 2013 with the power to dispense with the meeting of members under the present Act. It will be very appropriate in law to say that the 'doctrine of acquiescence' is the sufficient clothing power, based on which the Tribunal may grant the dispensation of meeting of members, when written consent of all or requisite majority of members has been obtained.

192 of the Companies Act, 1956 enables written resolutions not passed at general meetings to be registered.

(15) The second inroad on the requirement of a formal meeting is that the consent of the shareholders may be ascertained without calling any meeting at all. Further, the doctrine of lifting the veil of incorporation and looking at the reality of the action of the members of the company enables us to hold that the consent of the overwhelming majority of the shareholders outside a meeting is sufficient to show that the resolution was supported virtually by all the members of the company. Professor L. C. B. Gower calls this as "informal ratification by the members of the acts done on behalf of the company." He draws the distinction between the formal and the informal acts as follows:-

"THE law normally insists that only a resolution duly passed at a meeting of the company can be regarded as an act of the company itself. In a number of cases, however, the question has arisen whether something less formal than a resolution passed at a duly convened meeting will suffice. In other words, can the veil be lifted so as to equate a decision of the members with a decision of the company itself ?"(The Principles of Modern Company Law, 3rd Edn., pages 206-209). Decisions on this subject may be classified into (a) those requiring a formal compliance, and (b) those requiring only a substantial compliance. Formal compliance:- In *Re George Newman Ltd.*, (1895) 1 Ch. 674 it was held by Lindley L. J., that "individual assents given separately may preclude those who have given them from complaining of what they have sanctioned, but for the purpose of binding a company in its corporate capacity individual assents given separately are not equivalent to the assent of a meeting." In *Re*

Express Engineering Works, (1920) 1 Ch. 466, and in *E. B.M.Co. Ltd. v. Dominion Bank*, (1937) 3 A.E.R. 555, the decisions proceeded on the view that the consent of all the shareholders was necessary if no meeting was called. Substantial compliance:- In *Parker & Cooper Ltd. v. Reading*, (1926) Ch. 975, the decisions in *Re George Newman Ltd.* (11) and in *Re Express Engineering Works* (12) were fully considered but were distinguished on the ground that the transactions requiring ratification in those cases were illegal. It was held that when transaction was not illegal it was not necessary that the shareholders should meet in a meeting summoned for that purpose if the transaction is an honest bona fide one entered into for the benefit of the company. In *Re Duomatic Ltd.*, (1969) 2 W.L.R. 114(15), also no meetings of the shareholders were called. Of the transactions to be ratified one was ratified by all the shareholders but the other was not

approved by the minority ordinary shareholders but only by the holder of the majority of shares. The minority shareholders did not object. The ratification was held to be valid. All the relevant case-law was reviewed before the decision was arrived at.

(16) Do the facts of the present case warrant a holding that the provisions of section 391 were substantially complied with? We are inclined to answer this question in the affirmative.

(19) A third exception to the rule that all the shareholders of a company must cast their votes in a formally called meeting is made by the doctrine of acquiescence. If all the shareholders acquiesce in a certain arrangement, the question of a meeting having been called does not arise at all. Professor R. R. Pennington in the third edition of his "Company Law" at pages 557-558 has expressed this doctrine of acquiescence in the following words:-

"THE court has said in some cases that a company may be treated as bound by a resolution, even though it is not shown that it was duly passed at a general meeting or that it was assented to by all the members. Thus, it has been held that a company loses its right to rescind a contract with its promoters if substantially all its members are aware of the right to rescind and fail to act for an unreasonable length of time. (*Erlanger v. New Sombrero Phosphate Co.* 1878 3 A.C. 1218 . It has also been held that a company could not sue its directors for borrowing beyond the powers conferred on them by the articles (*Re Norwich Yarn Co. Ex parte Bignold* (1856) 22 Beav. 143, nor treat an irregular surrender of partly paid shares as void (*Phosphate of Lime Co. v. Green* (1871) L.R. 7 C.P. 43, when all the members had an opportunity of discovering the irregularity, and no one had taken steps to challenge it for several years. Similarly, where members of a company which had gone into voluntary liquidation took an active part in the liquidation proceedings, fully aware of a procedural defect in the passing of the resolution to wind up the company, it was held that neither they nor the members who voted for the resolution could challenge its validity (*Re Bailey, Hay & Co. Ltd.* (1971) 3 A.E.R. 693. Again, where no properly subscribed articles had been filed on the incorporation of a company, but it had acted for many years as though an informal document which had been filed contained its articles, it was held that the members must be taken to have adopted the informal document as the company's articles (*Ho Tung v. Man On Insurance Co.* (1902) A.C. 232. It is submitted that the first three of these cases can be explained by the fact that the company was asserting a right against the other party to the

litigation which could be lost by acquiescence, and that when acquiescence by a company is alleged, it is not necessary to show that every member of it expressly or tacitly assented to what was done. The fourth case (*Re Bailey, Hay & Co. Ltd.*) was one in which the company sought to recover money paid to the members in question as a fraudulent preference, and they relied on the invalidity of the winding up resolution as a defense, clearly it is right that a member should not be able to challenge the validity of a liquidation when he has acquiesced in the liquidator's acts or has allowed it to continue without drawing the liquidator's attention to the defect of which he complains, but in the instant case the court merely treated him as estopped from pleading the invalidity as a defense, and it certainly did not rule that the winding up resolution must be deemed valid against all persons and for all purposes. The fifth case (*Re Bailey, Hay & Co. Ltd.*), it is submitted, was merely an application of the principle that the law will presume that acts have been done regularly and properly when they appear to have been, and it is noteworthy that the court said that it was entitled to infer that all, and not merely some, of the members had assented to the adoption of the informal document as the company's articles."

There are various judicial pronouncements and numerous orders from the High Courts as a Company Court, under the earlier Act of 1956, which provide for the dispensation of meeting of shareholders under the earlier Act even in the absence of any specific power to do so under the provisions of the Act, when the written consent of requisite majority or 100% with regard to the same has been obtained by the company from its members. In this regard, reference be made to the decision of *Bharat Explosive Ltd.* (2005) 58 SCL 370 (All); *In Re Dabour Foods Ltd.* (2008) 144 Comp Cas 378 (Delhi); *Celica Developers (P) Ltd* (2008) 145 Comp Cas 154 (Cal); *Balaji Industrial Products Ltd.* [2008] 88 SCL 321 (Raj); *Mysore Cement Ltd* [2009] 149 Comp Cas 50 [Kart]; *GE Capital Transportation Financial Services Ltd.* [2009] 149 Comp Cas 52 (Delhi).

Thus it seems that it is the 'doctrine of acquiescence' which clothed the High Court(s) with the power to dispense with the meetings of shareholders under the earlier Act in the absence of any specific power to do so, also clothes the Tribunal under the Companies Act, 2013 with the power to dispense with the meeting of members under the present Act. It will be very appropriate in law to say that the 'doctrine of acquiescence' is the sufficient clothing power, based on which the Tribunal may grant the dispensation of meeting of members, when written consent of all or requisite majority of members has been obtained. It is irrelevant to call the meetings of those members again which have already consented to the scheme. Further calling of meeting will only burden the company with extra costs and extra time and will result into duplication of same work with no attendant benefits. Moreover, the word 'may' used in section 230(1) and section 232(1) itself shows the discretionary powers of the Tribunal. In this regard, the observation of the Supreme Court of India in the case of *Mihir H. Mafatlal vs. Mafatlal Industries Ltd.* [1996] 87 Comp Cas 792, followed in *Gujrat Ambuja Exports Ltd.* [2004] 118 Comp Cas 265, are very apt to note as under: "It is the commercial wisdom of the parties to the scheme who have taken an informed decision about the usefulness and propriety of the scheme by supporting it by the requisite majority vote that has to be kept in view by the court. The court certainly would not act as a Court of Appeal and sit in



judgement over the informed view of the concerned parties to the compromise as the same would be in the realm of corporate and commercial wisdom of the concerned parties. The court has neither the expertise nor the jurisdiction to delve deep into the commercial wisdom exercised by the creditors and members of the company who have ratified the scheme by the requisite majority. Consequently the company court's jurisdiction to that extent is peripheral and supervisory and not appellate. The court acts like an 'umpire' in the game of cricket who has to see that both the teams play their game according to the rules and do not overstep the limit. But subject to that how best the game is to be played is left to the players and not to the umpire".

CONCLUSION

It is evident from the above discussion that the powers of Tribunal prescribed under the present Act are similar to the powers of High Court under the earlier Act. Section 230(9) provides some additional provisions for allowing dispensation of meeting of creditors and should, therefore, not be interpreted in restrictive way, because it is translating the power already exercised by the High Court, in the statute itself. Further Rule 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is just repetition of the corresponding provision of Companies (Court) Rules, 1959 and the Act of 2013 and the provision relating to section 230(9) as already stated has been additionally inserted. It is the "doctrine of acquiescence" which clothes the Tribunal under the Companies Act, 2013 with the power to dispense with the meeting of members, in case the written consent of all or requisite majority of members, has been obtained in this regard. Accordingly, the Tribunal has all the powers to allow dispensation of the meeting of members of the companies under present Act also and it will be appropriate to take a legal view that Tribunal has same power as that of the High Court under the Act of 1956. However, it is up to the Tribunal to exercise such discretion. Even Section 230(9) also uses the word 'may' which again cast the discretion on the Tribunal and not confines the Tribunal in any way and does not render the Tribunal powerless in this regard. CS

Calling of General Meetings



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Meetings may generally be defined as gathering, assembly or coming together of two or more persons for transacting any lawful business. For proper working of the company, the shareholders meet as often as possible and discuss matters of mutual interest and take important decisions and the decisions taken at the meeting generally become acceptable and are met with least resistance.

The article elaborately discusses the provisions relating to calling of General Meetings by the company in accordance with the provisions of the Companies Act 2013 read with Companies (Management and Administration) Rules, 2014 and National Company Law Tribunal Rules, 2016 duly supported by legal precedents.

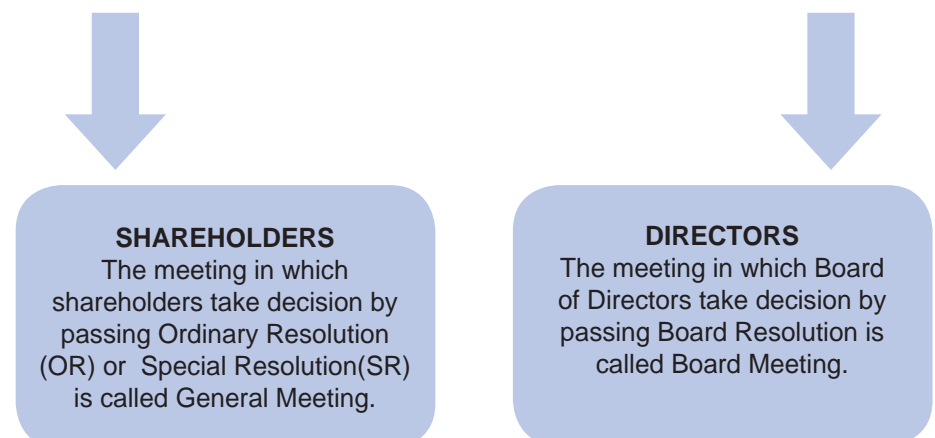
To constitute a valid meeting, there must be at least two persons, because one person cannot constitute a meeting. But there are circumstances, where one person can validly constitute a meeting. They are:

- 1) In One person company, the director of the company can solely take the decisions concerning the company.
- 2) Where one person holds all the shares of a particular class, he alone can constitute a meeting of that class.
- 3) Where the meeting is called by the order of National Company Law Tribunal (NCLT), the Board may direct that one member of the company shall constitute a valid meeting.
 - In *Sharp v. Dawes*, it was held that unless it is shown that it has a different meaning in the context in which it is used, the word "meeting" *prima facie* means "a coming together of more than one person."

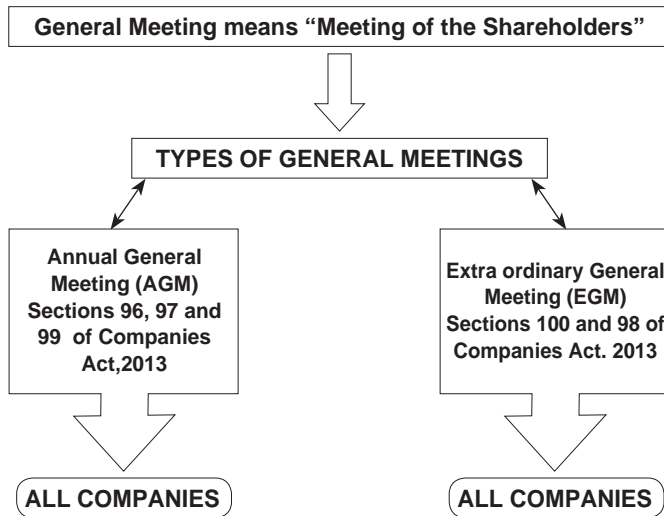
Company meetings play an important role in decision making process. They provide an opportunity to the shareholders to review the working of the company, take policy decisions, thereby controlling the Board of Directors of the company. The directors are duty-bound to follow the decisions taken at the meetings of the shareholders. Meetings constitute a very important aspect in management and administration in the company.

KINDS OF MEETINGS

In every company decisions are taken by the following



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ANNUAL GENERAL MEETING (AGM)

The provisions of Sections 96, 97 and 99 of the Companies Act, 2013 should be referred for Annual General Meeting (AGM) of a Company. The contents of the relevant sections are reproduced as under:

Section-96-Annual General Meeting

(1) Every company other than a One Person Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of a company and that of the next:

Provided that in case of the first annual general meeting, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year:

Provided further that if a company holds its first annual general meeting as aforesaid, it shall not be necessary for the company to hold any annual general meeting in the year of its incorporation:

Provided also that the Registrar may, for any special reason, extend the time within which any annual general meeting, other than the first annual general meeting, shall be held, by a period not exceeding three months.

(2) Every annual general meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.

Provided that the Central Government may exempt any company from the provisions of this sub-section subject to such conditions as it may impose.

In the case of a Section 8 company-

In Sub-section (2) of Section-96 after the proviso and before the explanation the following proviso shall be inserted ;

Provided further that the time, date and place of each annual general meeting are decided upon before-hand by the board of directors having regard to the directions, if any, given in this regard by the company in its general

meeting. – Inserted by Notification No. GSR 466(E) dated 5th June, 2015

Explanation- For the purpose of this sub-section, "National Holiday" means and includes a day declared as National Holiday by the Central Government.

Section-97-Power of Tribunal to call annual general meeting.

(1) If any default is made in holding the annual general meeting of a company under section 96, the Tribunal may, notwithstanding anything contained in this Act or the articles of the company, on the application of any member of the company, call, or direct the calling of, an annual general meeting of the company and give such ancillary or consequential directions as the Tribunal thinks expedient: Provided that such directions may include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.

(2) A general meeting held in pursuance of sub-section (1) shall, subject to any directions of the Tribunal, be deemed to be an annual general meeting of the company under this Act.

Section99- Punishment for default in complying with the provisions of Sections-96 - 98

If any default is made in holding a meeting of the company in accordance with section 96 or section 97 or section 98 or in complying with any directions of the Tribunal, the company and every officer of the company who is in default shall be punishable with fine which may extend to one lakh rupees and in the case of a continuing default, with a further fine which may extend to five thousand rupees for every day during which such default continues.

SECTION-97 OF COMPANIES ACT, 2013 SUPPORTED BY PRECEDENTS

Section 97 of Companies Act, 2013 corresponds to Section 167 of Companies Act, 1956 except in so far as the power to call an annual general meeting has been transferred from Company Law Board to National Company Law Tribunal.

■ **Oppression and Mismanagement:** The AGM of the company held in violation of the Articles as the quorum could not be considered complete. The company has also failed to make disclosures of related party transactions. It alleges various acts of oppression and mismanagement. Any disputes arising in a petition under sections 397-398 read with Section 402 of Companies Act, 1956 cannot be referred to arbitrator. Therefore, the jurisdiction of CLB (now Tribunal) to adjudicate these issues cannot be taken by a private forum appointed by parties styled as "Arbitrators". [Avigo PE Investments Ltd. and Ors. v. Tecpro Engineers Ltd. and Ors., MANU/CL/0009/2016.]

■ The petitioner being the first subscribers to MOA and AOA of the respondent company filed a petition against respondent company for calling of the AGM. The company last held its AGM in 2011 and filed Annual Returns on 30th September, 2011. The ROC issued a notice at Registered office making an enquiry under section 560(2) of Companies Act, 1956 as to whether the company is operation. Despite notices no one appeared on behalf of the Respondents except one Counsel but he has neither filed any affidavit nor did he make any submission to the instant petition. The CLB (now Tribunal) directed company to convene, hold and conduct AGM as per Section 166 of

Companies Act 1956/ Section 96 of Companies Act, 2013 for F.Y. 2012, 2013, 2014, 2015 at the earliest and also to issue a notice along with agenda as per AOA and the Companies Act. [Internet Valley Limited and Ors. v. Tamil Nadu Mega Food Park Limited. MANU/CL/0004/2016.]

- **Power of CLB to call meeting:** Where the directors had resigned and AGM could not be held for want of quorum, the CLB (now Tribunal) directed a meeting to be held. [S. Jagadeesa Sankar v. Sri Parasakthi Spinners Ltd., (2010) 154 Comp Cas 654: (2010) 99 SCL 188: (2010) 94 CLA 21 (CLB).]
- **Power of CLB to call AGM, not to decide validity:** Where the validity of an AGM was under question in a civil suit, the CLB (now Tribunal) said that it could not entertain an application on that point. There may result a conflict of decisions. Moreover, the power of CLB is only to order a meeting to be called in the event of default in holding an annual general meeting. It has no power to decide upon the validity of the meeting if it has already been held. [Gracy Thomas v. Four Square Estates P. Ltd., (2008) 141 Comp Cas 770: (2008) 83 CLA 122.]
- The successive failure on the part of the company to call and hold its AGM was taken note of by the CLB because such a prolonged default could not be in the interests of the company and its members. The CLB ordered a meeting to be called. The Madras High Court did not allow an appeal against such order as no question of law was involved. [S. Mohan v. Commission & Management of the Muthialpet Benefit Fund Ltd., (2003) 41 SCL 91: (2004) 119 Comp Cas 522 (Mad).]
- **Where the overall purposes would be served in calling a meeting:** A director shareholder was not able to hold a meeting of the Board of Directors because of the indifference and non-cooperative attitude of the other directors. He resigned from the post and filed an application seeking CLB order for a meeting. The ROC reported that the company had filed its annual documents with him up to 1997 and thereafter no annual accounts appeared to have been filed. That indicated that the company had come to a standstill position. The company also closed down its business activities. The CLB held that in view of the facts and circumstances, if no direction was given for holding AGM, it would be very much against the interest of shareholders, creditors and public at large. [Yogendra H. Desai v. Spatial Holodynamics (India) Ltd., (2003) 52 CLA 31 (CLB).]

EXTRAORDINARY GENERAL MEETING (EGM)

The Companies Act, 2013 uses the expression "General Meetings" with reference to 'members' or 'shareholders'. Besides annual general meeting there is also one more type of general meeting, namely extra-ordinary general meeting (EGM). All general meetings other than annual general meetings are called extra ordinary general meetings. [Regulation 42, Table F of Schedule I of the Companies Act, 2013.]

EGM may be called under the following circumstances:

- | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Calling of the EGM by the Board on its own motion- R. 43 of Table F. |
| 2. Calling of the EGM by any director, if at any time they are not within India, Directors capable of acting who are sufficient in number to form quorum- R. 43 of Table F. |

3. Calling of the EGM by the Board on requisition of members as per provision of this Act.
4. Calling of the EGM by the requisitionists themselves.
5. Calling of the EGM by the Company Law Board/Tribunal.

Section 100 of Companies Act, 2013 corresponds to Section 169 of Companies Act, 1956 as well as Regulation 48(1) of Table A of Schedule I of Companies Act, 1956 which provides for calling of Extraordinary general meetings.

Section 100 – Calling of Extraordinary general meeting.

- (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.
- (2) The Board shall, at the requisition made by,—
 - (a) in the case of a company having a share capital, such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting;
 - (b) in the case of a company not having a share capital, such number of members who have, on the date of receipt of the requisition, not less than one-tenth of the total voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in subsection (4).
- (3) The requisition made under sub-section (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- (4) If the Board does not, within twenty-one days from the date of receipt of a "valid" requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (5) A meeting under sub-section (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.

- (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-section (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

In the case of Specified IFSC Private Company In sub-section (1) of Section 100, the following proviso shall be inserted, namely:-

"Provided that in case of a Specified IFSC Private Company, the Board may subject to the consent of all the shareholders, convene its extraordinary general meeting at any place within or outside India."- Notification dated 4th January, 2017.

According to Section 100(1) of Companies Act, 2013 & Regulation 43 (i), Table F of Schedule I of Companies Act, 2013, the Board of Directors of the Company may call EGM

at any time as it thinks fit. The Board may do so by passing a resolution at a board meeting or by a circular resolution.

Frequency and Time Limit for EGM

The 2013 Act does not prescribe any frequency or time limit in respect of EGMs. A company may hold any number of EGMs in a year and a year or years may pass without having any EGM. Likewise, there is no rule as regards interval between any two EGMs and it is at the discretion of the Board to hold EGMs. The Board may call EGM whenever it thinks necessary to do so to transact any urgent business or to pass any resolution which, in the board's opinion, is an urgent matter that needs company's approval and which cannot wait till the forthcoming AGM.

Nature of business transacted at EGM

Section 102(2)(b) of the 2013 Act provides that all business transacted at any EGM shall be special business. According to Section-102 of the 2013 Act, where special business is to be transacted at any EGM, there shall be annexed to the notice an explanatory statement setting out the material facts concerning such item of business.

Time, Day and Place of EGM

Unlike an AGM, an EGM may be held at any time, on any day and at any place. Thus, an EGM may be called even for a time beyond business hours, on a public holiday and at a place other than the registered office of the company.

Contents of Requisition

The requisition may consist of several documents like form, each signed by one or more requisitionists, although very minor differences in language will not matter. [Cf. Fruit and Vegetable Growers Assn. Ltd. v. Kekewich, (1912) 2 Ch 52.]

Validity of calling meeting by the Requisitionists

When the requisitionists convened the EGM in accordance with law, the said meeting cannot be impugned nor the decisions taken thereat for removal and appointment of directors. [Super Cast Alloy Foundry (P) Ltd., (2011) 3 Comp LJ 547 (CLB)]

Requirements of signing of Requisition

The documents for requisition need not be signed by all the requisitionists provided that they clearly indicate that the meeting is being called by all of them. [Dalex Mines Ltd. v. Schmidt, (1974) 38 DLR (3d) 17 BC.] A requisition for an extra ordinary general meeting drafted by one shareholder who has the *locus standi* and signed by the prescribed number of shareholders has been held to be valid. [B.G. Somayaji v. Karnataka Bank Ltd., (1995) 83 Comp Cas 649.]

Who cannot file Requisition?

Where the Articles provided in accordance with the provisions of Section 106 of the Companies Act, 2013 the members who have not paid calls on their shares would not be entitled to vote and therefore, could not requisition a meeting nor vote at it and if they did so the proceedings would be invalid. [Kuldip Singh Dhillon v. Paragaon Utility Financiers P. Ltd. (1986) 60 Comp. Cas. 1075 (P&H)]

Preference shareholders have voting power only as regards matters relating to the preference shareholders. They have no

“ The 2013 Act does not prescribe any frequency or time limit in respect of EGMs. A company may hold any number of EGMs in a year and a year or years may pass without having any EGM. Likewise, there is no rule as regards interval between any two EGMs and it is at the discretion of the Board to hold EGMs. The Board may call EGM whenever it thinks necessary to do so to transact any urgent business or to pass any resolution which, in the board's opinion, is an urgent matter that needs company's approval and which cannot wait till the forthcoming AGM. ”

voting power and therefore no right to requisition in respect of other matters.

- A private company had not paid dividend for two years. The preference shareholders convened an extraordinary general meeting. The company had yet to commence business. No dividend was payable as yet. The private company was not subsidiary of a public company. The preference shareholders were not entitled to voting rights under the company's articles. The court held that meeting was illegal and resolution passed at it were ineffective. [Hotel Queen Road P. Ltd. v. Hill Crest Realty (2006) 130 Comp Cas 59.]

COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

Rule 17 and Explanation under Rule 18(3) of Companies (Management and Administration) Rules, 2014

Rule-17 of Companies (Management and Administration) Rules, 2014, reproduced below, prescribes the procedure in relation to holding of the meeting by the requisitionists themselves.

Rule 17(1) The members may requisition convening of an extraordinary general meeting in accordance with subsection (4) of Section 100, by providing such requisition in writing or through electronic mode at least clear twenty-one days prior to the proposed date of such extraordinary general meeting.

(2) The notice shall specify the place, date, day and hour of the meeting and shall contain the business to be transacted at the meeting.-

Explanation.- For the purposes of this sub-rule, it is hereby clarified that requisitionists should convene meeting at Registered office or in the same city or town where

¹ "VALID" – The word or adjective valid in Section 169(6) of the 1956 Act (corresponding to Section 100 (4) of the 2013 Act) has no reference to the object of the requisition but rather to the requirements in that section itself. If these requirements indicated in the earlier part of the section are satisfied, then the requisition deposited with the company must be regarded as a valid requisition on which the directors of the company must act. [Cricket Club of India Ltd. v. Madhav L. Apte [1975] 45 Comp Cas 574 (Bom.)]

Registered office is situated and such meeting should be convened on working day.

(3) If the resolution is to be proposed as a special resolution, the notice shall be given as required by sub-section (2) of section 114.

(4) The notice shall be signed by all the requisitionists or by a requisitionists duly authorised in writing by all other requisitionists on their behalf or by sending an electronic request attaching therewith a scanned copy of such duly signed requisition.

(5) No explanatory statement as required under Section 102 need be annexed to the notice of an extraordinary general meeting convened by the requisitionists and the requisitionists may disclose the reasons for the resolution(s) which they propose to move at the meeting.

(6) The notice of the meeting shall be given to those members whose names appear in the Register of members of the company within three days on which the requisitionists deposit with the Company a valid requisition for calling an extraordinary general meeting.

(7) Where the meeting is not convened, the requisitionists shall have a right to receive list of members together with their registered address and number of shares held and the company concerned is bound to give a list of members together with their registered address made as on twenty first day from the date of receipt of valid requisition together with such changes, if any, before the expiry of the forty-five days from the date of receipt of a valid requisition.

(8) The notice of the meeting shall be given by speed post or registered post or through electronic mode. Any accidental omission to give notice to, or the non-receipt of such notice by, any member shall not invalidate the proceedings of the meeting.

In addition to Rule 17 as mentioned above, the explanation under Rule 18 (3) of Companies (Management and Administration) Rules, 2014, is also pertinent for the purpose of understanding Section 100 of the 2013 Act since it explicitly declares that an extraordinary general meeting shall be held at a place within India. According to Rule 20 (2) which provides for the service of the documents, a document may be served on any member by sending it by post or by registered post or by speed post or by courier or by such electronic mode or other mode as may be prescribed, however, it is relevant to note here that giving of notice of meeting by electronic means is only applicable to companies and there is no rule requiring or permitting giving of notice by requisitionists by electronic means. Although Section 101 of the 2013 Act refers to giving of notice through electronic mode, it also provides that such notice is to be given in such manner as may be prescribed and Rule 18 is relevant in this regard.

However, it must be noted that if a meeting is convened by the requisitionists then Rule 20 relating to voting through electronic means does not apply.

POWER OF TRIBUNAL TO ORDER CALLING OF EGM

Section 98 – Power of Tribunal to call meetings of members, etc

(1) If for any reason it is “impracticable” to call a meeting of a company, other than an annual general meeting, in any manner in which meetings of the company may be called, or to hold or conduct the meeting of the company in the manner prescribed by this Act or the articles of the company, the Tribunal may,



either *suo motu* or on the application of any director or member of the company who would be entitled to vote at the meeting,—

- (a) order a meeting of the company to be called, held and conducted in such manner as the Tribunal thinks fit; and
- (b) give such ancillary or consequential directions as the Tribunal thinks expedient, including directions modifying or supplementing in relation to the calling, holding and conducting of the meeting, the operation of the provisions of this Act or articles of the company:

Provided that such directions may include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.

- (2) Any meeting called, held and conducted in accordance with any order made under sub-section (1) shall, for all purposes, be deemed to be a meeting of the company duly called, held and conducted.”

SCOPE OF TRIBUNAL'S POWER UNDER THE COMPANIES ACT, 2013

Under Section 98 of the 2013 Act, the Tribunal may order calling of a general meeting of any company under this section,

- (a) either of its own motion; or
- (b) on the application of any director of the company; or
- (c) on the application of any member of the company who would be entitled to vote.

This is a discretionary power to call a meeting without having received a request for it, which the Tribunal may exercise in respect of any company if is satisfied for any reason it is impracticable to call a general meeting of the company.

Sections 97 and 98 of the 2013 Act enable National Company Law Tribunal (NCLT) to exercise the power under it ‘of its own motion’.

The CLB (Now Tribunal) may exercise its discretionary power



under section 186 of the 1956 Act in respect of any company. But in case of private company not being a subsidiary of public company, which has excluded by its articles of association the operation of this section, the CLB (now Tribunal) cannot exercise its power under this section.

■ The Parliament did not want a court to exercise any power with regard to annual general meeting but granted the power under the present section in respect of meetings other than annual general meetings. This is an express statutory exclusion of annual general meeting from the court's power to order meetings. The annual general meeting in case of default can only be called by the directions of CLB (now Tribunal) under Section 167 of Companies Act, 1956. [In Re Coal Marketing Co of India Pvt Ltd [1967] 37 Comp Cas 720 (Cal).]

Where there are no *de jure* directors who can convene a meeting for the election of the directors, the Tribunal can, under Section 186 of Companies Act, 1956, order a meeting to be called, held and conducted for the election of directors. Where meetings are directed by the Act to be called, held and conducted in such manner as the court directs, and wherein certain minor matters no directions have been given by court, it is to the articles of association of the company that one must look to, where applicable, to decide these matters, and not the company law. So also, if the Act did not give the court any power to make directions for the conduct of the meeting, the articles of association must be looked to.

Circumstances as to "impracticability" of calling a meeting- What is "Impracticable" in the context of Section 98

The term 'Impracticable' should be construed in a reasonable manner and from the common sense point of view of ordinary businessmen, taking into account the circumstances of each case.

■ Impracticability need not be interpreted as impossibility.

“ The principles enunciated in SS 2 for General Meetings of Members are applicable *mutatis mutandis* to meetings of debenture-holders and creditors of a company under the directions of the Court or the Company Law Board (CLB) or the National Company Law Tribunal (NCLT) or any other prescribed authority shall be governed by this Standard without prejudice to any rules, regulations and directions prescribed for and orders of, such courts, judicial forums and other authorities with respect to the conduct of such meetings. ”

It implies only impracticability from a reasonable point of view to call a meeting in the manner prescribed in the Act or the Articles of the Company. [Dr. Jayaram Chigurupati v. Ranbaxy Laboratories Ltd., (2011) 103 CLA 151 (AP).]

- Where there are only two shareholders in a company and when the whereabouts of one of them is not known, then impracticability of holding extraordinary general meeting would arise and the other member is entitled to a direction from CLB (now Tribunal) to call for an extraordinary general meeting with a quorum of one member. [Mishra v. Chinnmastika Estates Pvt. Ltd., (2011) 101 CLA 441.]
- If the Managing Director or other officer of a company locks up the registered office with a view to preventing the holding of a meeting of the shareholders, it is said holding of the meeting had become impracticable within the meaning of Section 186. [M.R.S. Rathnavelusami Chettiar v. M.R.S. Manickavelu Chettiar, AIR 1951 Mad 542.]
- In the case of a company in which there are only two members, both of them are also the only directors of the company, if one director refuses to attend board meetings, it becomes impossible for the company to call EGM. The CLB (now Tribunal) directed the calling of an EGM. The parties were at daggers drawn. They had exchanged legal notices. It was impossible that they would be able to sit together at a board meeting to draw an agenda for EGM. [Pucci Dante v. Rafeeqe Ahmed, (1999)95 Comp. Cas. 566: (1999) 32 CLA 38 (CLB-SB).]
- The word "impracticable" appearing in Section 186(1) of the Companies Act, 1956 must certainly be given a practical meaning. It must be understood to be impracticable from the business point of view. It must not be held impracticable on the slightest excuse that the directors cannot agree. [Bengal & Assam Investors Ltd. v. J.K. Eastern Industries (P.) Ltd. [1975] 27 Comp. Cas. 86 (Cal).]

SECRETARIAL STANDARD ON GENERAL MEETING(SS 2)

This Standard seeks to prescribe a set of principles for the convening and conducting of General Meetings and matters related thereto.

This Standard is applicable to all types of General Meetings of all companies incorporated under the Act except One Person Company (OPC) and class or classes of companies which are exempted by the Central Government through notification. The principles enunciated in SS 2 for General Meetings of Members are applicable *mutatis mutandis* to meetings of debenture-holders and creditors of a company under the directions of the Court or the Company Law Board (CLB) or the National Company Law Tribunal (NCLT) or any other prescribed authority shall be governed by this Standard without prejudice to any rules, regulations and directions prescribed for and orders of, such courts, judicial forums and other authorities with respect to the conduct of such meetings.

This Standard is in conformity with the provisions of this Act. However, if due to subsequent changes in the Act, a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail.

Frequency of Meetings

Every Company shall hold its first Annual General Meeting within nine months from the date of closing of the first financial year of the company and thereafter in each calendar year within six months of the close of the financial year, with an interval of not more than fifteen months between two successive Annual General Meetings. The aforesaid period of six months or interval of fifteen months may be extended by a period not exceeding three months with the prior approval of Registrar of Companies, in case of any Annual General Meetings other than first Annual General Meeting. If a company hold its first Annual General Meeting, as aforesaid, it shall not be necessary for the company to hold any Annual General Meeting in the Calendar year of its incorporation.

NATIONAL COMPANY LAW TRIBUNAL RULES, 2016

PROCEDURE FOR APPLICATION TO NCLT TO CALL GENERAL MEETING OF MEMBERS.

Rules 74 and 75 of National Company Law Tribunal Rules, 2016 wraps the procedure for filing of application to National Company Law Tribunal(NCLT). The rules are reproduced hereunder.

Rule 74. Application for calling or obtaining a direction to call annual general meeting.

- (1) An application under section 97 for calling or obtaining a direction to call the annual general meeting of the company shall be made by any member of the company in Form No. NCLT. 1 and shall be accompanied by the documents specified in Annexure B.
- (2) A copy of the application shall be served on the Registrar of Companies on or before the date of hearing.

Documents specified in Annexure B for filing of application under Section 97(1) of Companies Act, 2013.

1. Affidavit verifying the petition.
2. Bank draft evidencing payment of application fee.
3. Any other relevant document.

Rule 75. Application for obtaining an order for calling of general meeting (other than Annual General Meeting).

- (1) An application under section 98 for obtaining an order for calling of a general meeting (other than Annual General

Meeting) shall be made by any director or member of the company in Form No. NCLT.1 and shall be accompanied by the documents specified in Annexure B.

- (2) A copy of the application shall be served on the Registrar of Companies on or before the date of hearing.

Documents specified in Annexure B for filing of application under Section 98(1) of Companies Act, 2013.

1. Documentary evidence in proof of status of the applicant.
2. Affidavit verifying the petition.
3. Bank draft evidencing payment of application fee.
4. Memorandum of appearance with copy of the Board's Resolution or the executed Vakalatnama, as the case may be.
5. Any other relevant document.


CIVIL COURT versus NCLT

■ Inherent powers saved under Rule 9 of Companies (Court) Rules, 1959 are only in favour of company courts. Exactly those are the powers saved under Section 151 of Code of Civil Procedure, 1908 in favour of civil courts. Inherent powers cannot be invoked when express provisions are there. The civil court is not authorised to convene any meetings of a company. The authority to convene meetings vests with the CLB (now Tribunal) and is no longer with the Company Courts. Therefore, it would not be proper for a civil court to convene meetings of a company in exercise of its inherent powers. [Dr. Ashok M Zacharia v. Majestic Kuries & Loans P Ltd. (1987) 62 Comp Cas 865 (Ker).]

■ But the power vested in CLB (now Tribunal) under the present section does not whittle down the power of the court to order calling of a meeting for the proper working of a scheme of compromise or arrangement sanctioned by the court. There is nothing in Section 186 of Companies Act, 1956 (Section 98 of Companies Act 2013) which lays down that a company court which is supervising a scheme under section 392 of the 1956 Act (Section 231 of the 2013 Act) cannot call a meeting of the company if it is felt necessary for the proper supervision and implementation of the scheme. Such power is implicit under section 392 and it is not necessary to invoke section 186 for this purpose. [Indian Hardware Industries Ltd [1981] 51 Comp. Cas. 51(Del)].

Deviation from Tribunal's decision

The meeting called by an order of the NCLT(earlier CLB) cannot become a meeting of the company. Only a meeting called, held and conducted in accordance with the directions of NCLT can be deemed to be a meeting called, held and conducted by the company. If, therefore, the conditions of NCLT are not complied with, it cannot be deemed to be the meeting of the company. In case meeting called, held and conducted by an order of the NCLT (earlier CLB) there cannot be any variation of or deviation from the directions given by it even if the variation or deviation is unanimously agreed to by all the parties concerned. The only proper course in such a situation would be to apply to the NCLT to alter the directions or give further directions as may be considered necessary. The members cannot of their own accord choose how the meeting should be conducted other than by way of carrying out the directions of the NCLT.

No meeting convened for the purpose of ascertaining the wishes of the shareholders as to whether the suit should be allowed to proceed or not should be converted for another indirect purpose of removal of the directors. 

Meeting of Independent Directors (Under Schedule IV of Companies Act 2013 and the Listing Regulations)



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NEW PROVISION IN THE COMPANIES ACT 2013

In line with the New York Stock Exchange Corporate Governance Rules, the Companies Act 2013 has introduced a new governance initiative in the process of achieving excellence in corporate governance in India by providing that the independent directors shall meet without the attendance of non-independent directors and management.

The Companies Act, 2013 and the new Listing Regulations issued by the SEBI in 2015 provide for holding of separate meetings by independent directors. Such meetings enable them to apply their mind independently without the intervention of executive directors and other managerial personnel. Company secretaries being experts in this field could be of great assistance to independent directors in the conduct of such meetings and bring about better governance.

Section 149 (8) of the Companies Act 2013 read with Schedule IV requires all the Independent Directors to meet atleast once in a year and obviously the meeting of the independent directors must be convened without the presence of the non-independent directors and members of the management personnel.

PROVISIONS IN SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS 2015

According to Regulation 25 of the SEBI (Listing) Obligations and Disclosure Requirements) Regulations 2015 (LODR), the independent directors of the listed entity shall hold separately at least one meeting in a year. Non independent directors and members of the management will not be present in such meeting. All the Independent Directors are required to be present in such meeting. This is similar to the provision in the current Companies Act ,2013

VARIOUS REQUIREMENTS OF HOLDING MEETING OF INDEPENDENT DIRECTORS

In the light of the new provision, let us try to understand the various requirements of holding the meeting of independent directors with reference to calling of meeting, issue of notice, agenda, conduct of meeting, minutes, preservations of minutes etc. One may like to examine, the structure of meeting, frequency and length of meeting, attendance –i.e. who could attend – could this meeting be conducted through video conferencing, chairman of the meeting, business to be transacted, minutes and its circulation and such other related matters.

APPLICABLE PROVISION AS PER COMPANIES ACT 2013

Sub-section (8) of section 149 of the Companies Act 2013 prescribes the code for independent directors and the same section spells out that the company and independent directors shall abide by the provisions specified in Schedule IV of the

Companies Act 2013. Clause VII of Schedule IV talks about holding separate meetings by independent directors and the following are the requirements spelt out in clause VII :

- 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.

COMPOSITION OF BOARD AND INDEPENDENT DIRECTORS

Every public limited including listed company, at a bare minimum, need to have three directors which is as per sub-section (1) of section 149 of the Companies Act 2013, which states that a minimum number of three directors in the case of a public company is the requirement. When we talk about the independent directors on the board, in this situation, two directors could be independent directors and one could be an executive director. The inference is drawn from the provisions of sub-section (2) of section 177 – as per which two independent directors are required out of three directors for forming an audit committee. Regulation 18 of LODR 2015 also stipulates the same.. It is also interesting to note that neither the Companies Act 2013 nor the LODR has any provision relating to maximum number of independent directors required to be on the board in a company. (The Regulation merely requires that the independent directors should form a majority in the total composition of the board rather than specific numbers).

CALLING OF THE MEETINGS

Most of the listed companies do have a lead independent director and the lead independent director of the company could call a meeting and if there is no lead independent director, then any independent director could call for the meeting. Secretarial Standard- I issued by the Institute of Company Secretaries of India, in para 2.3 titled as - “Meetings of independent directors” states that the company secretary of the company could facilitate convening and holding of such meeting, if so desired by the Independent Director. Hence, it is entirely left to the independent directors, whether to involve the company secretary in the process or otherwise.

PROCEDURES AND FORMALITIES

Since independent directors' meeting is neither a board meeting nor a committee meeting, it should be treated as a separate category of meeting. As the regulators have not prescribed any specific procedure for convening and conducting these meetings, it is left to the independent directors / management to work out the formalities and procedures. Hence the call should be taken by the independent directors.

‘ Since independent directors' meeting is neither a board meeting nor a committee meeting, it should be treated as a separate category of meeting. As the regulators have not prescribed any specific procedure for convening and conducting these meetings, it is left to the independent directors / management to work out the formalities and procedures. Hence the call should be taken by the independent directors. ’

Further, this meeting being a mandatory one, all the formalities such as issuing a formal notice, agenda, quorum, preparation of minutes etc. are to be observed. Even the sitting fees would have to be paid to the attending directors .

WHO COULD ATTEND THE MEETING

Needless to mention that only the independent directors could attend this meeting without the attendance of non-independent directors and members of management which is specific requirement as per clause VII of Schedule IV of the Companies Act 2013. Regulation 25 of LODR also states the same for listed companies.

FREQUENCY OF MEETINGS

In terms of clause VII (I) of Schedule IV of the Companies Act 2013 and Regulation 25 of LODR , the independent directors of a company should hold at least one meeting in a year. “Year” could be presumed to refer the financial year of the company. Though the regulations require at least one meeting, the independent directors may take a call on this and they may decide to have and call more meetings if situation warrants for a discussion in the best interest of the affairs of the company. Secretarial Standard-1 issued by the Institute of Company Secretaries of India states that ‘year’ would mean the “calendar” year.

NOTICE

Obviously a question would arise as to what should be the length of the notice for the meeting to be convened by the independent directors. The notice for the meeting to be called should be of not less than seven days' notice which stipulated in sub-section (3) of section 173 of the Companies Act 2013 and also spelt out in Secretarial Standard 1 issued by the Institute of Company Secretaries of India which is mandatory.



QUORUM REQUIREMENTS

Clause VII of Schedule IV (2) states that all the independent directors of the company shall strive to be present at such meeting which is an ideal situation. For conducting any meeting, the minimum requirement of quorum, as stated in sub-section (1) of section 174, is either two directors or one third of the total strength of directors whichever is higher (any fraction to be rounded off to one) .

CONSEQUENCE OF LACK OF QUORUM

If the quorum is not present then the meeting called for shall stand dissolved. The meeting is required to be called again by giving a fresh notice.

WHETHER VIDEO CONFERENCE MEETING PERMISSIBLE

The Act does not place any prohibition for conducting the meeting through video conferencing . However, it is preferable to have 'in person meeting' so that the various issues concerning the affairs of the company could be discussed in details face to face.

CHAIRMAN OF THE MEETING

The Lead independent director could chair the independent directors' meeting and in the absence of lead independent director, any other independent director could be the chairman of the meeting.

TRANSACTION OF ITEMS

Clause VII of Schedule IV (3) lists out the following items which are required to be transacted in the meeting of the independent directors:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- 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.

The meeting may discuss other issues as well that may involve the management and or the executive directors of the company which may have an impact and concern on the reputation of the company such as:-

- issues relating to ethical and governance issues and their reporting and any deviation etc.
- issues which are concerning insider trading
- issues concerning whistle blower mechanism / whistle blower etc.

Secretarial Standard -1 issued by the Institute of Company Secretaries of India states that the meeting of the independent directors shall review the performance of non-independent directors and the board as a whole; review the performance of the chairman and assess the quality, quantity and timeliness of flow of information between the company management and the board and its members that is necessary for the board to effectively and reasonably perform their duties.

CAN THIS MEETING BE CONSIDERED AS A BOARD/COMMITTEE MEETING?

Obviously, the meeting of independent directors cannot be considered as a board meeting since only independent directors are required to meet without the presence of executive directors and other managerial personnel.

Committee of directors are the one which are constituted under the terms of reference by the board of directors and the committee enjoys delegated powers. In case of independent directors meeting, it cannot be treated as a committee meeting since it is not at all, a committee constituted by the board of directors.

RECORDING OF MINUTES

Since the meeting is called, convened and conducted by independent directors, the lead independent director shall have to record the minutes of the meeting and in the absence of lead independent director, any other director could record the minutes.

CIRCULATION OF MINUTES

As stated in the Secretarial Standard -1 the minutes of the independent directors meeting should be drafted and circulated within fifteen days from the date of the conclusion of the meeting. The directors shall communicate their comments, if any, in writing on the draft minutes within seven days from the date of circulation thereof, so that the minutes are finalized and entered in the minutes book maintained for the meeting of independent directors within the specified time limit of thirty days.

Secretarial Standard-1 further states that if any director communicates his comments after the expiry of the said period of seven days, the chairman shall have the discretion to consider such comments and in the event a director does not comment on the draft Minutes, the draft Minutes shall be deemed to have been approved by such director.

SHOULD THE MINUTES BE PLACED BEFORE THE MAIN BOARD

This being a separate meeting for independent directors, there is no requirement of placing the minutes before the main board, or for confirmation or for ratification.

CUSTODY OF MINUTES

The lead independent director or any other director could keep the minutes in safe custody. As discussed in earlier paras, the independent directors meeting cannot be a part of board meeting and also cannot be counted as board meeting held during the year. Minutes of this meeting are definitely required to be maintained since record should be available for having held the meeting, as this meeting is one of the mandatory requirements as per clause VII of Schedule IV.

ROLE OF COMPANY SECRETARY

Company secretary being the link person between the directors, the independent directors could take the assistance and help of the company secretary and the company secretary should take the lead in organizing the meeting, sending out the agenda along with supporting documents if any, ensure the conduct of the meeting, prepare the minutes of the meeting and get it finalized by the chairman of the independent directors meeting and maintain the minutes separately.

Since the Act is silent about the procedure of conducting the independent directors meetings, it is left to the independent directors to decide and lay down the required procedures.

Secretarial Standard 1 suggests that the independent directors could take the assistance of the company secretary for facilitating, convening and holding of such meeting, if so desired by the Independent Director. Independent directors being highest body of policy makers of the company, they need



not get involved in the procedural issue of sending out the notice, preparing the agenda, getting the minutes and maintaining the same and other related jobs and it could best be done by the Company Secretary. Company Secretary being a professional, who organizes the other meetings such as board meeting, committee meeting and general meetings etc, the convening of the meeting of independent directors could be entrusted to company secretary and he being a trustworthy person, the confidentiality could also be maintained.

The minutes of independent directors meeting could be kept safely by the company secretary and made available as proof for having held the meeting, since this meeting is one of the mandatory requirements as per clause VII of Schedule IV of the Companies Act 2013.

CONCLUSION

Holding of separate meeting of independent directors is stipulated by the Companies Act 2013 as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The independent directors would be in a position to apply their mind, without any interruption from the executive directors and management and review of performance of non-independent directors, chairman and the board as a whole, review and assess the quality, quantity and timeliness of flow of information between the company management and the board and its members that is necessary for the board to effectively and reasonably perform their duties. Company secretary being a professional and expert could assist the independent directors in conducting the meeting and add value to the meeting which would bring efficiency and effectiveness in the board room and enhance the corporate governance principles. CS

Board's Report under the Companies Act, 2013 - An ambitious step towards better corporate governance



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INTRODUCTION

Directors' Report is an integral part of the Annual Report of a company giving an overview of the company's financial performance during the year, its business activities, dividend declaration, subsidiary information and other important events that happened during the course of the year as also what future holds in store and to give a clear perspective on company's future. Without the Report of directors, an annual report will be like a book without cover. In its absence, the financial statements will be like abracadabra for most of small shareholders, firstly, because they do not have time to look for what is important and second, they may not be competent enough to understand the financials.

The new Companies Act, 2013 (the Act) casts onerous responsibility on the management to enhance the corporate governance. Section 134 of the Act requires giving mammoth

This Article endeavours to throw light on some important aspects of disclosures to be made in Directors' Report and consolidate the contents of the Report as per the Act read with Rules made thereunder, the Listing Regulations and other applicable SEBI Regulations. It also attempts to analyze whether additional disclosure really enhances corporate governance.

disclosures about the company. In addition, there are various other sections scattered throughout the Act which requires disclosures to be made in the Directors' Report. The list doesn't end there. Even the Rules prescribed under different sections mandates disclosures to be made in the Board's Report.

Many times "less ethics" is a bent of mind and no amount of disclosures can deter a crooked management. Enron and Satyam fiasco happened despite being IFRS compliant. Ultimately what is required in the present scenario is relevant and reliable reporting and not elaborate reporting.

APPLICABILITY OF NEW FORMAT

The Ministry of Corporate Affairs vide its General Circular no. 8/2014 dated 4th April 2014 clarified that the provisions of the new Act shall apply to the Board Report in respect of financial years commencing on or after 1st April, 2014.

LONG AND SHORT OF BOARD'S SCORE CARD – SOME CRITICAL INCLUSIONS

Extract of the Annual Return in Form MGT 9 [Section 134(3)(a) read with section 92(3)]

Section 134 requires the Board to attach an Extract of Annual Return in form MGT -9 with its report. The extract shall lay down in the prescribed format, the registration details, principal business activity, particulars of holding/subsidiary and associate companies, shareholding pattern of the company/promoters/top 10 shareholders (other than promoters)/directors & KMP, change in promoters' shareholding, indebtedness, remuneration of directors/KMP, penalties/punishments & compounding of offences.

While the Annual Return is required to be filed within 60 days of conclusion of AGM, an extract from such a document, on the other hand will be required to be presented with the Directors' Report. Identifying and disclosing the names of promoters by unlisted public companies and private companies will be a tricky job and have far reaching impact on

While the Annual Return is required to be filed within 60 days of conclusion of AGM, an extract from such a document, on the other hand will be required to be presented with the Directors' Report. Identifying and disclosing the names of promoters by unlisted public companies and private companies will be a tricky job and have far reaching impact on all subsequent reporting and disclosures to be made by such companies including their related party transactions.

all subsequent reporting and disclosures to be made by such companies including their related party transactions.

The Ministry of Corporate Affairs ("MCA") has, vide Notification dated August 28, 2015, brought about some significant changes to the format of Annual Return, that is, MGT-7. It is only a matter of time when such changes will also be captured in MGT-9 which is nothing but an Extract of the larger form of MGT-7.

"Power, Responsibility and Liability" are Mutually Co-extensive – Directors' Responsibility Statement [Section 134(3)(c) and (5)]

In addition to giving a responsibility statement regarding application of all applicable accounting standards, consistent accounting policies, adequate accounting records and preparation of annual accounts on a "going concern basis", the Directors will have to further affirm its commitment in respect of following:

- Adequacy and effectiveness of internal financial controls – in case of listed companies
- Adequacy and effectiveness of systems devised to ensure compliance with ALL APPLICABLE LAWS – in case of all companies

The impact of Satyam debacle is omnipresent in the Companies Act, 2013. Onerous responsibility has been imposed on the directors in the form of "Directors' Responsibility Statement" where a director is required to confirm compliance with all applicable laws which can be enormous given the fact that there may be hundreds of laws applicable to a company.

Explanations or comments by the Board on audit qualification [Section 134(3)(f)]

Unlike the Companies Act 1956 which required the Board to give "fullest information and explanation", the 2013 Act requires the Board to give "explanations or comments" on every qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in his Report. The requirement of giving information on the adverse remark made by the Auditor has been

omitted due to flaw in language. Explaining the adverse remarks made by Secretarial Auditor is a progressive inclusion made to this clause.

Particulars of loans, guarantees or investments under section 186 [Section 134(3)(g)]

Section 134(3)(g) requires the Board to disclose particulars of loan given, investments made and guarantees or securities provided during the year. However, no standard format has been prescribed for such disclosure, in the absence of which it will be a tedious task for the Board to meet the expectations of the readers as well as the regulators. Furthermore, Section 186(4) also requires the company to disclose to the members in its financial statement, the full particulars of the loans given, investment made or guarantee /security provided along with the purpose for which the same is proposed to be utilised by the recipient, whereby the directors will only end up replicating from the financial statement.

It is interesting to note here that exemption from complying with Section 186 of the Act by virtue of sub-section (11) of Section 186 will be extended to Section 134(3)(g) as well. Therefore, such exempted companies need not present the abovesaid information in its directors' report as also in their financial statement.

Particulars of Related Party Contracts/arrangements under section 188(1) [Section 134(3)(h)]

For presentation of information relating to related party contracts and arrangements, the Companies (Accounts) Rules 2014 has prescribed a format in AOC-2. The said Form AOC-2 is also required to be signed by the person signing the Directors' Report. Although Accounting Standard 18 requires a company to present RPT in its financial statement, Form AOC-2 will augment the disclosures made under AS 18 due to its wide coverage. However, Part 2 of AOC-2 requires only material transactions at arm's length basis to be reported. Since materiality for this purpose has not been defined, it is left to the judgement of the companies to set limits for "materiality" for reporting the same in AOC-2. However, guidance on materiality can be obtained from the Companies (Meetings of Board and its Powers) Rules, 2014. Further, in case of listed Companies, guidance on materiality can be had from the Listing Regulations. It is, perhaps, for this reason that several companies do not disclose any transaction in AOC-2 as all their related party transactions are on an Arm's Length basis but are not material. It is interesting to note that the Hindi version of the Form AOC-2 in point 2 does not refer to "material" contracts or arrangements or transactions. It requires disclosure of all RPTs which are on an arm's Length basis. It is high time that the Ministry clarifies the position with respect to disclosure of RPTs in the form AOC-2.

Statement regarding implementation of risk management policy [Section 134(3)(n)]

One will find it to be mind boggling to learn that while the Companies Act, 2013 does not contain any parent section requiring companies to form risk management policy, Section 134(3)(n) requires the Board to give a statement indicating development and implementation of risk management policy including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. It is further interesting to note that Audit Committee has been entrusted with the task of evaluation of risk management systems and Independent Directors also have a role to play

in ensuring that risk management are robust and defensible. However, the requirement of forming Audit Committee and appointing independent directors is itself restricted to certain class of companies, nonetheless it appears that the requirement of implementing risk management policy has been imposed on all companies. While business risk and some internal & external risks are evident in case of all types of companies, but implementation of a risk management policy by small sized companies especially private limited companies will pose practical difficulties for the Board.

It will not be out of place to mention that the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the Board of listed companies to frame, implement and monitor risk management plan for the company however requirement of constituting risk management committee has been restricted to Top 100 companies only by market capitalisation.

It is therefore desirable that MCA comes with some clarification regarding applicability of forming and implementing risk management policy in case of small sized companies.

Corporate Social Responsibility initiatives [Section 134(3)(o)]

This section requires the directors to give details about the policy developed and implemented by the company on CSR initiatives taken during the year. Additionally, Section 135(2) requires disclosure of composition of CSR Committee in the Board's Report. The CSR Rules 2014 further requires the Board to include an annual report on CSR containing prescribed particulars. The requirements in different section seem to be overlapping and should be presented in a complete and concise manner to avoid duplication. The CSR has been integrated with the 2013 Act with "Comply or Explain" approach. It will therefore be an arduous and crucial task for the directors.

Statement regarding Board evaluation

The directors of Listed company and every other public company having paid-up share capital of Rs. 25 Cr or more is required to include in its Report, 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.

Financials

As per Companies (Accounts) Rules 2014, the Board's Report is required to be prepared based on the stand alone financial statements of the company and the report shall contain a separate section wherein a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is presented. No format has been prescribed for presenting such information. Section 129(3) requires the company to attach with its financial statement, a separate statement containing the salient features of the financial statement of subsidiary(ies) which requirement has been enlarged by Rule 5 of Companies (Accounts) Rules 2014 by including similar disclosures for associates and joint ventures. These disclosures shall be presented in Form AOC-1 which shall form part of financial statements. Thus, the requirement contained in the Rules 8(1) (for Board's Report) and Rule 5 (for financial statements) has become overlapping and should be presented rationally to avoid unnecessary duplication.

Sexual harassment cases

Employers are also required to include in the annual report, the number of cases filed, if any and their disposal under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This disclosure also forms part of Board' report.

More is Mostly Less

Apart from above, the Directors' Report will also include the following:

Section	Matter	Comments
NEW REQUIREMENTS		
134(3)(b)	Number of meetings of the Board	Will lead to duplication in case of listed companies which has to present number of meetings in its Corporate Governance (CG) Report Additionally the Secretarial Standard 1 on Meetings of the Board of Directors requires disclosure of number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director
134(3)(d)	Statement of Declaration of Independence by Independent Directors that he meets the criteria of independence	The directors' in their Report has to merely confirm that declarations have been received from Independent Directors.
134(3)(e)	Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178	The words "other matters" is superfluous usage and is not relevant. By virtue of this clause and proviso to Section 178(4), the Remuneration Policy of the Company will be required to be annexed with the Report.
Rule 8(5) of Accounts Rules	the details relating to deposits, covered under Chapter V of the Act	Even under the current practice, the directors give a confirmation for not having accepted deposits during the year or the details of deposits accepted, as the case may be. However, it will be a tough job for directors to affirm non-compliance with law in relation to deposits.
	the details of deposits which are not in compliance with the requirements of Chapter V of the Act	
	the details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future	Since the requirement is to cover orders of all courts, tribunals or authorities, the details can be enormous for big and middle sized companies, however, materiality concept will prevail which will enable directors to exercise their discretion as to what is "material" for the company.
	the details in respect of adequacy of internal financial controls with reference to the Financial Statements	Until now, only auditors were required to comment on adequacy of internal financial controls. The directors certifying the adequacy of internal financial controls may serve as a cover for auditors.



131 (3rd Proviso)	Detailed reasons for revision of financial statements or Board's Report shall be made in Board's Report in the financial year in which such revision is being made	Unlike the old Act, the Companies Act, 2013 has express provisions for voluntary revision of financial statements and Boards' Report. Details of such revision has to be disclosed in the Board's Report
149(10)	Disclosure of re-appointment of independent director by passing special resolution	This disclosure would have even otherwise form part of details of directors appointed/ resigned during the year
168(1)	Fact of resignation of director	
177(8)	Disclosure of composition of Audit Committee & if the Board has not accepted any recommendations of Audit Committee, the same has to be disclosed with reasons	Composition of audit committee forms part of CG Report in case of listed companies. However under the Act, certain other specified class of companies are required to constitute Audit Committee. They will have to disclose its composition in the directors' report. Further all companies will have to disclose their recommendations not accepted by the Board.
177(10)	Details of establishment of Vigil Mechanism	
197(12)	Listed companies to disclose the ratio of remuneration of each director to the median employee's remuneration & such other details as may be prescribed.	Rule 5 of Chapter XIII - the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 lists out the required details.
197(14)	Any director who is in receipt of any commission from the company and who is a MD/ WTD shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the company in the Board's report.	
204(1)	Listed company and some prescribed companies shall be required to annex Secretarial Audit Report with Board's Report	The prescribed class of companies are public companies having paid up share capital of Rs. 50 Cr or more OR turnover of Rs. 250 Cr or more.
Chapter IV – Rule 4(4)	Details in respect of Issue of Equity shares with differential rights	
Chapter IV – Rule 8(13)	Details in respect of issue of Sweat Equity Shares	
Chapter IV – Rule 12(9)	Details in respect of Issue of shares under the ESOP Scheme	Also mandated by SEBI (ESOS & ESPS) Guidelines 1999 in case of listed companies

OLD REQUIREMENTS CONTINUED		
134(3)(i)	State of company's affairs	
134(3)(j)	Amounts, if any, which it proposes to carry to any reserves;	
134(3)(k)	Amount, if any, which it recommends should be paid by way of dividend	
134(3)(l)	Material changes and commitments after balance sheet date	
Rule 8(5) of Accounts Rules	Financial summary or highlights	
	Change in the nature of business, if any	
	Details of directors or KMP who were appointed or have resigned during the year;	
Names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year		
OLD DISCLOSURES IN IMPROVED/ENHANCED FORM		
134(3)(m)	Conservation of energy, technology absorption, foreign exchange earnings & outgo	The Companies (Accounts) Rules 2014 has prescribed the particulars to be disclosed. While other requirement almost remains the same, Form A wherein details of consumption & consumption per unit of production were given, has been dispensed with. Further the requirement of presenting this information has been devolved on all companies uniformly.
Rule 5(2) of Ch XIII	Statement in respect of particulars of employees	This requirement corresponds to Section 217(2A) of Companies Act, 1956 rw the Companies (Particulars of Employees) Rules, 1975 – the new format also includes employees who are in receipt of remuneration in excess of that drawn by MD/ WTD Further, the Amendment Rules, 2016 dated 30th June, 2016 has also included disclosures relating to Top 10 employees

The List keeps on increasing for Listed Companies....

Listed companies will be required to present a host of other disclosures, the requirement for which springs from the rules and regulations framed by SEBI. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the Board of Directors to present the following additional information in the Annual Report, though majority of them has already been covered by 2013 Act – they will necessarily form part of Directors' Report:

- 1) Explanation for variation in the use of issue proceeds [Reg 34(4)]
- 2) Criteria for performance evaluation
- 3) Details of familiarization programme for Independent Directors (by way of link to website wherein such information has been posted)
- 4) Details of establishment of Vigil Mechanism
- 5) Policy for determining "Material Subsidiaries" (by way of link to website wherein such information has been posted)
- 6) Policy on dealing with Related Party Transactions (by way of link to website wherein such information has been posted)

COUNTING THE ANNEXURE:

(For all companies, as applicable)

1. Extract of Annual Report in MGT-9
2. Particulars of Loans/ Investments/ Guarantees

Section 135(2) requires disclosure of composition of CSR Committee in the Board's Report. The CSR Rules 2014 further requires the Board to include an annual report on CSR containing prescribed particulars. The requirements in different sections seem to be overlapping and should be presented in a complete and concise manner to avoid duplication. The CSR has been integrated with the 2013 Act with "Comply or Explain" approach. It will therefore be an arduous and crucial task for the directors.

3. AOC-2: Related Party Contracts
4. Annual report on CSR
5. Remuneration Policy
6. Conservation of Energy, Tech Absorption & Foreign Exchange outgo & Earnings
7. Particulars of performance & financial position of subsidiary(ies), JVs & Associate
8. Remuneration to Directors & KMP (For listed companies, as applicable)
9. Particulars of specified Employees
10. Secretarial Audit Report
11. Management Discussion & Analysis Report
12. Business Responsibility Report (Top 500 companies by market capitalisation)
13. Corporate Governance Report
14. Auditors Certificate regarding compliance of Corporate Governance

REPORT BY BOD OF ONE PERSON COMPANY (OPC)

The Board's report by OPC under section 134 is only required to disclose explanations or comments on every qualification, reservation or adverse remark or disclaimer made by the auditor in his Report. It need not comply with other requirements of Section 134. However, it is still to be seen whether requirements of other sections and rules relating to Directors' Report will apply in case of OPC.

AUTHENTICATION

The Board's Report and all annexures as per Section 134(3) are required to be signed by the Chairperson of the Company if authorised by the Board and in case of no authorization, by atleast two Directors, one of whom shall be a Managing Director.

OFFICER-IN DEFAULT FOR NON-COMPLIANCE IN DIRECTOR'S REPORT

The penalty-Section 134(8) starts by saying "If a company contravenes the provisions of this section.....". The question



arises as to whether company can at all be held liable for a non-compliance of provisions which are duties of directors solely. The Directors' Report, as the name itself indicates, is a report of the directors – the duty of disclosure has been cast on the directors. Unlike the Companies Act, 1956 which has recognised the joint liabilities of all directors for any non-compliance in the Board's Report, the 2013 Act has made the "officers-in-default" liable for non-compliance with Section 134.

THE COMPANIES (AMENDMENT) BILL, 2016

Clause 35 of the Bill seeks to amend section 134 of the Act to provide that the Chief executive officer shall sign financial statements irrespective of whether he is a director or not.

It also requires every company to place a copy of its annual return on its website, if any, and the web-link of such annual return is required to be disclosed in the Board's report. With this amendment, the extract of annual return will no longer be required to be attached with the Board's report.

To avoid duplication, the Amendment Bill also proposes to insert 2 provisos under Section 134 stating that where disclosures referred to in section 134(3) have been included in the financial statements, such disclosures shall be referred to instead of being repeated in the Board's report and that the remuneration Policy and CSR Policy if made available on company's website, it shall be sufficient compliance if the salient features of the policy and any change therein are specified in brief in the Board's report and the web-address is indicated therein at which the complete policy is available.

The Amendment Bill also makes provision for abridged Board's report in case of OPC and small company which may be prescribed by the Central Government.

CONCLUSION

The Board is a body elected by shareholders and this Report act as a communication to their electors presenting the picture of the company they have been entrusted for managing. Though onerous and back breaking job, if the disclosures mandated in the Board's Report under the Companies Act, 2013 is done with all sincerity, it is surely going to raise Indian standards of disclosure to international levels. The large companies should be able to justify the disclosures on the benchmark of quality and relevance given the fact that it will be a burden on shareholders' fund due to high cost involvement in the form of time consumption, printing and postage charges. In case of small and middle sized companies, such enormous compilation may result into merely white washing exercise for compliance with minimum standards. "Time has come for corporate India to take up the challenge and set standards across the globe".

CS

Sick Companies: Legal Scenario and Coming out strategy



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We are living in a very competitive world. With the opening of Indian market in 1991, a new generation of entrepreneurs has got developed. With "Make in India" programme launched by our Prime Minister, though overseas business houses also setting up businesses in India, ultimately it is the people of India who are taking the benefit of the programme and starting their new ventures at a speed faster than any time before.

An important measure to come out of sickness is to have a good legal strategy. Now-a-days the bankers have vast powers to recover their dues. Depending upon the situation, they can initiate recovery proceedings. The sick company can convert this threat to opportunity by having well advised legal strategy.

Rise in business activities in the country increases the risks associated with them. Sometime businesses do not run as projected and result into sickness. Sickness has more effect on the mind of entrepreneurs making them to think that they are not good in doing business. This in turn impairs their decision making power and brings disastrous results for businesses. Thus it becomes vicious circle and business owners find it difficult to come out of it.

LEGAL SCENARIO

Significant reform has been set to motion by passing the Insolvency and Bankruptcy Code, 2016 (hereinafter "Code"). The code has received the assent of President and its provisions relating to insolvency resolution and liquidation of corporates have been notified with effect from 01st of December, 2016 and 15th December, 2016 respectively. The purpose of code is as follows:

- I. **Consolidation:** It consolidates and amends the laws relating to reorganisation and insolvency resolution in a time bound manner. Section 12(1) provides that the corporate insolvency resolution process (IRP) shall get completed within 180 days (Insolvency Resolution Process Period (IRP period)) from the date of admission of the process subject to an extension for a period not exceeding 90 days granted by NCLT not more than once that too only when the financial creditors, by a resolution passed with the majority of 75% or more, instructs the Insolvency Professional to seek the extension from the NCLT. (Section 12(3)).

To further its objective, the Code amends Companies Act, 2013, the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, Securitisation Act, 2002, Recovery of Debts due to Banks and Financial Institutions Act, 2002 (RDDB Act) etc.

The Seventh Schedule of the Code Amends section 13(9) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act"). It provides that in section 13(9), for the words "In the case of", the words and figures "Subject to the provisions of the Insolvency and Bankruptcy Code, 2016, in the case of" shall be substituted. In other words, it means that recovery of secured debt in the manner provided in Section 13(4) in case of financing by more than one creditor shall be subject to the provisions of this Code i.e. in such a case, during the moratorium period as allowed under the Code, the action under Section 13(4) of SARFAESI Act, 2003 cannot be taken / proceeded with.

Further Section 238 of the Code provides that provisions of the Code have overriding effect to the extent of any inconsistency contained in the other law or instrument having effect by virtue of such law.

- II. **Balance:** It balances the interest of all stakeholders. Under Section 13(1) (a), the

Tribunal shall order declaration of moratorium. As per Section 14 of the Code, the moratorium shall prohibit

- (a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- (b) transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;
- (c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- (d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

Section 14(4) provides that the moratorium continues till the completion of corporate insolvency resolution process. The Proviso to this section provides that the moratorium shall cease to have effect on the happening of any one of the following events during IRP period:

- (i) approval of resolution plan under section 31(1) or
- (ii) passing of an order for liquidation of corporate debtor under section 33.

III. Promotion: It promotes entrepreneurship and availability of credit in the country.

SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985

As already explained, the Insolvency and bankruptcy Code, 2016 is operational now; it is therefore important to discuss few of the statutes which were dealing with the distress situation of the various classes of persons.

The Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter "SICA") defines "sick industrial company" to mean an industrial company (being a company registered for not less than five years) which has at the end of any financial year accumulated losses equal to or exceeding its entire net worth. An industrial company is the company which has industrial undertaking(s) of Schedule Industry (ies) as specified for the time being in the First Schedule to the Industries (Development and Regulation) Act, 1951. Section 23 of SICA provides that "If the accumulated losses of an industrial company, as at the end of any financial year have resulted in erosion of fifty per cent., or more of its peak net worth during the immediately preceding four financial years" such company shall be considered as potentially sick company.

Section 22 of SICA provides that on admission of reference with Board for Industrial and Financial Reconstruction (BIFR), no proceedings like winding up, for execution or distress against any properties etc. of the company shall be proceeded with except with the consent of BIFR i.e. these proceedings get suspended and there is no time period for the continuation of suspension.

With effect from 01.12.2016, SICA has been repealed as per the provisions of Sick Industrial Companies (Special Provisions) Repeal Act, 2003.

SECURITISATION ACT

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been enacted with a view to achieve the following:



1. To regulate securitisation and reconstruction of financial assets.
2. To enable enforcement of security interest by secured creditors.

The SARFAESI Act gives power to secured creditors to take possession of secured assets and sell them without the intervention of the court in the event of default of repayment of instalments and non-compliance of the notice period of 60 days after the loan turns to NPA.

The provisions of SARFAESI Act have overriding effect over any other law including SICA. In case of Joint financing, the measures as provided in Section 13(4) of the SARFAESI Act will have effect provided the secured creditors representing not less than 60% in value of the amount outstanding as on record date agree for such measures.

Section 14 of the Code, however, provides that during the moratorium period, which will remain in force from the insolvency commencement date till the completion of insolvency resolution process, no action for enforcement of security interest can be taken by the secured creditors against the assets of the borrower.

COMING OUT STRATEGY

Sickness is the process having different stages with definite signs and symptoms giving one clue that sickness is evident. These symptoms are decline in profit from the last year, decrease in net worth, estimation of further decline in profit, cash losses etc.. From these symptoms, entrepreneurs who run the unit can easily estimate where they are heading. Steps to come out of sickness need to be taken immediately.

To meet this objective, no single strategy will work. Multi fold strategies are required to be adopted in tandem to come out of this stage. These strategies are:

1. Business Strategy
2. Legal Strategy
3. Relationship/Negotiation/Engagement Strategy

1. Business Strategy

Under business strategy, one need to find out what went wrong with the business. The reasons of business sickness can be many but important point is there is no other option but to recognise and address them. These reasons may include the following:

External Reasons

1. Market Competition
2. Market Recession
3. Govt. Policies

Internal Reasons

1. Viability Problem
2. Incompetent Management
3. Technological Issues
4. Labour or other industrial problem
5. Financial Issues

Definitely there are few external reasons where corrections are not in hand but for other, solutions are available. After recognising reasons, redressal steps should start immediately.

Example 1: Company XYZ having its base in U.P put up a technologically advanced business unit considerably financed by four consortium banks. Subsequently when unit started making losses, the problem was found with its viability as during planning stage some facts were ignored by management inadvertently. The management, after studying the state of the market, immediately planned forward and backward integration to its existing set up. With these integrations, the unit was all set to achieve handsome profits. The next problem was to meet the funds requirement of putting up the integrations. As it was well known to CEO, who was also the major shareholder of the company, that banks would not provide further funds, he started discussing the proposal with other business owners of the region. With honest discussion, one businessman (Strategic Investor) agreed to provide funds even under the stage of uncertainty. The formula was he would buy certain percentage of shareholding of existing owners at value as determined. The amount received by existing owner would be invested in full into business with the equivalent matching amount from Strategic Investor.

Example 2: Company T sons Ltd. had its operations all over India. It pinpointed market competition as the reason behind sickness. To remove this cause, it had developed sophisticated product development strategy. It expanded its product width and product depth to compete better in the market. It established separate Market Department to be headed and managed by experienced professionals. Funds required for the purpose were arranged from promoters and their friends.

The main problem in removing the above said causes is the availability of finance. Nobody wants to provide financial assistance to sick company unless proposal is fairly favourable. Once this issue is sorted out, half the battle is won.

2. Legal Strategy

The next step is to have good legal strategy. Now-a-days the bankers have vast powers to recover their dues. Depending upon the situation, they can initiate recovery proceedings. The sick company can convert this threat to opportunity by having well advised legal strategy.

Further under SARFAESI Act, the financial institutions have power to take possession of secured assets and in turn sell them off to clear their dues. Moreover the Act has overriding effect. But it contains certain provisions which can be used by a sick company in its favour and explained in the following example.

It is emphasised that Legal Strategy will only work in case it is worked out in coordination with other strategies. Legal Strategy by itself will not work irrespective of how well it be drafted by experts. However after the Insolvency and Bankruptcy Code, 2016 becomes operational, the corporate debtor will get time in the form of moratorium as already explained earlier under legal scenario.

“Sickness is the process having different stages with definite signs and symptoms giving one clue that sickness is evident. These symptoms are decline in profit from the last year, decrease in net worth, estimation of further decline in profit, cash losses etc.. From these symptoms, entrepreneurs who run the unit can easily estimate where they are heading. Steps to come out of sickness need to be taken immediately.”

Example: Company ABC started experiencing cash flow problem in the year 2006. Its management got the hint that the company was heading towards sickness. Somehow it managed to repay instalments and interest to the consortium banks. But after one year it could not repay money. Bank classified the account as “Non Performer Asset”. However during this one year time, the company finalised its legal strategy. The step wise approach was as follows:

1. The company received notices from consortium banks (four banks with equal exposure) which financed the unit under SARFAESI Act.
2. By that time the company was able to locate Strategic Investor who was ready to invest money as per plans of Company Management.
3. Once this fact was disclosed in consortium meeting, two banks agreed to consider the restructuring proposal as submitted by the company. In this way the company would be able to thwart SARFAESI actions as condition of consent by 75% (now it is changed to 60%) of secured creditors in value of the amount outstanding was not satisfied.
4. In the meantime, two banks filed a case before the Debt Recovery Tribunal and the danger bells started ringing for the company.
5. The Lead bank appointed authorised valuer and the valuer in his report stated that the value of the company's assets had decreased and was less than the carrying amount. The reason for the same was accumulated losses, rising debt, non-availability of buyers to purchase assets individually as individual assets were of no use, building was so constructed that it could only be used with entire plant etc.
6. As per accounting standards, decrease in value of fixed assets should be accounted for as an expense.
7. After accounting difference in carrying amount and market value of the assets, its net worth got eroded and it became fit to be declared as sick.
8. Immediately on the finalisation of yearly accounts, the company applied to BIFR and declared itself as sick company. In this way recovery proceedings were stopped as per Section 22 of the SICA, 1985.

- As the recovery actions of the two banks could not continue, the company was able to continue with its operations with working capital support from the investor. As the EBITDA level of company improved with improvement in capacity utilization level, the company could convince other two banks for restructuring.

It is an example of the strategy where in the company was able to restructure its secured lenders by availing some breathing time to reorganise its business by availing protection under SICA. However, as SICA is repealed now, the protection under Section 22(10) of SICA is no more available.

3. Relationship/Negotiation/Engagement Strategy

After having business strategy and legal strategy in place, the next step is to have robust Relationship Strategy with the concerned banks and financial institutions. This strategy has major role to make the Company out of sickness. For making this strategy, we need to analyse the bankers' mind. The banks and financial institutions:

- want that business unit gets turn around.
- don't want to run business as they know no other person has better experience of reviving the unit than the promoters.
- don't want to sell unit unless they do not have any other choice. There are lot of cases where banks and financial institutions are not able to sell units after taking possessions. There are many reasons for the same major being general recessionary phase prevailing in the economy where people are averse to risk taking.
- don't want to take further exposure.
- have norms on restructuring/one time settlement and want to move within the norms so that restructuring proposal should not be rejected by their head office.
- want that till the pendency of restructuring/one time settlement, they should get some payments. It may be interest on working capital/term loans or on both. It all depends what Company earns during that period and how Company negotiates with them.

The above list is only inclusive and not exhaustive. One should not be hard in the approach while dealing with banks. Approach should be flexible so as to avoid any action under SARFAESI.

Also in consortium banking, there is specific provision which requires that secured creditors representing at least 75% in value of the outstanding amount should agree to measures to be taken under SARFAESI. So with judicious mix of strategies one would be able to avoid action under SARFAESI provisions.

Example: Above Company ABC had decided to have sound relationship strategy after finalising business and legal strategy. Under this strategy, the company agreed on the following which ultimately brings the Company out of sickness:

- The company attended all consortium meetings. It took steps to win the trust of banks that it would not have any intention of non-payment of their dues or cheating them in any manner.
- It remained transparent in disclosing the steps to be taken to run the company to earn profits and how the banks' money to be refunded.
- After arranging strategic investor, the company disclosed his net worth, interest in other businesses etc. and made him attend all the meetings regularly. This brought confidence to Banks that their money was safe.
- Despite the fact that out of four banks, two banks were in favour of SARFAESI action, the company did not stop

discussion with these hostile banks.

- The company, after successful negotiation, started paying interest on working capital/ fund based facilities to non-hostile banks. After this hostile banks also agreed for the restructuring.
- In the meantime, the changed business strategy helped the company in earning profits. Although the company was under BIFR but without waiting for the sanction of Rehabilitation Scheme, the company provided One Time Settlement (OTS) proposal with two banks which they agreed. Within six months' time other two banks also came along and entered into OTS.
- Before going to BIFR, the company encouraged consortium members to take the matter to Corporate Debt Restructuring (CDR) to reach at restructuring proposal at the earliest. CDR mechanism helps early resolution of complex matter as top level management of the banks and financial institutions directly supervise such matter. However majority banks did not agree. By taking this particular step, the company had shown to bank that it was serious to settle this matter.

Now, with the notification of provisions of Insolvency & Bankruptcy Code, 2016 (IBC), a distressed company or its creditors may take its matter under IBC for initiation of Corporate Insolvency Resolution Process (CIRP). Under CIRP, the Interim Resolution Professional (IRP) / Resolution Professional (RP), play an important role in running the said process. They have to invite resolution plans from the public / existing promoters and that the said plans have to be taken to the Creditors Committee (CC), which consists of financial creditors of the company (Corporate Debtor / CD). The plan accepted by CC with the consent of 75% of the financial creditors in value terms is forwarded to the NCLT for its approval. The said process is to be completed within 180 days, which can be extended only once by 90 days by NCLT provided the request for the same is made by 75% of the secured creditors in value term through the RP. During the said period of 180 days / 270 days, Corporate Debtor's assets are protected from recovery actions of creditors including from SARFAESI action. In case, no plan is approved by the NCLT within 180 days / 270 days, the company goes into liquidation.

In case, a company is likely to get the support of 75% of its financial creditors' value in terms to the proposed restructuring, the company can make an application for initiation of CIRP process. On sanctioning of the said restructuring scheme by NCLT, the same shall be binding on the remaining financial creditors. As regards the operational creditor consisting of suppliers, workers, statutory creditors and other non-financial creditors, a resolution plan must provide at least the amount which the said operational creditors will be getting, in case, the corporate debtor is liquidated. For the purpose of determination of the said liquidation value, the RP shall get the assets of CD valued from two valuers. In case, the liquidation value of the assets of CD is less than the dues of financial creditors, no provision needs to be made in respect of the dues of unsecured suppliers and statutory creditors.

The provisions of IBC shall help the viable businesses to restructure themselves at the earliest without causing any significant depletion in their value and that the unviable businesses are sent for liquidation immediately. The financial creditors including banks and financial institutions shall also be required to take early decisions as to the restructuring of the dues of the viable companies as they know that in case they do not take the early decisions, the said companies will be liquidated and value of their securities will be lost as a result.

CS

Status of Legal Fiction: 'Deemed unable to Pay its Debts' - when winding up notice is not signed by the person authorised by The Board of Directors



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Whenever a company is unable to pay its debts, in addition to other remedies, the creditor can file a winding up petition against the company. Section 271 of the Companies Act, 2013 prescribes the circumstances in which a company may be wound up by the Tribunal. One of the circumstances is when the company is unable to pay its debts. One way to prove the inability of the company is based on financial status, present and future liabilities, secured/unsecured loan component and scope of business of the company. The other way has been provided under sub-section (2) of Section 271 of the Companies Act, 2013 – which is a legal fiction of 'deemed inability' and the heading is 'A company shall be deemed to be unable to pay its debts'. The legal fiction under Section 271 is that (i) a demand notice is given by the creditor (ii) the demand notice is

As an outcome of a comparative study of the provisions of section 434 of the Companies Act, 1956, section 271 of the Companies Act, 2013, as also section 163 of the Companies Act, 1913 it is suggested that whenever a company, as a creditor, is to give a demand notice to any other company it should be done with the prior approval of Board of Directors as otherwise it is possible that the winding up petition would be held as not maintainable.

signed by hand and in the case of company by authorized person (iii) the demand notice is served at the registered office of the company, and (iv) company has for three weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor. It has been held by the Supreme Court in the case of State of Bombay v. Pandurang Vinayak Chaphalkar, 1953 AIR 244 and Commissioner of Income Tax v. Shakuntala and two others, 1966 AIR 719 that when a statute enacts that something shall be deemed to have been done, full effect must be given to the statutory fiction and it should be carried to its logical conclusion.

Section 434(2) of the Companies Act, 1956, corresponding to Section 271 of the Companies Act, 2013 provided that the winding up notice should be signed by the agent or legal adviser duly authorized and in the case of company 'duly authorized' means authorized by the Board of Directors. The provisions of this sub-section (2) have not been incorporated under Section 271 of the new Act.

SECTION 434 OF THE 1956 ACT

(1) A company shall be deemed to be unable to pay its debts –

- (a) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding one lakh rupees then due, has served on the company, by causing it to be delivered at its registered office, by registered post or otherwise, a demand under his hand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;
- (b)
- (c)

- (2) The demand referred to in clause (a) of sub-section (1) shall be deemed to have been duly given under the hand of the creditor if it is signed by any agent or legal adviser duly authorized on his behalf, or in the case of a firm, if it is signed by any such agent or legal adviser or by any member of the firm."

SECTION 271(2) OF THE NEW ACT

Sub-section (2) of Section 271 of the Companies Act, 2013 is as under:

"(2) A company shall be deemed to be unable to pay its debts -

- (a) if a creditor, by assignment or otherwise, to whom the company is indebted for an amount exceeding one lakh rupees then due, has served on the company, by causing it to be delivered at its registered office, by registered post or otherwise, a demand requiring the company to pay the amount so due and the company has failed to pay the sum within twenty-one days after the receipt of such demand or to provide adequate security or re-structure or compound the debt to the reasonable satisfaction of the creditor;
- (b)
- (c)"

There are three important changes in the new provision. Firstly under the Companies Act, 2013 the words "shall be deemed to be unable to pay its debts" have been used and when word 'shall' is used it becomes mandatory without any choice with the court; secondly sub-section (2) of Section 434 has not been included and thirdly the words 'under his hand' have been omitted, which has created confusion as it was the situation in the Companies Act 1913.

SECTION 163 OF COMPANIES ACT, 1913

Under the Companies Act, 1913 Section 163 was as under: "A company shall be deemed to be unable to pay its debts- (i) if a creditor, by assignment or otherwise, to whom the company is indebted in sum exceeding five hundred rupees then due, has served on the company, by leaving the same at its registered office, a demand under his hand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor."

This section created confusion because in routine legal notices were issued by law firms based on verbal instructions of some responsible person of the company. However, the consequences of such legal notice were very serious because based on this legal notice company was to be deemed to be unable to pay debts of creditors and order of winding up can be made by the court which has its own fall outs. Under those circumstances the Calcutta High Court in Japan Cotton Trading Company Ltd. v. Jajodia Cotton Mills Ltd., AIR 1927 Cal 625 held as under:

"It seems to me very difficult to say that the words "under his hand" in a section of this character are complied with by any notice in writing or by a notice which is signed by somebody acting in the ordinary way as a solicitor of the petitioning creditors. The effect of the statutory notice is that unless the debt is paid within three weeks, or some arrangement is made with the creditors, the company is in the position of being conclusively stopped from denying that it is unable to pay its debts. It is highly formal and important document, although it is perfectly true that

There are three important changes in the new provision. Firstly under the Companies Act, 2013 the words "shall be deemed to be unable to pay its debts" have been used and when word 'shall' is used it becomes mandatory without any choice with the court; secondly sub-section (2) of Section 434 has not been included and thirdly the words 'under his hand' have been omitted, which has created confusion as it was the situation in the Companies Act 1913.

the demand may be made in any terms. It has to be served on the company by leaving the toe at its registered office and it has to be a demand "under the hand" of the creditors. I think that those words must be taken to have a special intention. The intention must be that there can be no doubt at all about such a notice as this being recognized as a notice directly authorized by the creditors and as one to which will attach or may attach the very serious consequences which the Companies Act imposes. That any solicitor's letter making a demand in any form, if left at the registered office of the company, should be regarded as a notice that the company must be wound up on the creditor's petition if the debt were not paid within three weeks is, I think, not the intention of the statute. I am far from saying that any good would be done by attempting to draw any analogy between this statutory notice and such a notice as the Bankruptcy notice under the English Bankruptcy Act. But it is clear that "under the hand" has some special purpose in this connection; and in view of the fact that a consequence so serious is attached to non-compliance with the notice I am not of opinion that there is nothing to prevent the general common law principle from being applied. That being so the two notices founded upon in this petition as being statutory notices are not sufficient "

The same issue was considered in the case of Kureshi v. Argus Footwear Ltd. 1931 (1) CC 277 and W.T. Henley's Telegraphs Works Co. Ltd., Calcutta v. Gorakhpur Electric Supply Co. Ltd., AIR 1936 All 840 and courts concluded that demand notice has to be under the hand of the creditor to meet the requirements of legal fiction of company unable to pay its debt and to make the winding up order. Under these circumstances Section 163 of the Companies Act, 1913 was amended by Indian Companies (Amendment) Act, 1936 and sub-section (2) was added as under:-

"(2) The demand referred to in clause (i) of sub-section (1) shall be deemed to have been duly given under the hand of



the creditor if it is signed by an agent or legal adviser duly authorized on his behalf, or in the case of a firm if it is signed by such agent or by a legal adviser or any one member of the firm on behalf of the firm."

This sub-section (2) added in the Companies Act 1913 vide Indian Companies (Amendment) Act 1936 was retained in Section 434 of the Companies Act, 1956 but has not been retained in Section 271 of the Companies Act, 2013 and the words 'under the hand' have also not been retained. It has and will create some confusion in the courts but it is the duty of the profession of company secretaries to get enlightened on this issue and ensure right interpretation because under the Companies Act 1913 there was no section on the lines of Section 291 of the Companies Act, 1956 and Section 179 of Companies Act, 2013. Section 179 on the lines of Section 291 prescribes that the Board of Directors of a company shall be entitled to exercise all powers and to do all such acts and things, as the company is authorized to exercise and any individual Director, even the Chairman or Managing Director has no power except the specifically delegated powers.

The interpretation of Section 291 was considered by Supreme Court in the case of Shubb Shanti Services Ltd. v. Manjula S. Agarwalla & Ors (2005) 55 SCC 30 and it was concluded that this section authorizes the Board of Directors of the Company to exercise such powers or such acts or things as the company is authorized to exercise and do such acts or things, except in the matter where the power is to be exercised by the company in general meeting. The exercise of the power by the Board shall be subject to the provisions contained in the Companies Act or any other Act or in the Memorandum or Articles of the company. Therefore, under Section 291 of the Companies Act, the action of the Board of Directors should be in conformity with the provisions of the Company Law or any other enactment or in conformity with the memorandum or articles of association of the company. Any Director acting individually has no power to act on behalf of the company in respect of any matter except to the extent to which any power or powers of the Board have been delegated to him by the Board within the limit permitted by the Companies Act or any other law. The position of the Chairman of the Board of Directors is not substantially different from an individual Director. Under the Companies Act, Chairman of the company does not have any special or extraordinary rights to be exercised by him without being authorized by the Board of Directors. The Board of Directors of course has an authority to delegate the power or authority to act for and on behalf of the company to the Chairman of the Board of Directors. Further

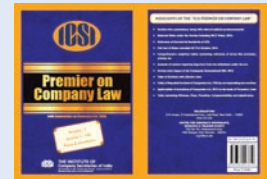
the Bombay High Court in the case of Shantilal Khushaldas and Bros v. Smt. Chandanbala Sughir Shah, 1993 77 Comp. Cas 253 Bom concluded that a general power of attorney cannot file winding up petition because the proceedings under the Companies Act for winding up are entirely different, a special remedy provided for and the idea is not to restrict the proceedings to the parties alone and its range is widened and all steps taken in winding up proceedings are in public interest. It is further stated that it would be difficult to read that the word "proceedings" would include winding up proceedings and specific authority to lodge company petition for winding up is required.

The Supreme Court in the case of Harinagar Sugar Mills Ltd. v. M M Pradhan, 1966 AIR 1707, held that the demand notice is a statutory notice and should strictly comply with the provisions of the said section. Hence the conclusion is that whenever a company, as a creditor, is to give a demand notice to any other company it should be done with prior approval of Board of Directors otherwise it is possible that winding up petition would be held as not maintainable. CS

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Value of Corporate Control (An Effective Tool to Apply)



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INTRODUCTION

There are three phases in management of Mergers and Acquisitions (M&A), namely, preparation, transaction and integration. In the first phase (i.e. the preparation stage), strategic planning predominates. Targets need to be searched for and selected with a clear and distinct purpose (essentially with the view of creating shareholder's wealth in the long run). A number of motives have been proposed for acquisitions / takeover irrespective of the fact as to whether such prospective deals are in the nature of friendly or hostile attempts to acquire the target firm. Among several motives, one rationale has something to do with the quality of the existing management team managing the show in the prospective target firm. In other words, poorly managed firms are likely to be taken over and suitably restructured by new organizers who intend to create or

This article attempts to explain the conceptual framework for valuing "corporate control" giving due importance to the various practical realities encompassing the commercial world. An attempt has also been made to clarify the conceptual framework with the help of two simple hypothetical examples that may aid financial analysts and managers to put such concepts into effective practice while assessing the true "value of control" embedded in such prospective acquisition / takeover deals.

generate value with their better and superior management capabilities. For example, attempts at creating shareholder value through superior management skills happens to be one of the key function of private equity investors (as well) who tend to achieve their goal by implementing a variety of changes in management actions like improving operations, cutting costs, tightening controls etc. Therefore, it may be commented that such deals are justified on the basis of existence of an opportunity of gaining "corporate control" in the post deal scenario. This article attempts to explain the conceptual framework (suitably supported by two simple hypothetical examples) for valuing such "corporate control" giving due importance to the various practical realities encompassing the commercial world.

EMPIRICAL EVIDENCES OF "M&A" DEALS

Empirical evidences essentially suggest that "failures" far outstrip success rates so far "M&A" deals are concerned. The salient reasons that lead to such failures (across the globe) may be summarized as under,

- a) Managers making errors in judgment at "target identification stage" in the sense that they are unable to appropriately visualize potential future benefits that may accrue to the acquirer post merger due to implementation of suitable changes in management policies and practices.
- b) Quite a few "M&A" deals in the real world are instrumented by "dubious" reasons like "managerial motives", "hubris" etc rather than genuine set of motives / reasons.
- c) Most "M&A" deals are characterized by a phenomenon where the acquirer lands up paying very high premium while acquiring the target. The actual benefits that accrue at the post merger integration stage finally fails to justify such high premium

that had been originally paid out while executing the deal.

d) Numerous deals of “M&A” simply fall apart at the “integration stage” due to the inability of the acquirer’s management to suitably integrate the restructured entity post acquisition pursuant to changes implemented for improving management quality.

It may be noted that the above set of reasons (although not exhaustive by nature) may be regarded as an indicative list which manages to capture the set of important reasons that culminate into “failures” (across the globe) so far “M&A” deals are concerned. In this context, it may not be out of place to quote “Warren Buffet” who summarizes the real world empirical evidences of “M&A” deals in the following manner:

“Many managers were apparently over-exposed in impressionable childhood years to the story in which the imprisoned, handsome prince is released from the toad’s body by a kiss from the beautiful princess. Consequently, they are certain that the managerial kiss will do wonders for the profitability of the target company. Absent that rosy view why would the acquirer pay a heavy premium for purchasing a stake in the target? In other words, investors can always buy toads at the going prices for toads. If investors instead bankroll princesses who wish to pay a very high premium for the right to kiss a toad, those kisses better pack some dynamite. We’ve observed many kisses, but very few miracles. Nevertheless, many managerial princesses remain serenely confident about the future potency of their kisses, even after their corporate backyards are knee dip in unresponsive toads.”

The readers of this article are hereby requested to take a note of the above mentioned empirical evidences of “M&A” deals along with the “classic” quotation of “Warren Buffet” because this entire article is based on such presumptions. In a nutshell, this article implicitly assumes that,

- a) Failures far outstrip success rates so far real life “M&A” deals are concerned. Therefore, would be acquirers are (ideally) expected to adopt a cautious, sensible and integrated approach while assessing the true “value of corporate control”.
- b) ‘Would be acquirers’ should acknowledge the well-established fact that most “M&A” deals are characterized by payment of considerably high premium to the stakeholders of the target companies at the time when such deals are actually put through.

VALUE OF CORPORATE CONTROL (CONCEPTUAL FRAMEWORK)

The conceptual framework (as given below) had been quoted from the renowned text-book on valuation*：“Many acquisition / takeover deals (both of friendly and hostile natures) are justified on the basis of existence of an opportunity of gaining “corporate control” in the post deal scenario. Under such circumstances, the investors are willing to pay large premiums over the ruling market price of target firms to control the management of these companies. The value that may be attributed to controlling a firm stems from changes that may be made to the existing management policies and practices which are likely to enhance the value of the target firm in the near future. These changes may cover several areas like liquidation

the first step in such valuation exercise is to select an appropriate valuation model that is perfectly suited for application in respect of the case under consideration. It needs to be remembered that the model used in valuation should be tailored to match the characteristics of the assets that are being valued. The unfortunate truth is - the reverse is often true. Time and resources are actually wasted trying to make assets fit in a pre-specified valuation model, either because it is considered to be the best model or because not enough thought goes into the process of model selection.

of non productive resources, undertaking appropriate debt restructuring exercises, changing the dividend policies so on and so forth. In other words, the acquiring management may restructure the target (post acquisition) in order to generate value. It goes without saying that the value of corporate control is negligible for firms that are operating at close to their optimal value since restructuring would yield little additional value. On the other hand, the value of corporate control can be substantial for firms that are operating at well below their optimal value, since proper restructuring may lead to significant increase in value. Conceptually, the “Value of Corporate Control” may be captured as under,

Value of Corporate Control = Restructured Value of the Firm – Existing Value of the Firm”

APPROACH TO VALUATION (TECHNIQUE TO APPLY)

The fundamental principles of valuation would certainly apply to all cases of M&A valuation (as well); an attempt to assess the “value of corporate control” being no exception to this general rule. Therefore, the first step in such valuation exercise is to select an appropriate valuation model that is perfectly suited for application in respect of the case under consideration. It needs to be remembered that the model used in valuation should be tailored to match the characteristics of the assets that are being valued. The unfortunate truth is - the reverse is often true. Time and resources are actually wasted trying to make assets fit in a pre-specified valuation model, either because it is considered to be the best model or because not enough thought goes into the process of model selection. It

*Damodaran on Valuation by Aswath Damodaran”.

may be stated here, in unambiguous terms, that there is no best model of valuation. The appropriate model to use in a particular setting would depend upon a number of characteristic features of the assets, which are being valued.

Herein, let us assume that while assessing the “value of corporate control” of a particular case (say X Limited), the concerned financial analyst (after giving due consideration to the above-noted concept) finally decides that “discounted free cash flow based valuation” model would be ideally suited in the instant case.

First, the financial analyst may forecast the free cash flows of X Limited I (in its existing form i.e. after recognizing the existing management practices and policies of the company) across the explicit forecasted period and then forecast the terminal value of such free cash flows in the usual manner. These free cash flows are converted to their present value components applying suitable (and appropriate) discount factor (s) thereby arriving at the existing value of X Limited. The value so arrived may be denoted by Rs A crores (say).

Next, the financial analyst may consider various changes in management policies and practices that the acquirer is proposing to implement in the target firm with the overall objective of restructuring the target firm after the acquisition / takeover deal is put through. These proposed changes may be included as integral components in the assumption sheet that would be used while developing the financial forecasts for computing the restructured value of the target firm. Thereafter, the free cash flows are forecasted across the explicit forecasted period recognizing the impact of these proposed changes pursuant to such future restructuring exercise. The terminal value of free cash flows is computed in the usual manner and these free cash flows are converted to their present value components applying suitable (and appropriate) discount factors (s) thereby arriving at the restructured value of X Limited. The value so arrived may be denoted by Rs B crores (say).

Thus, the value of corporate control works out to Rs (B – A) crores = Rs C crores (say) {i.e. Restructured Value of the firm – Existing Value of the firm}. Now, it needs to be appreciated that this value, namely Rs C crores is effectively a single point estimate of value and hence, it needs to be supported by a suitable risk analysis exercise (conducted in the usual manner by changing a few input assumptions) in order to arrive at a range of values within which the actual value of corporate control is expected to lie. Herein, we assume that the value of corporate control (computed applying the above methodology) falls within the range of Rs P crores (say) to Rs Q crores (say) {where P < C < Q}. Once the value of corporate control is assessed (as explained above), it would aid the acquirer in taking a more informed decision as regard to the premium that may be offered for acquiring the controlling stake in the target. Needless to state that ideally, the quantum of premium offered may range between Rs P and Rs Q crores and conceptually, it may not exceed Rs Q crores under any circumstances whatsoever.

HOW TO CREATE & GENERATE VALUE (TWO EXAMPLES)

As discussed earlier, the acquirer (with his superior management capabilities and skills) may suitably restructure the target firm by making various changes to the management

practices and policies of the target. Although numerous examples may be cited to establish how such changes may translate into value generation; in this article we would discuss the possible impact of two such changes (in order to elucidate the conceptual framework) with the aid of two simple hypothetical examples, namely,

- A) Changing the Dividend Policy
- B) Liquidating Non Productive Resources

EXAMPLE I -CHANGING THE DIVIDEND POLICY

Consider the following hypothetical example, Y Limited is a cent percent equity financed listed company. Current after tax earnings are Rs 10 per share, earnings retention ratio is 60%, future investments are expected to fetch 10% returns and expected rate of return of equity investors is 15%.

Now, as per the existing management policy, the probable market price per share of the company works out to Rs 47 (approximately) applying the well renowned dividend growth model. The computations are provided below,

Existing Dividend (1 + growth rate) / (Expected Returns – growth rate)

$$= 4 (1 + 0.06) / (0.15 - 0.06) = 47 \text{ (Approx).}$$

In this example, as per the information provided in the case, existing dividend is Rs 4 per share, future growth rate may be estimated as $10\% \times 0.60 = 6\%$ and expected returns of equity investors is 15%.

In case the controlling stake of the said company is acquired by a party having superior management skills and capabilities, a small change in management policy may generate substantial value for the shareholders. As is evident, the restructuring relates to increasing the existing dividend payout ratio because as per the model (discussed above), the probable market price per share is bound to show an upswing once the dividend payout ratio is increased (provided all other parameters remain unaltered). For example, the probable market price per share would work out to Rs 67 (approximately) in case the dividend payout ratio is raised to 100% (hypothetically). The computations are provided below,

New Dividend (1 + growth rate) / (Expected Returns – growth rate)

$$= 10 (1 + 0) / (0.15 - 0) = 67 \text{ (Approx).}$$

In the above computations, we have considered a hypothetical dividend payout ratio of 100% whereby new dividend is Rs 10 per share, future growth rate may be estimated as $10\% \times 0 = 0$ and expected returns of equity investors is 15% (as already given in the case facts).

Therefore, in the instant case, it may be logically concluded that once the acquirer implements a minor restructuring measure, namely, changing the existing dividend policy thereby increasing the dividend payout ratio, it would result in value creation so far the shareholders of the target are concerned.

EXAMPLE II (LIQUIDATING NON PRODUCTIVE RESOURCES)

In order to appreciate this particular example, it would be worthwhile to recall the concept of Economic Value Added (EVA). In its simplest form, EVA (being an extension of the concept of Residual Income) may be captured in form of the

difference between the actual returns and expected returns of a company. Conceptually, $EVA = \text{Actual Returns} - \text{Expected Returns}$.

It logically follows that in case $EVA > 0$, the interpretation is – the concerned company had created value during the period under consideration and in case $EVA < 0$, value had been destroyed during the period under consideration. It also follows that so far the EVA number is concerned, the obvious understanding is “higher the better” and hence, all organizations anywhere across the globe should ideally attempt to maximize their EVA number.

Let us now concentrate on a particular phenomenon that would lead to increase in such EVA number (provided all other factors / parameters remain unaltered). Let us imagine that the acquirer with their superior management skills and capabilities institutes one action in the target, the impact of which is “reduction in the actual returns” along with a simultaneous “reduction in expected returns (as well)”. In other words, the first as well as the second term of the EVA expression (given above) reduces simultaneously, but, the quantum of reduction in the second term (i.e. Expected Returns) is comparatively larger when compared with the reduction in the first term (i.e. Actual Returns). Now, if that occurs, naturally, the overall EVA number of the company is bound to increase. Now, the question that needs to be addressed is “what action” may lead to such an outcome?

Imagine that the target is in possession of a few unproductive (or less productive) resources (example - idle assets), which are fetching very low returns for the company (over last few years). Now, in case such resources / assets are identified by the acquirer and those are disposed off, it would automatically result in reduction of invested capital thereby reducing the second term in the EVA expression. However, as these resources / assets were not of productive nature, the quantum of reduction in the first term of EVA expression would be considerably lower as compared to the reduction in the second term. In effect, the EVA number would increase resulting in value creation. It may be argued that many companies are in possession of such unproductive resources / assets i.e. resources which are not being effectively utilized by the concerned company thereby resulting in generation of sub-normal returns. However, identification of these unproductive resources / assets would often call for a detail analytical evaluation in the nature of diagnostic study. The superior management skills and capabilities of the acquirer may help in identification of such unproductive resources / assets.

Therefore, in the above example, it may be logically concluded that once the acquirer manages to identify such non productive resources / assets of the target firm, a minor restructuring measure, namely, dilution of these resources / assets would lead to value creation in the very true sense of the term.

RECOMMENDING A CAUTIOUS APPROACH

It is needless to mention that over estimation of the value of corporate control may lead to shelling out large premium by the acquirer while executing the deal. Naturally, the acquirer would fail to justify the payment of such large premium at a later date because restructuring measures would fail to fetch the desired value because the value of corporate control had been overestimated at the inception stage. Hence, financial analysts may be advised to adopt a cautious approach while estimating the value of corporate control. Richard Roll in the year 1986

spelt out his hubris hypothesis for merger activity. Hubris means over weaning self-confidence, or less kindly, arrogance. Managers commit errors of over optimism in evaluating acquisition opportunities due to excessive pride or faith they have on their own abilities. Some acquirers do not learn from their mistakes and may be convinced that they can generate value in another company when others cannot. They may also think that they have talent, experience and entrepreneurial flair to shake up a business and generate improved performance. They may have worthy intentions but can make mistakes in judgment. Moreover, in case the proposed deal is in the nature of a hostile takeover attempt, the target firm may be reluctant to share and release information and hence, such an exercise of valuing corporate control may have to be conducted on the basis of limited and in some cases – inaccurate input data. Therefore, in these cases a cautious approach needs to be adopted while assessing the expected impact of possible restructuring exercises that the acquirer may undertake at a later date.

However, the point remains that such estimation and judgmental errors would lead to questionable management decisions and finally add to the huge bucket of “failure stories” so far acquisition / takeover deals are concerned.

CONCLUSION

An exercise of “valuation of corporate control” must be undertaken by financial analysts in respect of all prospective takeover / acquisition deals which may aid in taking a more informed decision as regard to the premium that may be offered for acquiring a controlling stake in the target firm. However, a cautious approach to such valuation exercise is recommended in order to avoid estimation and judgmental errors. CS

SPECIAL ISSUE OF CHARTERED SECRETARY

It is proposed to bring out a special issue of Chartered Secretary in March 2017 on

Insolvency Professionals

covering *inter alia* the following aspects:

Role, duties, challenges and opportunities of Insolvency Professionals, International Framework for IPs, Dealing with Creditors Committee, Takeover of Assets, Role of IP in CRIP, Role as Liquidator, Negotiations in disposing of Assets, Understanding of Business and Acquiring Business Skills, Valuation Aspects, Preparation of Information Memorandum, etc.

Members and others having exposure on the above topics are welcome to contribute articles for consideration by the Editorial Board for publication in the said special issue.

The articles may kindly be forwarded to:

The Director (Publications), the ICSI, 22, Institutional Area, Lodhi Road, New Delhi – 110003.

e-mail: ak.sil@icsi.edu

2

RESEARCH CORNER



- GST: A REAL IMPACT ON INDIAN ECONOMY
- DEVELOPMENTS OF INTERNATIONAL CORPORATE GOVERNANCE AND CONSTRUCTION OF CORPORATE GOVERNANCE INDEX FOR BANKS
- RESIDENTIAL RESEARCH COLLOQUIUM ON INSOLVENCY & BANKRUPTCY CODE, 2016
- ALL INDIA RESEARCH PAPER COMPETITION ON GENERAL ANTI-AVOIDANCE RULES



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GST: A Real Impact on Indian Economy



Meenu Gupta, ACS

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“Our aim is Economical and educational empowerment of the poor. GST can help us achieve this aim.”

By Narendra Modi

The path towards Goods and Services Tax (GST), the biggest indirect reform, has picked up tremendous speed with the passage of Constitutional (122nd Amendment) Bill, 2014 in both the houses of Parliament in August'16, thereby increasing the possibility of long-awaited GST being implemented soon. This IT-enabled system will unify the tax market, reduce the cascading effect of tax on cost of goods and services, allowing all stakeholders to get benefitted. A major step towards freeing India from tax terrorism will help curb black money and corruption, will improve India's GDP growth and boost 'Make in India' initiative of govt. However, the Model GST law containing the registration, payment, payment and refund process, which has been in public domain, is riddled with flaws that will jack up the compliance costs. All this requires Government,

In view of PM Modi's dream of creating India a 'Manufacturing Hub' through 'Make-in-India' initiative, Goods and Services Tax reform is all the more important in view of flaggering concerns over the burden of complexity of India's archaic taxation structure. It will truly revive the manufacturing synergy in India by reducing cascading effect of taxes towards improving the Country's GDP.

businesses, professionals, consumers to engage, prepare, unlearn and relearn for successful GST implementation. The focus of this study is on overall impact analysis of GST. Read on further

RESEARCH OBJECTIVES

The research study is undertaken for the following objectives:

- i. To peep into what, why, how & when of GST.
- ii. To get deep into implementation hurdles for GST.
- iii. To analyse the loopholes or discussion points under GST Model Law.
- iv. To study whether GST is a boon or curse for manufacturing and services sector in India.
- v. To evaluate role of Governance Professionals under GST.
- vi. To enlist impact of GST on factors of Indian Economic Development (GDP Growth, Inflation, Tax Receipts, Make in India initiative).



I. OVERVIEW OF GST

The four W's including What, Why, How & When will reveal about GST.

Why: The limitations of Present Indirect Tax Structure

- i Presently in terms of Article 246 and Schedule VII of the Constitution of India, we have three lists, the Union List, the State List, and the Concurrent List. Under the Union List, only the Central Govt can levy taxes, taxes on State List can be levied by State Govt and under the Concurrent List, Centre and State Govt can levy taxes.

Central Government Taxes	State Government Taxes
<ul style="list-style-type: none"> o Customs Duty o Excise Duty o Service Tax o Product Specific Tax like Automobile Cess o Research & Development Cess o Swachh Bharat Cess o Central Sales Tax 	<ul style="list-style-type: none"> o Value Added Tax (VAT) o Entry Tax o Octroi charged by Municipality o Local Body Tax o Entertainment Tax o Luxury Tax o State Cess & Surcharge o Stamp Duty & Registration Cess

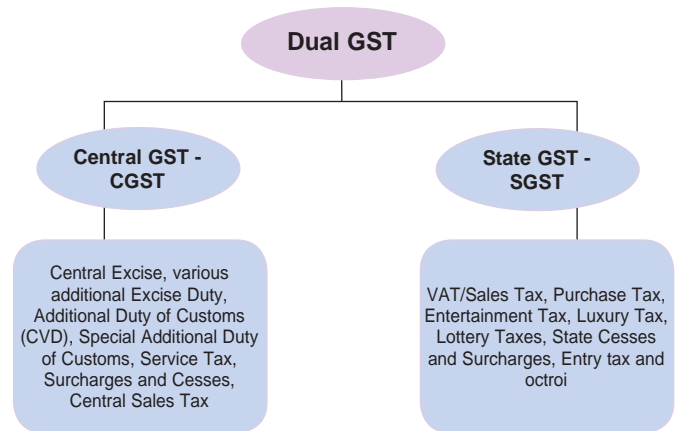
The credits of taxes paid to Central Govt. are not available to States and vice-versa creating cascading effect of taxes, ie. tax on tax. Multiple taxes inflates the cost of goods which restricts the growth of economic development. India is looking at some simplification, clarification and uniformity in indirect taxes which is exactly what is called GST.

- ii No input tax credit for payment of State VAT and Excise Duty on capital requirement is allowed for telecommunication, transportation sectors. This discourages investments in capital equipment sector leading to increased cost of capital goods, reduce investment, employment and output.
- iii Truck drivers in India spend 60% of their time negotiating check posts and toll plazas on roads with 650 odd check posts and various categories of taxes. There will be productivity and efficiency in Indian trucks due to the non-existence of check barriers under GST regime.
- iv GST would help fight against black money and corruption as it is extended to as many goods and services as possible which would be less intrusive and more self-policing. Also, it will make tax evasion difficult due to IT-enabled GST system.

How: This long-drawn much-delayed agenda has been first conceived by Atal Bihari Vajpayee govt. in 2000 setting up an empowered Committee headed by Asim Dasgupta while suggesting the fiscal responsibility and budget management (FRBM) framework in 2003. Finance Minister P Chidambaram formally introduced GST concept in his budget speech on Feb 28, 2006 and empowered committee of state finance ministers was asked to work with Central Govt. to prepare a road map and the same was submitted to Govt. led by Manmohan Singh on April 30, 2008. Kelkar-headed 13th Finance Commission make suggestions on GST, thereby, Constitution (115th Amendment) Bill, 2011 introduced in Lok Sabha to enable GST levy on March 22, 2011. However, bill submitted in Parliament stands lapsed with dissolution of 15th Lok Sabha in Aug, 2013. Bill, then referred to Finance Standing Committee stands approved by Cabinet as Constitution (122nd Amendment) Bill, 2014, was then passed by Lok Sabha on May 6, 2015. FM Arun Jaitely moves amendment to the Bill which was approved by Rajya Sabha on 3rd August,

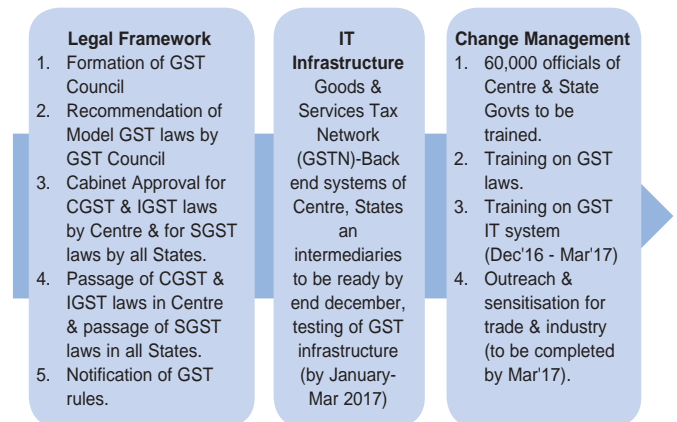
2016 and by Lok Sabha on 8th Aug, 2016. After being adopted by majority of states, the Model GST Law is in its concluding stages of finalisation which will then be presented for adoption.

What: GST, India's biggest tax reform since 1991, is a destination based consumption tax levied at multiple stages of production and distribution of goods and services with taxes on inputs credited against taxes on output. It is essentially a tax only on value addition at each stage and a supplier at each stage is permitted to set-off through a tax credit mechanism, the GST paid on purchases of goods and services as available for set-off on the GST to be paid on the supply of goods and services. The final consumer will thus bear only the GST charged by the last dealer in supply chain, with set-off benefits at all the previous stages. It is one of widely accepted Indirect Tax System prevalent in more than 160 countries across the globe. The uniform tax will take the form of a 'Dual' GST to be levied concurrently by both the Centre and the State Govts, similar to countries like Brazil and Canada already having a dual GST regime. This big game changer will bring all major taxes levied under indirect taxes, ie. Central Excise, Service Tax, VAT/CST under its ambit.



When: The Next Stages

With President Pranab Mukherjee giving assent to Constitution (122nd Amendment) Bill, 2014 on 8th September, 2016, GST Council have been constituted in exercise of the powers conferred under Article 279A of the Constitution on 15th September, 2016 which has recommended GST bills, rates and contentious issues of control of assessing and scrutiny besides a threshold for attracting GST.

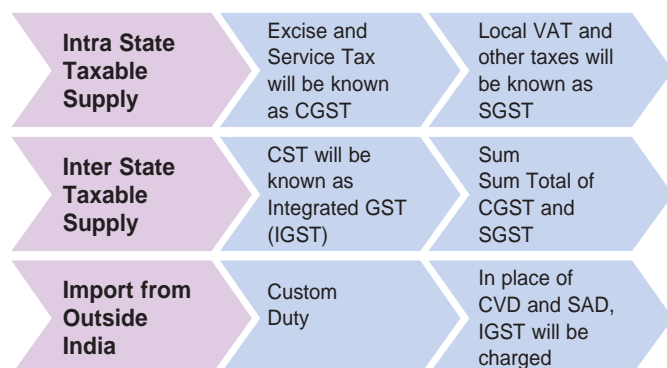




Features of Model GST Law

With the draft Model GST law released in public domain, it is important that corporates should understand the provisions mainly on incidence of tax, taxable event, invoicing, etc. It has 162 clauses and 4 schedules, has also levied a jail terms of upto 5 years and fine for violation of provisions of the statute. The law also provides for setting up of an authority for Advance Ruling, Consumer Welfare Fund a "Composition levy" for entities with turnover of Rs. 50 lakh and self-assessment by a tax payer.

Proposed Indirect Tax Structure



1. A GST being a 'dual structure', State GST is levied by States through a statute on all transactions of goods and services and would be paid to accounts of respective states. Central GST to be levied, controlled and administered by Union. Here, the two Govts will combine their various levies into single GST and proceeds to be shared between Centre and States. And the IGST would be levied on all interstate transactions of taxable goods and services with appropriate provisions for consignment or stock transfers of goods and services. Interstate dealer will pay IGST after adjusting available input IGST, CGST and SGST on purchases.
2. 'Supply' under Section 3 including all forms of supply of goods and services such as sale, transfer, barter, exchange; term 'Supply' is replaced for the term sale and the definition shall include every item which shall be coined as sale.
3. A registered taxable person is liable to pay tax when his aggregate turnover exceeds Rs. 20 lakhs in a financial year. However, a person carrying business in any of North Eastern States including Sikkim, is required to pay tax if his aggregate turnover exceeds Rs 10 lakhs.
4. Under GST, the two base upon which levy stands are 'time of supply' and 'place of supply'. The concept of place of supply is new in indirect taxation since under service tax, levy is for services provided or agreed to be provided by one person for another for a consideration, excise duty is levied by Central Government on production or manufacture of excisable goods removed for domestic consumption in India, and VAT is levied on sale of goods. Any error in determining the 'time of supply' will mean non-payment of taxes at the time when it ought to be paid and error in wrong determination of 'place of supply' will most certainly lead to payment of

GST Working: Present v/s GST Structure

Manufacturer (UP)		Wholeseller (UP)		Retailer (UP)
Product Cost	200	Buying Price	257	282
Excise Duty@12.5%	25	Excise Duty@ 12.5%	-	-
VAT@14% of Rs. 225	32	Input Credit VAT@14%	(32)	(35)
Selling Price to Wholeseller	257	Cost of Sales	225	247
		(+)Profit Margin @10%	22	25
Double Taxation		Total Cost of Sales	247	272

VAT@14% of Rs. 25	4	(+) VAT@14%	35	38
		Selling Price to Retailer	282	310
Tax collected by Govt:	57		3	3

GST Structure

Manufacturer (UP)		Wholeseller (UP)		Retailer (UP)
Product Cost	200	Buying Price	240	264
CGST@10%	20	Input Credit CGST@10%	(20)	(22)
SGST@10%	20	Input Credit SGST@10%	(20)	(22)
Selling Price to Wholeseller	240	Cost of Sales	200	220
		(+)Profit Margin @10%	20	22
		Total Cost of Sales	220	242
		(+) CGST@10%	22	24
		(+) SGST@10%	22	24
		Selling Price to Retailer	264	290
Tax collected by Govt:	40		4	4

In present scenario, wholesaler bought goods from manufacturers after paying tax of Rs.57 out of which he takes credit of Rs.32 and remaining Rs.25 influences in form of increased cost of product. However, in GST, at every stage, the registered buyers take benefit of input tax credit and taxes are borne by end customer which is a cost for them.

- wrong type of tax.
5. Every person who is liable to be registered under GST law should apply for registration in every such State in which he is liable to tax within 30 days from the date on which he becomes liable to registration.
 6. GST provides for filing of annual return by every registered taxable person for every financial year electronically on or before 31st December following end of such financial year and the deposit of tax, interest, penalty, fee or any other amount should be made by internet banking or by using debit/credit note or through NEFT/RTGS or by any other mode.
 7. Like VAT provisions, GST has empowered the Commissioner or any officer authorized by him, to undertake audit of business transaction of any taxable person.

II. IMPLEMENTATION HURDLES FOR GST

With the GST Council constituted, now comes the hard part fixing the rates of tax, deciding the precise nature of Central GST Act, the Integrated GST Act and the State GST Act, the tax exemptions, threshold limit, payment of compensation for revenue losses to State Govt, figuring out how to settle disputes and how to prevent taxpayers having to interact with multiple levels of govt. in order to comply with the tax.

- i **Powers of Council for GST Legislation:** The Council singularly is clothed with legislative, executive and judicial powers. It will recommend GST legislation, oversee implementation of GST in Country and set up mechanism to adjudicate disputes between its members. It should ensure regularly inviting trade bodies, professional associations, academics and consumer forums to submit their views on issues deliberated by it; participating in information, education and communication programmes in association with State and Central govts; setting up an interactive and continuously updated website in all languages.
- ii **IGST in interstate trades:** Govt. should ensure that States are authorized to administer GST on supplies in course of inter-state trade and commerce.
- iii **IT Infrastructure:** One of the key factors for introduction of GST is a robust IT backbone connecting the State Govts, trade and industry, banks and other stakeholders on a real time basis. For this purpose, Govt. formed a Special Purpose Vehicle (SPV) called Goods and Services Tax Network (GSTN), which has the mammoth task of developing the GST portal. The contract for developing this interface was awarded to Infosys that reportedly is almost ready with the interface. Though there is some peripheral knowledge of how stakeholders will engage in a dialogue with this portal, more awareness is required for companies to understand the compliance requirements, which are anticipated to be more stringent with electronic credit matching. This is expected to pose a bigger challenge for medium and small companies. India's second largest software company, Infosys, has been assigned the mandate to develop and run GSTN in a project worth Rs. 1,380 crore. IT companies have a tough job to do since IT processes for every company will have to be customized. Companies are mainly upgrading their ERP (Enterprise Resource Planning), a category of business management software, so as to accommodate complexities of calculating GST. It is a gradual process and changes in ERP will need to factor various other parameters including procurement, warehousing and impact on vendors and

customers.

It's for first time, when Govt, is prepared but industry is not; it is like handful of companies are ready for GST, others are waking up a night before the main exam.

- iv **Dispute Resolution System:** One of common grievances taxpayers have in India relates to delays in dispute resolution system. Fixing the good dispute resolution system holds the key to easing the cost of doing business and will also help in attracting more foreign and domestic investment. The aspects include: when does a disagreement between department and taxpayers take the form of 'dispute' in a legal sense; once the dispute arises, how does one resolve it expeditiously with a degree of finality; when dispute involve principles of assessment, how does one ensure that such decisions taken are uniformly applied all over Country.
- v **Preparing & training Industry:** Not only will GST impact the business but the entire supply chain, necessitating significant changes to the entire ecosystem. CEOs will need to be engaged through implementation journey to reorient business structures and reorient costs, rather than tax organization alone. Induction and orientation programmes for the company's personnel highlighting the key changes ushered in by GST vis-à-vis the present indirect tax laws, key business impact areas, compliance procedures and way forward.

III. LOOPHOLES IN MODEL GST LAW

The Model GST Law makes it clear that the proposed GST regime would have imperfections and anomalies to start with.

- i According to Chapter 5, input tax credit on capital goods would not be available for most sectors including transportation, construction and infrastructure. In current system of dual VAT, while the central excise duties and state VAT applies to capital goods, input credits are essentially limited to manufacturing plant and equipment. The lack of input credit on capital goods effectively makes attendant goods and services dearer by atleast 12-14% which implies high, cascading costs across the board. Canada, having a similar excise duty regime before adopting GST, having provided seamless input credit on capital goods is beneficial the Country to the extent of 0.5% of GDP. And given that extent of tax cascading is higher in India, seamless input tax on capital goods would surely lead to benefits higher than 0.5% of GDP, assuming a capital output ratio of 4.
- ii Besides, 'sin' goods like tobacco items, taxed by Centre and potable alcohol, taxed by States, would remain outside GST, as would petroleum products, till now, which are taxed by both centre and state. It does make sense to include petro-goods under GST with provision for additional top-up taxes. Also, the Central Sales Tax (CST) for inter-state sales, now at 2% needs to be reduced to 1%. Then, originating states need not be compensated for 2% CST for five years.
- iii The law predicates a move to the concept of transaction value for supply of goods and services with valuation provisions akin to existing customs and excise laws. This will be a departure from the current maximum retail price (MRP) regime for goods in several sectors and will need careful evaluation and implementation to avoid unnecessary disputes. Also, the compliance requirements for services sector, especially, telecom and financial services will be challenging as they will now have to deal with multiple registrations basis their presence in various states. A

- solution would be to carve out a regime with registration at their primary place of business and use the IGST mechanism for transfer of credits to relevant states.
- iv The draft model doesn't provide for any refund or credit on tax paid on returned goods, potentially imposing double taxation on sellers, i.e, tax paid on returned goods and again when replacements are provided. Online retailers may be worse off as in case of sellers selling goods through ecommerce platforms, the sellers will be at a disadvantage as compared to offline counterparts as GST on sales return may become an additional cost given the mismatch on account of tax collected at source and liability calculated by seller accounting for the goods returned. Accordingly, TCS will create more disputes and hence more litigation. Where currently excise and state VAT laws provide for tax adjustments on goods which are returned within a prescribed time limit, the industry has suggested a provision for refunds and adjustment of tax paid earlier to be incorporate in sales return through mechanism of credit notes raised by sellers on themselves but the govt is however, unable to provide a firm assurance on the matter as of now because the GST law is to be framed in consultation with states.
 - v Tourism and hospitality industry is perhaps the only industry in India that not only creates foreign exchange here, but also retains about 98% of it. These are intangible services that can only be consumed within India and are a deemed exporter of services, so there needs to be an exception under Section 2(44) of the draft GST law for the sector as the section classifies export services as services that are consumed abroad. Also, in addition to the proposed VAT and luxury tax which currently have a set-off in draft law, there should be a GST set-off which subsumes interstate levies on transportation, state electricity cesses and liquor tax.
 - vi Since there would be minimal exemptions in GST, there is no clarity for handset manufacturers as to how the incentives to Make in India work in GST regime as it would be difficult to create a differential duty structure between imported goods and goods manufactured in India. The Govt. presently levies 12.5% countervailing duty on fully made phones imported into India and a similar rate of duty on batteries, chargers and handsets of mobile phones. The duty structure that will make it more expensive to import handsets than to produce them in Country should continue given that businesses have made substantial investments and that such schemes take time to achieve fruition.

IV. GST- A BOON OR BANE FOR MANUFACTURING & SERVICES SECTOR OF INDIA

GST will turn India into one common market, leading to greater ease of doing business and big savings in logistics costs from companies across all sectors. Some companies will gain more while others will lose.

1. **FMCG:** Companies could generate substantial savings in logistics and distribution costs as the need for multiple sales depots will be eliminated. GST will be positive for household and personal care space as the effective tax rate reduces by 200-500 basis points. Warehouse rationalization and reduction of overall tax rates, is expected to generate savings which could cumulatively range between 200-300 bps. However, if the recommended 40% 'sin/demerit' GST for aerated beverages and tobacco products is levied, prices may increase by over 20%. Also, food companies may see increase in effective rate as many companies enjoy concessional rate of excise.
2. **Wind Power:** GST will be negative for wind, turbine generator manufactures like Suzlon, as pressure on developer margins and internal rates of return could eventually force reduction in prices and realisations, upto 10-13%. However, if components are included in exemption list, the impact of GST will be nullified.
3. **Pharmaceuticals:** GST rollout could be negative for the sector, as it is likely to increase indirect tax as taxes paid by pharma companies could increase by 60% and MRP by 40%.
4. **E-Commerce:** GST will help create a single unified market across India and allow free movement and supply of goods in every part of country. It will also eliminate the cascading effect of taxes on customers which will bring efficiency in product costs. However, TCS guidelines will increase administration, documentation workload for ecommerce firms and push up costs.
5. **Media:** DTH, Film producers and multiplex players are levied service tax as well as entertainment tax, GST will bring major change and uniformity in businesses which will bring down taxes by 2-4%. Multiplex chains will save on revenues as there will be a more uniform tax, unlike current high rate of entertainment tax levied by different states. It may lower the average ticket price, and increase the footfalls in multiplexes. GST will be a big boon to film producers and studios that currently pay service tax on most of their cost, but cannot charge input credit on creative services as they fall under the negative list. Under GST, they will be able to claim credit of these services also, which will help in lowering overall cost.
6. **Aviation:** Flight tickets will become expensive as currently service tax on fares range between 6% (on economy class) and 9% (business class), however, the GST rate will surpass 15%, if not 18%, effectively doubling the tax rate. Also, airlines will not be able to claim credit on tax paid on jet fuel as petroleum products are outside purview of GST.
7. **Cement:** Overall tax incidence could decline if GST rates are fixed at 18-20% from the current effective rate of 25%. It will also benefit from expected decline in logistics cost which currently comprises upto 20-25% of total revenue. This one common market will bring down number of depots to 100 from the present 550 in the country.
8. **Automobiles:** GST will be largely positive for demand, as it will lead to a 10-17% fall in prices, assuming an 18% GST rate. Margin benefits to accrue for tractors, as these can claim set-off against taxes on input. And organized battery and other spares would become cost competitive and gain market share.
9. **Insurance:** Life, health and motor insurance policies will begin to cost more from April 2017 as taxes will go up by upto 300 basis points.
10. **Consumer Durables:** Consumer durables will benefit from improved logistics in terms of cost savings of upto 200-300 bps. A significant portion of direct benefits will be passed on to end consumers because of a highly competitive market.
11. **Telecom:** Handset prices are likely to come down/even out across states. Manufacturers are also likely to pass on consumers cost benefits they will get from consolidating their warehouses and efficiently managing inventory. GST will bring in ease of doing business for them as they may no longer need to setup state specific entities and transfer

stocks to them. However, call charges, data rates will go up if tax rate in GST exceeds 15%. Also, tower firms won't be able to set off their input duty liabilities if petro-products contribute to stay outside GST framework.

V. ROLE OF GOVERNANCE PROFESSIONALS

Company Secretaries, being a KMP, are considered as governance professionals with the recognition and authorization given to do VAT Audit, to appear before Appellate Authority as authorized representatives, auditor/internal auditor and to carry out secretarial audit of prescribed companies. With GST being more procedural, it will be easier for them to understand and be expert in due compliances of laws relating to GST.

Role of CS under GST

To Assessee under GST Law

- **Procedural Compliances:** Classification of taxable services, registration, computation & payment of taxes, filing of returns, assessment.
- Interpretation/Advisory/ Consultation
- Tax Planning & Internal Audit: To minimize tax impact on business & internal audit of records and compliances of GST.
- Representation/Appellate work: Acting as authorized representatives before Central Excise authorities, valuation & classification of goods, advising on search, seizure, assessment of duty & obtaining refunds.

To Government

- **Support in implementation:** Drafting of various rules, laws, schedules, returns under GST, assisting IT in website designing for law, rules, provide training to Govt staff.
- Timely updating & correct feedback on provisions of law
- Help in tax collection
- Compliance Audit/ Due Diligence
- Assistance in Dispute resolution
- Dissemination of information to assesses.

1. Issue Certificate certifying the fact of non-passing of GST burden (Report for GST on refund process).
2. Act as Authorized Representative in the matter of registration under Goods & Services Tax (Report on GST refund process), acting as an agent for taxpayer (Report on GST payment Process).
3. A Company Secretary can be registered with the GSTN as 'Tax Consultant' and advise his clients getting the high rating under the compliance rating score which would help in establishing good corporate governance of company.
4. Governance Professionals should remould themselves from just serving corporates to serve the common man-illiterate businessman who is non-corporate entity and is in need of services dealing with GST. They should be alert in capturing the required information obtained from various sources, assimilate and be ready with action plan to deal with the GSTN.

IV. IMPACT OF GST ON INDIAN ECONOMIC DEVELOPMENT

The long-delayed much awaited GST is expected to increase tax buoyancy, GDP growth, curb black money, and moderate inflation.

- i. **Curb Black Money:** What helped most in generation of black money were multiple indirect tax laws administered by different authorities without a mechanism to check unreported income. A system where every penny in a transaction

whether earned through sale or provision of service is tracked and accounted for from the source till consumption stage, an IT-enabled system connecting multiple administrative databases, will drive tax evader out of business, thus GST striking at root where black money gets generated.

- ii. **Boost Tax revenues:** Gross tax revenue for current fiscal 2015-16, as per Budget figures, is Rs. 14,59,611 crore and is estimated to increase by 11.73% to Rs. 16,30,888 crore in 2016-17 and will be 10.9% of GDP in FY'18 and 11.1% of GDP in FY'19. Indirect tax receipts will increase to Rs. 7,79,670 crore in next fiscal year from current Rs. 7,03,642 crore.
- iii. **Increase in Growth rate:** As per IMF Report, Indian economy will grow at 6.5% against 6.3% in China and will overtake Chinese growth rate in 2017 with 7% against China's 6.9%. Implementation of GDP will boost the Indian GDP by 1-2%.
- iv. **Make-in-India Initiative:** Integration of seven taxes levied by Central Govt. and eight taxes by State Govt. under GST will reduce cost of production and lessen complications to start business and will attract the investors and will be receptive to foreign investments.
- v. **Start-Up India:** India has moved to fastest growing start-up base and secured third position worldwide in technology driven start-up businesses following US (1st Position) and UK (2nd position), however, current indirect tax regime is deterrent for start-ups due to non-unified tax regime, numerous tax formalities and levy of non-refundable taxes. GST will boost the start-ups expecting it to be 10,000 in number by year 2020 and from current 4,200.
- vi. **GDP Inflation:** Inflationary pressure will depend on how the Revenue-Neutral Rate (RNR) is split between standard and low rate. Also, countries like Canada, Australia, and New Zealand have seen one-time increase in inflation post GST implementation, which normalized in a year. Overall there will be mid-inflation in medium term.

CONCLUSION

The implementation of GST will bring huge long-term benefits to country in terms of curbing black money, bringing transparency, accountability and efficiency in tax administration and reducing the arbitrage opportunities available to tax avoidance and evasion. But the Model GST Law as it stands today awaiting the finalization of rules to get a clear solution to the main points. It is expected that Govt. will soon come out with much awaited GST considering the suggestions that will be provided by Trade & Industry for suitable modification in final GST Model Law. While Govt's interface is getting ready, it is time for business to restructure their business policies, reschedule their working capital requirements at the verge of new proposed GST law.

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Developments of International Corporate Governance and Construction of Corporate Governance Index for Banks



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INTRODUCTION

The word “Corporate Governance” has become a buzzword these days. After collapse of Soviet Union and the end of the cold war in 1990, it has become the conventional wisdom all over the world that market dynamics must prevail in economic matters. Poor corporate governance of financial institutions specially banking companies has increasingly been acknowledged as an important cause of the recent financial scams. Listed banking companies as well as non-listed banking companies worldwide have publicly emphasized that good corporate governance is of vital concern for the company and have adopted firm-specific corporate governance codices. The Basel Committee on Banking Supervision (BCBS) has already published guidelines to enhancing corporate governance for banking organisations. The term governance has

Today, corporate governance is looked upon as a distinctive brand and benchmark in the profile of corporate excellence and issue of corporate governance has assumed lot of importance. Governance is a necessary discipline and proper governance would lead to effectiveness and transparency in the functioning of any corporate entity. The compliance of corporate governance has been given top priority by the regulatory bodies with the objective of providing better and effective protection to investors and also to make the market confident and vibrant. The objectives of the present study are to understand the banking perspective of corporate governance, to study the developments of corporate governance through different committees and acts, recommendations at international level and to construct a corporate governance index (parameters based) for banks on which a bank can be rated. The study is purely based on secondary data. The study found that the codification of corporate governance and its effective implementation in true spirit would bring about radical change in the way in which banking companies are directed and controlled.

been originated from the Greek word ‘Kybernan’ which refers to the function of ‘steersmanship’. Beer (2004) explains “at sea the long ships battled with rain, wind and tides- matters no way predictable. However, if the man operating the rudder kept his eye on a distant lighthouse, he could manipulate the tiller, adjusting continuously in real-time towards the light”. Operating the rudder is the function of the kybernan. This word transliterates into English as ‘cybernetics’. In Latin word ‘Kybernan’ is transformed into ‘gubernare’ which means ‘to rule or steer’. This meant to be a normative framework for exercise of power and acceptance of accountability used in the running of kingdoms, regions and towns. Both governance and cybernetics have to do with ‘control’. Sir Adrian Cadbury (former head of the Committee on the Financial Aspects of Corporate



Governance of United Kingdom, 1992) defined corporate governance as the system by which companies are directed and controlled. RBI (2001) also supported the definition of corporate governance given by Cadbury.

REVIEW OF LITERATURE

Brahmbhatt et al. (2012) adopted parameters based Score card method for comparative analysis of governance practices of public and private sector banks. Authors found that public sector banks are performing better. **Becht et al. (2012)** documented the pattern of bank failures during the financial crisis and checked whether there was a link with corporate governance. Study concluded that bank governance was different and required more radical departures from traditional governance for non-financial companies. It also found that bad corporate governance was major reason behind financial crises. **Chilumuri (2013)** explored the concept of corporate governance through evolution of corporate governance in world and discussed the present scenario, role and importance of corporate governance in banking sector. **Deb (2013)** examined the present status of corporate governance practices in Indian Banking Sector and found that proper and adequate corporate governance can handle many complex banking issues. **Bebchuck et al. (2009)** used kitchen-sink-approach to construction the index to measure the quality of selected companies. **Daines et al. (2010)** used check-and-sum approach to develop the index. But, there is a lack of theoretical justification of the composition of indicators and the weighting of different variables.

OBJECTIVES OF THE STUDY

To understand the banking perspective of corporate governance.

To study the developments of corporate governance through different committees and acts, recommendations at international level.

To construct a corporate governance index (parameters based) for banks on which a bank can be rated.

RESEARCH METHODOLOGY

Descriptive cum exploratory research design has been used for present study. The study is purely based on secondary data which is collected mainly from web disclosures and published reports of different governments/countries and committees related to corporate governance. Parameters based corporate governance index has been developed on the basis of Revised Clause 49 under listing agreement norms set by SEBI, New Companies Act 2013, different Committees' recommendations and other available literature on corporate governance.

Analysis and Interpretation

Corporate Governance depends upon two factors. One is commitment of management for principle of integrity and transparency in business operations. Other is the legal and administrative framework created by government. If public governance is weak, we cannot have good corporate governance. In Indian context, the need for corporate governance in banking sector has been highlighted because of the scams (see Table 1).

Table 1: An overview of corporate scams involved banks in India having some governance issue

Year	Scandal	Banks Involved
1985	Rajender Scam	Punjab National Bank
1992	Securities Scam by Harshad Mehta	Unit Trust of India, State Bank of India
1992	Indian Bank Scandal	Indian Bank
2002	Ketan Pareekh's Fraud	Bank of India, Gujarat Cooperative Bank of India
2002	NDCCB Scam	Nagpur District Central Cooperative Bank
2002-03	GTB Fraud	Global Trust Bank
2008	SBI-SBS Merger Scam	State Bank of Saurashtra

Source: Table created by authors

Banking perspective of corporate governance:

Consequent to nationalization in 1969 and economic liberalization 1991, banks in India are on fast-track growth in size, technology and deliverables to customers. Banking sector as the most important financial intermediary for mobilization of saving, leading to investment facilitating growth, would thus, play the most crucial role in attaining the economic objectives of the country. In recent year, the importance of corporate governance has been increasing day by day in the sphere of the banking industries. Major industrialized economy and major international organization has made efforts in recent year to refine their views on how large industrial corporation should be organized and governed. Academics in both law and economics have also intensely focused on corporate governance. Despite the growing literatures in the field, very little attention has been focused on the issue of corporate governance especially in the banking sectors. The corporate governance of the bank in developing economies is important for several reasons. First, banks have an overwhelming dominant position in developing economy financial systems and are extremely important engines of economic growth. Second as financial markets are usually under developed banks in developing economies are typically the most important source of finance for the majority of firms.

Third, as well as providing a generally accepted means of payments, banks in developing countries are usually the main depository for the economy's savings. Fourth, many developing countries have recently liberalized their banking system through privatization or disinvestment and reducing the role of economic regulation. Therefore, managers of banks in these countries have obtained greater freedom in how they run their banks.

Table 2: Developments of International Corporate Governance

Year	Country	Committee/Author	Legislation Report /	Key Suggestions
1975	UK	British Accounting Standards and Steering Committee	The Corporate Report	All economic entities to report publicly and accept accountability for the impact of director's decisions
1977	USA	-	Foreign Corrupt Practices Act 1977	Maintenance and review of systems of internal control
1977	USA	Securities and exchange commission	-	Mandatory reporting on internal financial controls
1989	Australia	Commonwealth Government	Australian Securities and Investments Commission Act	Set out the role of ASIC as a watchdog of corporate governance.
1991	Australia	Henry Bosch	Corporate Practices and Conduct	Set out the functions of boards of directors, structure, remuneration, financial reporting and auditing, risk and control management.
1992	UK	London Stock Exchange & Financial Reporting Council-The Cadbury Committee	The Cadbury Report	Boards should have checks to ensure that no single individual could have unfettered powers of decision and should have at least 3 non-executive members out of which 2 should be fully independent. Companies should have an audit committee.
1992	India	SEBI	Clause 49 of listing agreement	Compliances for listing companies
1994	UK	Rutterman Committee	Rutterman Report	Internal control and financial reporting
1994	USA	AICPA	Jenkins Report	Improving business reporting
1994	South Africa	King Committee	King Report	Recommended standards of conduct for boards and directors of listed companies, banks and state owned enterprises.
1995	UK	Greenbury Committee	The Greenbury Report	Transparency in directors remuneration disclosure
1995	UK	Hampel Committee	Committee on Corporate Governance report	Reviewed the decisions of the Cadbury committee and included more detailed prescriptions about business risk assessment and minimizing fraud
1995	Australia	The Australian Institute of Investment Managers (AIMA)	Corporate Governance: A Guide for Investment Managers and a Statement of Recommended Corporate Practice	Published the standards of conduct
1995	France	CNPF & AFEP (Mr. Marc Vienot)	Vienot Report	Recommendations regarding the boards of directors of listed companies in respect of their composition, their role and exercise of their powers
1996	Europe	Belgium Law	EASDAQ Rule	Regarding operating independent
1997 and revised in 1999	USA	California Public Employees Retirement System (CalPERS)	Global Corporate Governance	Good governance needs to be accountable and transparent.

1997	USA	Business Roundtable (An association of the chief executives of the top 250 companies in the USA)	Statement on Corporate governance	Revised roles of boards committees, the composition of the board and the evaluation of governance process
1997	Australia	Commonwealth Government	Corporate Law Economic Reform Program (CLERP 1)	Australian Accounting Standards Board reinstated
1997	India	National Task Force	India Desirable Corporate Governance: A code	Demand for greater disclosure and transparent explanation (Voluntary Codes)
1998	UK	The Turnbull Committee	Turnbull Report	Implementing a risk-based approach to systems of internal control and meaningful disclosure
1998	-	The Asia Pacific Economic Cooperation symposium (APEC)	APEC finance ministers report	Improve corporate governance in the region to assist in restoring financial stability
1998	-	Organization for Economic Co-operation and Development (OECD)	Corporate Governance Report: Improving Competitiveness and Access to Capital in Global Markets	Protection of shareholders rights, equitable treatment of shareholders, the role of stakeholders in corporate governance, disclosure and transparency and the responsibilities of the board
1998	UK	The Hampel Committee (London Stock Exchange-UK)	The Combined Code (consolidating the Cadbury, Greenbury and Hampel Reports)	Requires companies to provide disclosure statement on their adherence to the principles of good governance
1998	Australia	Commonwealth Government	CLERP 5: Company Law Review Act (1998) Payments Systems and Netting Act (1998)	Reforms relating to electronic commerce
1999	India	Kumar Mangalam committee (SEBI)	Guidelines on corporate governance	Mandatory and Non-Mandatory Requirements
2000	India	-	Amendment of Companies Act	Provisions were legislated to improve transparency and Accountability
2001	Australia	Commonwealth Government	Corporations Act 2001	Mandatory Corporate Governance Compliance
2002	USA	US Federal Government, NYSE	The Sarbanes-Oxley Act	Required that the CFO and the CEO certify that the verity of the financial statements and be personally responsible for them
2002	Australia	ASX	Corporate Governance Council	International Best Practices of Corporate Governance
2002	Australia	The Joint Parliamentary Committee of Public Accounts and Audit	Charles Report	Auditors were to rotate, limit the ability of audit firms to do non-audit work, and stricter professional and probity requirements for auditors
2002	India	Naresh Chandra Committee (Department of Company Affairs)	Recommendations incorporated in company's bill 2003	Emphasis on corporate audit and governance role issues; Auditor-company relationship
2002	India	CII, MCA	Desirable Corporate Governance	Guidelines about non-executive directors and disclosures
2003	UK	Coordinating Group on Auditing and Accounting Issues in the UK (CGAA)	Final CGAA Report	Recommended the formation of an independent group to develop the existing guidance on audit committees
2003	UK	Derek Higgs	Higgs Report	Independent review of the role and effectiveness of non-executive directors on a board of directors
2003	UK	-	The Smith Report	Role and responsibilities of companies' audit committee
2003	Australia	The Group of 100 (CFOs of the top 100 companies in Australia)	Guide to review of operations and Financial Condition	Code of Conduct

2003	Australia	ASX	Principles of Good Corporate Governance and Best Practice Recommendations	Director independence, accountability, transparency and disclosure
2003	Australia	ASX	Disclosure Listing Rule 3.1 and new rule 18.7A	Required to provide ASX with evidence of continuous disclosure
2003	Australia	CPA	Corporate Governance Principles	Reducing the number of boards on which a Board member can be nominated
2003	India	Narayan Murthy Committee (SEBI)	Provisions	Enhance transparency and integrity of market
2004	Australia	Commonwealth Government	CLERP 9	Accounting standards and board responsibility
2004	India	J.J. Irani Committee	Amendments to companies bill 2005	Ensure justice for all stakeholders
2004	India	SEBI	New Clause 49 of listing agreements	Provisions related to internationally competitive for raising standards practices among listed companies
2005	Australia	Commonwealth Government	The International Financial reporting Standards	Increased board accountability
2013	India	Ministry of Corporate Affairs	New Companies Act 2013	Provisions related to women directors, independent directors, max. no. of directors and directorship
2014	India	SEBI	Revised clause 49 to listing agreements	Increase the participation of women on boards

Source: Created by authors

Index Construction:

Corporate governance index is developed which carries six major variables (see Table 3) namely Board of Directors (sub variables-14), Audit Committee (sub variables-11), Nomination and Remuneration Committee (sub variables-9), Stakeholders' Grievance Committee (sub variables-14), General Body Meetings (sub variables-6), and Disclosures of governance related practices (sub variables-22) with seventy six sub-variables. Total maximum score of 152 is assigned to all these variables. Tables from 4 to 9 depict the sub-variables of corporate governance index. If any of the bank follows one sub-variable (parameter) completely then score 2 is given, if bank follows it partially then score 1 is given. Score 0 depicts that there is absence of compliance of the respective parameter.

Table 3: Corporate Governance Index- Variables

Sr. No.	Corporate Governance Parameters (Variables)	Max. Score Assigned
1	Board of Directors	28
2	Audit Committee	22
3	Nomination and Remuneration Committee	18
4	Stakeholders' Grievance Committee	28
5	General Body Meetings	12
6	Disclosures	44
Total		152

Source: Formulated by authors

Table 4: Sub-Variables of Board of Directors

Sr. No.	Sub-Variables	Max. Score Assigned
1.1	Composition and category of directors	2
1.2	Independent Directors	2
1.3	Women Directors	2
1.4	Non-executive Directors' compensation & disclosures	2

1.5	Whistle Blower Policy	2
1.6	Code of Conduct	2
1.7	A Brief Resume of the Director to be Appointed or Re-appointed	2
1.8	Number of Board meetings held with dates	2
1.9	Separate meeting of Independent Directors	2
1.10	Number of other Boards or Board Committees in which selected director is a member or Chairperson	2
1.11	Specify whether any director of the bank was re-appointed even if he/she remained absent in fifty percent or more of the Board meetings held during his/her tenure	2
1.12	Attendance of Individual Director at the Board Meetings	2
1.13	Attendance of Individual Director at Last Annual General Meeting	2
1.14	Does the bank have any policy for regular updation programmes for the directors?	2

Source: Formulated by authors

Table 5: Sub-Variables of Audit Committee

Sr. No.	Sub-Variables	Max. Score Assigned
2.1	Brief description of terms of reference	2
2.2	Powers of Audit Committee	2
2.3	Role of Audit Committee	2
2.4	Composition and Names of Members	2
2.5	Qualification & Financial Literacy of Members	2
2.6	Independent Director to Act as a Chairman	2
2.7	Secretary of the Committee	2
2.8	Meetings Held and Attendance During the Year	2
2.9	Presence of Chairman at AGM to Answer Shareholders Queries	2
2.10	Participation of Head of Finance, Statutory Auditors, Chief Internal Auditors and Other Invitees in the Meetings	2
2.11	Review of Information by Audit Committee	2

Source: Formulated by authors

Table 6: Sub-Variables of Nomination and Remuneration Committee

Sr. No.	Sub-Variables	Max. Score Assigned
3.1	Brief description of terms of reference	2
3.2	Composition, name of members and Chairperson	2
3.3	Attendance during the year	2
3.4	Details of remuneration to all the directors	2
3.5	Performance Linked Incentives	2
3.6	Information on Performance Evaluation Criteria of Directors	2
3.7	Information on Service Contracts of Directors	2
3.8	Notice Period of the Directors	2
3.9	Severance Fee for Directors	2

Source: Formulated by authors

Table 7: Sub-Variables of Stakeholders' Grievance Committee

Sr. No.	Sub-Variables	Max. Score Assigned
4.1	Name of non-executive director heading the committee	2
4.2	Name and designation of compliance officer	2
4.3	Number of shareholders' complaints received so far	2
4.4	Number not solved to the satisfaction of shareholders	2
4.5	Number of pending complaints	2
4.6	Number of Pending Share Transfers	2
4.7	Policy for prevention of sexual harassment at work place	2
4.8	Committee for prevention of Sexual Harassment which is chaired by a woman	2

4.9	Any awareness programme been conducted among the employees about the mechanism available for prevention of sexual harassment	2
4.10	Any employee satisfaction survey	2
4.11	Any vendor satisfaction survey	2
4.12	Policy on 'Know Your Customer' which is approved by the Board	2
4.13	Bank participation in Anti money laundering programmes organized by government body/industry association	2
4.14	Customer Service Committee of the Board	2

Source: Formulated by authors

Table 8: Sub-Variables of General Body Meetings

Sr. No.	Sub-Variables	Max. Score Assigned
5.1	Location and time, where last three AGMs held	2
5.2	Whether any special resolutions passed in the previous 3 AGMs	2
5.3	Whether any special resolution passed last year through postal ballot – details of voting pattern	2
5.4	Person who conducted the postal ballot exercise	2
5.5	Whether any special resolution is proposed to be conducted through postal ballot	2
5.6	Procedure for postal ballot	2

Source: Formulated by authors

Table 9: Sub-Variables of Disclosures

Sr. No.	Sub-Variables	Max. Score Assigned
6.1	Disclosures on materially significant related party transactions	2
6.2	Disclosure of Accounting Treatment	2
6.3	Management	2
6.4	Shareholders	2
6.5	Disclosure of resignation of directors	2
6.6	Disclosure of formal letter of appointment	2
6.7	Has the bank presented the results of its financial performance and the management's analysis on its website on a quarterly basis?	2
6.8	Disclosure about any adverse remarks/qualifications made in the statutory Auditors Report in respect of financial audit (If any)	2
6.9	Disclosure about any adverse remark/qualifications made in the Secretarial Audit Report (If any)	2
6.10	Proceeds from public issues, rights issue, preferential issues, etc.	2
6.11	Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.	2
6.12	Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.	2
6.13	Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause	2
6.14	Disclosure in the Annual Report with regard to orientation programme or the updation programmes attended by directors during the year	2
6.15	Written Code of Conduct for Employees other than directors and senior management?	2
6.16	Disclosure in its annual report with regard to Sexual Harassment of Women at Work Place (Prevention Prohibition & Redressal) Act, 2013	2
6.17	Any of the patents or License held by the bank expired during the year	2
6.18	Any fines were imposed on the bank during the year (If any)	2
6.19	Disclosure in its annual report revision in rating assigned by credit rating agency	2
6.20	CEO/CFO Certification	2
6.21	A brief statement on company's philosophy on code of governance	2
6.22	Report on Corporate Governance	2

Source: Formulated by authors

CONCLUSION

In the financial system, corporate governance is one of the key factors that determine the health of the system and its ability to survive economic shocks. The health of the financial system much depends on the underlying soundness of its individual components and the connections between them such as the banks, the non-bank financial institutions and the payment systems. In turn, their soundness largely depends on their capacity to identify, measure, monitor and control their risk. The major code of corporate governance implemented in India as well as internationally are in the field of finance. The codification of corporate governance and its effective implementation in true spirit would bring about a sea change in the way in which banking companies are directed and controlled. It would bring about better transparency in the reporting requirements in the corporate world. As competition increases, technology pronounces the death of distance and speeds up communication; the environment in which banks operate in India also changes. In this dynamic environment, the systems of corporate governance also need to evolve. Corporate governance by raising the standards in Indian banks will make them attractive destination for local and global capital. Evolution of the structure of corporate governance consistent with the new economic and industrial environment of the country will go a long way in corporate world.

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Panel Speakers and Organisers will explain expansively the importance of the colloquium, the proposed outcome, its relevance for the Company Secretaries in practice and employment.

The session will also throw light on the procedure or process to be embraced by the participants during the voyage of this workshop. Now all these can only be accomplished, if the activities are executed in a group, as the adage goes, "United We Stand and Divided We Fall", so in journey of attaining excellence in research, it is imperative to march together. Keeping this crucial point in view, the first stage focuses upon group formation and significance of group study.

The Second Move: Brain Storming

Once the participants will be conversant with the theory behind formation of the Research Group, its goals and process to be adhered as a participant, the next move goes by the axiom, "Two Heads are Better than One". Yes, we are talking about brainstorming, as in today's dynamic Legal, Business & Economic environment, decision taken by one expert may prove detrimental to the interest of the organization and stakeholders. So, in view of the immense value brainstorming holds, this session will unite various groups (after formation of groups during the colloquium), who will engage into a detailed discussion on the assigned Chapters/Sections of the Companies Act, 2013. As various people have different perceptions and it consumes paramount time to reach the point of reconciliation. Keeping this in view, substantial time will be allocated for the mentioned session, so that all participants with the combination of 3Ds, 'Dedication, Determination & Discipline' give their optimum output. This session aims to throw light on significant issues covered in the Insolvency & Bankruptcy Code, 2016; Chapters- XX, XV and XXVII.

The Third Move: Discussions with Debate

After participants discussed their viewpoints among their group members, the next stage involves holding in-depth discussion with other group members. This will assist in forming better views or in formulating refined and unsullied conclusions on the below mentioned subject.

Since this session is a metamorphosis from a 'River to an Ocean', as all group members share their thoughts/opinions, it demands ample time and so not few hours rather full is allocated for the mentioned session.

This will be in the presence of Panelist

All Participants should carry their own Laptop, Books, Bare Acts, and other relevant reading material.

Date, Time and Venue

Day & Date: Time: Friday, 03rd of March, 2017 at 10:00 a.m. to Sunday, 5th of March, 2017 till 5:00 p.m.

Venue: ICSI-CCGRT, Plot No.101, Sector-15, Institutional Area, CBD-Belapur, Navi Mumbai-400614

Rs. 7500/- Per participant plus Service Tax @ 15% (INR 8625) upto 20th of February, 2017.

Rs.8000/- Per participant plus Service Tax @ 15% (INR 9,200) from 21st of February to 28th of February, 2017

Rs.8500/- Per participant plus Service Tax @ 15% (INR 9,775) on 1st and 2nd of March, 2017 (Subject to availability of seats)

Above cost covers Conference kit, Lunch (3), Dinner (2), Morning & Evening snacks (6), tea /coffee and lodging at ICSI-CCGRT.

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Limited participants 60 only

Dr.Rajesh Agrawal
Director, ICSI-CCGRT



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ANNOUNCES

Unique

All India Research Paper Competition on General Anti-Avoidance Rules



ICSI-CCGRT is pleased to announce **unique “All India Research Paper Competition on General Anti-Avoidance Rules** 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 General Anti-Avoidance Rules was introduced by the then Finance Minister Shri Pranab Mukherjee in his Budget presented on March 16th, 2012 for the year commencing on April 1st 2012 with the objective to “counter aggressive tax avoidance schemes”. GAAR empowers officials to deny the tax benefits on transactions or arrangements which do not have any commercial substance or consideration other than achieving tax benefit. It contains a provision allowing the government to retroactively tax overseas deals involving local assets. It could also be used by the government to target participatory notes

(P-Notes). It also provide powers to the tax department to deny double taxation treaty benefits to foreign funds based out of tax-heavens such as Mauritius. India has a Double Taxation Avoidance Agreement with Mauritius. Overseas portfolio investors, routing their investments via countries like Mauritius, currently do not pay any tax on short-term capital gains.

Objectives:

- a) To explore the GAAR scenario in selected foreign locations- Australia; Canada; China; European Union (EU); The Netherlands; New Zealand; Poland; United Kingdom (UK) and United States of America (USA).
- b) To understand the significance of GAAR in Indian context.
- c) To comprehend the significance of GAAR on investments.
- d) To study the impact of GAAR on curbing 'Black Money'.

Themes on which Research Papers are invited

- ❖ GAAR and Corporate Governance
- ❖ Key takeaways from GAAR in above mentioned foreign locations.
- ❖ A Catalyst in removing Tax Glitches.
- ❖ Probable Hurdles / Bottlenecks in the implementation of GAAR
- ❖ Impact of GAAR on Corporate Houses.
- ❖ GAAR and its impact on 'Pooling Vehicles'.
- ❖ Needed vicissitudes in other taxes / relevant laws due to onset of GAAR.
- ❖ Impermissible Avoidance Arrangement
- ❖ Treatment of Connected Person & Accommodating Party.
- ❖ Deciding on the jurisdictions of FPI

Research Paper / Manuscript Guidelines

- ❖ Original papers are invited from Company Secretaries in employment & practice, Academicians, Research Scholars and other Professionals.
- ❖ The paper must be accompanied with the author's name(s), affiliations(s), full postal address, email ID, and telephone/ fax number along with the title of the paper on the front page.
- ❖ 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.
- ❖ The text should be typed double-spaced only on one side of A4 size paper in MS Word, Times New Roman, 12 font size with one-inch margins all around.
- ❖ 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.
- ❖ Tables / Exhibits should be numbered consecutively in Arabic numerals and should be referred to in the text as Table 1, Table 2 / Exhibit 1, Exhibit 2 etc.
- ❖ All notes must be serially numbered. These should be given at the bottom of the page as footnotes.
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Dr. Rajesh Agrawal
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APPOINTMENT

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LEGAL WORLD



- STATE OF ANDHRA PRADESH & ANR V. ANDHRA PROVINCIAL POTTERIES LTD & ORS [SC]
- INNOVATIVE TECH PACK LTD V. SPECIAL DIRECTOR OF ENFORCEMENT [DEL]
- SOUTHERN MOTORS V. STATE OF KARNATAKA & ORS [SC]
- C.I.T & ANR V. M/S YOKOGAWA INDIA LTD [SC]
- AHMEDABAD MUNICIPAL CORPORATION V. GTL INFRASTRUCTURE LTD & ORS [SC]
- GREAVES COTTON LTD V. UNITED MACHINERY & APPLIANCES [SC]
- THOUGHTWORKS INC V. SUPER SOFTWARE PVT LTD & ANR [DEL]
- CHUNNU FASHIONS & ORS V. EDELWEISS ASSET RECONSTRUCTION CO LTD [DEL]
- ASHUTOSH BHARDWAJ V. DLF LTD & ORS [CCI]



Corporate Laws

CS: LMJ: 16:02:2017

STATE OF ANDHRA PRADESH & ANR v. ANDHRA PROVINCIAL POTTERIES LTD & ORS [SC]

Criminal Appeal No. 34 of 1970

H.R.Khanna & A.Alagiriswam, JJ. [Decided on 17/08/ 1973]

Equivalent citations: 1973 AIR 2429; 1974 SCR (1) 410; (1973) 43 Comp Cas 514.

Section 220 of the Companies Act, 1956 read with section 134 of the Companies Act, 1913- company did not hold AGM- annual accounts could not be adopted in the AGM- failure to file annual accounts with the ROC- whether directors are liable to be punished for the default- Held, No.

Brief Facts:

In this case the interesting question that arose was whether failure to file the copies of annual accounts with the RoC, given that the AGM was not convened, is an offence visited with penal consequences.

This is an appeal against the judgment of the Full Bench of the Andhra Pradesh High Court reported in A.I.R. (1970) A.P. 70. It arises out of a complaint filed against the 1st respondent company and its directors for failure to file with the Registrar of Companies on or before 30-10-1967 the balance sheet and profit and loss account of the company as required under section 220(1) of the Companies Act, 1956, which is punishable under sub-section (3) of that section. Admittedly no general body meeting had been held and, therefore, the balance sheet and profit and loss account had not been laid before a general body meeting nor could it be so laid.

The Full Bench speaking through Jaganmohan Reddy, C.J., as our learned brother then was, held that if no balance sheet is laid before a general body, there can be no question of that balance sheet not being adopted nor of complying with the requirements of section 220 and though wilful omission to call a general body meeting and to lay the balance sheet and profit and loss account before it may expose the person responsible to punishment under other provisions of the Act, it certainly does not make him liable under the provisions of section 134(4) of the Companies Act, 1913 or section 220 of the Companies Act, 1956. In this the Bench was taking a view contrary to that of most of the High Courts, after the decision of this Court in the State of Bombay v. Bandhan Ram Bhandani & Ors. [1961] (1) S.C.R. 801, had taken the view that a person charged with an offence cannot rely on his default as an answer to the charge and so, if he was responsible for not calling the general meeting, he cannot be heard to say

in defence to the charges brought against him that because the general meeting had not been called, the balance sheet and profit and loss account could not be laid before it.

Decision: Appeal dismissed.

Reason:

In this state of difference of opinion among the various High Courts and the absence of a decision of this Court on section 134 this appeal has been filed. Though the respondent was not represented before this Court the learned Addl. Solicitor General who appeared for the State of Andhra Pradesh and the learned Solicitor General who appeared for the Advocate General of Andhra Pradesh fairly placed before this Court all the decisions for and against, which we have already referred to, and also placed before us all the relevant considerations. It was urged before us that the principle accepted by this Court in the State of Bombay v. Bandhan Ram Bhandani & Ors. (supra) that a company or its directors in a prosecution under section 32 and section 133 of the 1913 Act could not in defence to such prosecution rely upon their own failure to call the general body meeting, applies with equal force to a prosecution under section 134 of the Act. But it appears to us that there is a very clear distinction between Sections 32 and 133 on the one hand and Section 134 on the other. Section 32 relates to the preparation of a list of members of the company and of persons who have ceased to be members as well as a summary, and also provides that it shall be completed within 21 days after the day of the first or only ordinary general meeting in the year. It also provides that the company shall forthwith file with the registrar a copy of the list and summary, and any default in complying with the requirements of the section is made punishable. Under section 131 the laying of a balance-sheet and profit and loss account before the company in the general meeting is made obligatory. Under section 133 the failure to comply with section 131 is made punishable. But section 134 lays down that after balance-sheet and profit and loss account or the income and expenditure account, as the case may be, have been laid before the company at the general meeting three copies thereof shall be filed with the registrar, and a failure to do so is made punishable under sub-section (4) of that section. The difference in language is very clear and pointed. The responsibility of sending three copies of the balance-sheet and profit and loss account or the income and expenditure account, as the case may be, arises only after they have been laid before the company at the general meeting. Without so laying copies could not be sent to the Registrar and even if they are sent it would not be a compliance with the provisions of the section. It is possible to conceive of the law providing that the balance-sheet and profit and loss account shall be sent to the registrar even without the necessity of their being laid before the general body meeting of the company. In that case any failure to do so would be punishable and the question whether a general body meeting had been held and the balance-sheet and profit and loss account have been laid before it will not arise. Therefore the condition precedent or the essential prerequisite of the balance-sheet and the profit and loss account being laid before the general meeting of the company not being fulfilled, the requirement of section 134 cannot be complied with. While the appeal to a question of principle might be attractive we cannot ignore the clear words of the section. Where the words of the section are very clear it is unnecessary to consider whether it embodies any principle and whether that principle is consistent with the principle as embodied in certain other sections which

are differently worded. In interpreting a penal provision it is not permissible to give an extended meaning to the plain words of the section on the ground that a principle recognised in respect of certain other provisions of law requires that this section should be interpreted in the same way.

We may also point out that in *Park v. Lawton* (supra) the principle laid in which has been adopted in this Court¹, decision in *The State of Bombay v. Bandhan Ram Bhandani & Ors* (supra) it is realised that there might be circumstances where the principle laid down in that decision will not apply. The court there observed:

"If it were the case that everything required to be inserted in the list was dependent on the fact of the general meeting having been held, it might perhaps have been contended with some force that it is impossible to calculate a continuing penalty from a day which has never come into existence; but when one sees that Section 25 requires a number of most important matters to be included in the list of members which are entirely independent of the holding of a general meeting, this very much weakens the contention that no list need be compiled if, owing to the failure to hold a general meeting, it is impossible to say what day is the fourteenth day thereafter."

This observation may provide no defence to a prosecution under section 133 but it might well do so in a prosecution under section 134. This was what the learned Solicitor General was fair enough to point out with regard to the difficulty of working out the daily penalty under Section 162 after the thirtieth day mentioned in section 220(1) of the 1956 Act. He pointed out that where no meeting has been held it was not possible to calculate the period of 30 days specified in that section and it would not be possible to give effect to the provisions of that section. The Bombay High Court pointed out in *Emperor v. Pioneer Clay & Industrial Works A.I.R. 1948 Bom 357*, that the decision in *Park v. Lawton* [1911] 1 K.E is based on S. 26 of the English Act, which in its scheme and terms is entirely different from the section with which they (the Bombay High Court) were concerned, and that the section in the English Act is a composite one which lays down various requirements which are to be complied with by the company under its first four sub-clauses and sub-cl. (5) is the penal sub-section which penalises the failure to comply with any of the requirements contained in any of the four preceding sub-sections. In our Act various stages have to be gone through before we reach the stage of a copy of the balance-sheet and the profit and loss account being filed with the Registrar and the failure to reach any one of the stages within the time prescribed is made penal by the Act. The court pointed out that this is not a case where an accused person relies on his default and pleads his innocence. What he says is, I may have committed an offence, but the offence that I have committed is not the one with which I am charged. On the facts proved by the prosecution an offence is not disclosed under Section 134(4). A different offence might have been committed either under Section 76(2) or under Section 133(3).

It is interesting to note that it was argued in *Park v. Lawton* (supra), that the fact that Section 26 makes the offence a continuing one also shows that the obligation to file the list is independent of the holding of a general meeting. The observations which we have extracted earlier will show that the submission on behalf of the prosecution that provisions of Section 26 show that the,

obligation to file the list is independent of the holding of the general meeting was accepted. But under section 134 of the 1913 Act the obligation to send a copy of the balance-sheet and profit and loss account is dependent completely on its being laid before a general meeting. It is clear, therefore, that on principle and authority it should be held that no offence was committed by the directors in this case under section 134. They might have been guilty of offences under Sections 76 and 133 but not under Section 134. We say nothing about Section 32 about which this Court has already laid down the law. The appeal is dismissed.

LW 09: 02: 2017

INNOVATIVE TECH PACK LTD v. SPECIAL DIRECTOR OF ENFORCEMENT [DEL]

[Criminal Appeal. No.952/2012

Mukta Gupta. [Decided on 11/01/2017]

FERA, 1973 - prosecution of directors for non-filing of exchange control copy of the bill of entry to substantiate the outward remittances against import of materials- proceedings initiated after lapse of 6 years- whether sustainable- Held, No.

Brief facts:

Show cause notice was issued, under FERA, to the appellant alleging that though foreign exchange was remitted in four imports however, the appellant failed to submit exchange control copy of Bill of Entry for confirmation of having imported the material for which the amount was remitted, thus he had violated Section 8 (3) and Section 8(4) of the FERA read with Chapter 7A.20 (i) of the Exchange Control Manual, 1995. Out of the nine imports alleged, the Adjudicating Authority was satisfied with six and as no bill of entry was by the appellant for three remittances, a penalty of Rs.15 lakhs was levied on the appellant.

Aggrieved by the order of the Adjudicating Authority, the appellant preferred an appeal before the Appellate Tribunal wherein though pre- deposit penalty was dispensed with however, the appeal was dismissed. Hence the present appeal.

Decision: Appeal allowed.

Reason:

Thus the Courts have repeatedly held that in quasi criminal proceedings the penalty should not be imposed merely because it is lawful to impose the penalty. Whether penalty should be imposed or not is a matter of discretion to be exercised judicially and on consideration of all the relevant circumstances. Further simpliciter from the non-compliance of placing on record no inference can be drawn that the foreign remittance was not used for the purpose of import. It is trite law that to impose a penal liability compliance should be sought within a reasonable time and a person cannot be penalised for not retaining the documents for a period of 13 years. During the course of the present appeal, exchange copy of Bill of Entry qua transaction at Sr. No. 2 has already been placed however, despite best efforts the appellant could not locate the exchange copies of Bills of Entry qua other two transactions.

In view of the belated show cause notice being served on

the appellant, the defence of the appellant that it was not in possession of the copies of Bill of Entry for the two transactions is plausible. It cannot be held that the respondent has proved its allegation beyond reasonable doubt and the copies of the Bills of Lading probablishe that the remittances were utilized for import. Consequently, the impugned orders passed by the Appellate Tribunal and the Adjudicating Authority are set aside.



Tax Laws

LW 10: 02: 2017

SOUTHERN MOTORS v. STATE OF KARNATAKA & ORS
[SC]

Civil Appeal Nos.10955-10971 of 2016 (Arising out of SLP(C) Nos.28309-28325/2013) with Civil Appeal Nos. 10972-10978 of 2016 (Arising out of SLP (C) Nos. 27752-27758 of 2014)

Dipak Misra & Amitava Roy, JJ. [Decided on 18/01/2017]

Karnataka VAT Act, 2003 read with rule 3(2) (c) of the Karnataka VAT Rules- calculation of taxable turnover- deduction of discount- discount not allowed in tax invoice - discount allowed, thereafter, by way of issuing credit notes- whether eligible for deduction to arrive at the taxable turnover- Held, Yes.

Brief facts:

The appellants are registered dealers under the Karnataka VAT Act, 2003. They issued credit notes to the customers for granting trade discounts, and claimed the same as deduction while calculating the taxable turnover. However, the tax authorities rejected this claim on the ground that the discounts should have been given in the tax invoice raised by them for claiming deduction, relying on the judgement of State of Karnataka v. M/s Kitchen Appliances India Ltd., 2011 (71) Karnataka Law Journal 234. Hence the present appeal.

As the dissension stems from contrasting interpretations of the underlying purport of Rule 3(2)(c) of the Rules in the context of the scheme of the Act as a whole and Section 30 thereof and Rule 31 of the Rules in particular, further reference to the factual details would be inessential.

Decision: Appeals allowed.

Reason:

The parties noticeably are not in issue over the prevalence of trade discount contemplated in regular practice and that wherever warranted, the dealing parties in accord therewith do enter into a contract or agreement to apply the same for reduction of the sale/purchase price. Understandably, the taxable turnover is the summation of the actual sale/purchase price exigible to tax

under the Act and the Rules. Depending on the eventualities as comprehended in Section 30, credit and debit notes are issued, as a consequence whereof, the tax liability is reduced or enhanced correspondingly and the same is determined on the basis of the declarations made by the assesseees in their returns. That there is an inseverable co- relation between the taxable turn over and the tax payable need not be over emphasized. Noticeably, Section 30 dilates on the contingencies witnessing reduction or enhancement of tax liability subsequent to the sale/purchase of goods. The tax liability, to reiterate would be contingent on the sale/purchase price in the eventual sale/purchase price, to be essentially reflected in the return of the assessee. Section 30 axiomatically thus deals only with the incidence of tax and not the spectrum of situations or eventualities bearing on the tax liability. Rule 3(2), in particular lists the array of deductions conditioned on variety of situations as scheduled therein to ascertain the taxable turnover. Allowance of discount is one of the several other permissible deductions contingent on the melange of determinants referred to therein. These deductions, however contribute to the reduction of the total turnover to quantify the taxable turnover and thus the tax liability. It is too trite to state that neither an assessee is liable to pay tax in excess of what is due in law nor is the revenue authorized to exact the same. Any interpretation of Rule 3(2) (c) though an integrant of a fiscal statute has to be in accord, in our estimate unite this fundamental mandatory postulation.

It is a matter of common experience that in the present contemporary competitive market, trade discounts not only are dependent on variable factors but also might be strategically not disclosable at the time of the original sale/purchase so as to be reflected in the tax invoice or the bill of sale as the case may be. The actual quantification of the trade discount, depending on the nature of the trade and the related stipulations in any contract with regard thereto, may be deferred till the happening of a contemplated event, so much so that the benefit thereof is extended at a point of time subsequent to that of the original sale/purchase. That by itself, subject to proof of such regular trade practice and the contract/agreement entered into between the parties, would not render the trade discount otherwise legal and acceptable, either non-est or fictitious for evading tax liability. In the above factual premise, the interpretation as sought to be provided by the Revenue would evidently reduce Section 3(2) (c) to a dead letter, ineffective and unworkable and would defeat the objective of permitting deductions from the total turnover on account of trade discount.

A trade discount conceptually is a pre-sale concurrence, the quantification whereof depends on many factors in commerce regulating the scale of sale/purchase depending, amongst others on goodwill, quality, marketable skills, discounts, etc. contributing to the ultimate performance to qualify for such discounts. Such trade discounts, to reiterate, have already been recognized by this Court with the emphatic rider that the same ought not to be disallowed only as they are not payable at the time of each invoice or deducted from the invoice price. In our comprehension, Sections 29, 30 and Rule 3 are the constituents of a same scheme to determine the taxable turnover and thus the extent of exigibility. Whereas Sections 29 and 30, to repeat, deal with the issuance of tax invoice and bill of sale to start with and thereafter credit and debit notes to be in accord with the tax actually payable, Rule 3 in a way espouses the exercise of

ascertaining the taxable turnover by enumerating the permissible deductions from the total turnover. We are thus of the considered view that there is no repugnance or conflict amongst these three provisions so much so that Rule 3(2)(c) stands out in isolation and is incompatible with either the scheme of the Act or Sections 29 and 30 to be precise. The interplay of these three provisions is directed to ensure correct computation of the taxable turnover for an accurate computation of the tax liability. These provisions therefore for all practical purposes complement each other and are by no means militate in orientation or impact. Perceptually, if taxable turnover is to be comprised of sale/purchase price, it is beyond one's comprehension as to why the trade discount should be disallowed, subject to the proof thereof, only because it was effectuated subsequent to the original sale but evidenced by contemporaneous documents and reflected in the relevant accounts.

It would, in any case be incomprehensible that the legislature, while occasioning the amendment to the first proviso to Rule 3(2)(c) of the Rules, was either ignorant or unaware of the prevalent practice of offering trade discount in the contemporary commercial dispensations. This is more so, as trade discount continued to be an accepted item of deduction. In such a premise, the intention of the legislature could not have been to deny the benefit of deduction of trade discount by obdurately insisting on the reflection of such trade discount in the text invoice or the bill of sale at the point of the sale as the only device to guard against possible avoidance of tax under the cloak thereof. Axiomatically, therefor the interpretation to be extended to the proviso involved has to be essentially in accord with the legislative intention to sustain realistically the benefit of trade discount as envisaged. Any exposition to probabilise exaction of the levy in excess of the due, being impermissible cannot be thus a conceivable entailment of any law on imperative impost. To insist on the quantification of trade discount for deduction at the time of sale itself, by incorporating the same in the tax invoice/bill of sale, would be to demand the impossible for all practical purposes and thus would be ill- logical, irrational and absurd. To reiterate, trade discount though an admitted phenomenon in commerce, the computation thereof may depend on various factors singular to the parties as well as by way of uniform norms in business not necessarily enforceable or implementable at the time of the original sale. To deny the benefit of deduction only on the ground of omission to reflect the trade discount though actually granted in future, in the tax invoice/bill of sale at the time of the original transaction would be to ignore the contemporaneous actuality and be unrealistic, unfair, unjust and deprivatory. This may herald as well the possible unauthorised taxation even in the face of cotaneous accounts kept in ordinary course of business, attesting the grant of such trade discount and adjustment thereof against the price. While, devious manipulations in trade discount to avoid tax in a given fact situation is not an impossibility, such avoidance can be effectively prevented by insisting on the proof of such discount, if granted. The interpretation to the contrary, as sought to be assigned by the Revenue to the first proviso to Rule 3 (2) (c) of the Rules, when tested on the measure of the judicial postulations adumbrated hereinabove, thus does not commend for acceptance.

On an overall review of the scheme of the Act and the Rules and the underlying objectives in particular of Sections 29 and 30 of the Act and Rule 3 of the Rules, we are of the considered opinion that the requirement of reference of the discount in the

tax invoice or bill of sale to qualify it for deduction has to be construed in relation to the transaction resulting in the final sale/purchase price and not limited to the original sale sans the trade discount. However, the transactions allowing discount have to be proved on the basis of contemporaneous records and the final sale price after deducting the trade discount must mandatorily be reflected in the accounts as stipulated under Rule 3(2) (c) of the Rules. The sale/purchase price has to be adjudged on a combined consideration of the tax invoice or bill of sale as the case may be along with the accounts reflecting the trade discount and the actual price paid. The first proviso has thus to be so read down, as above, to be in consonance with the true intentment of the legislature and to achieve as well the avowed objective of correct determination of the taxable turnover. The contrary interpretation accorded by the High Court being in defiance of logic and the established axioms of interpretation of statutes is thus unacceptable and is negated. The appeals are thus allowed in the above terms.

LW 11: 02: 2017

C.I.T & ANR v. M/S YOKOGAWA INDIA LTD [SC]

Civil Appeal No. 8498 of 2013 with batch of appeals.

Ranjan Gogoi & Prafulla C. Pant, JJ. [Decided on 16/01/2017]

Income Tax Act, 1961- section 10- Supreme Court settles the correct meaning and effect of the provision.

Brief facts:

The true and correct meaning and effect of the provisions of Section 10A of the Income Tax Act, 1961 (hereinafter referred to as "the Act") is the principal issue arising for determination of the Court. At the outset, it must be made clear that the decision of this Court with regard to the provisions of Section 10A of the Act would equally be applicable to cases governed by the provisions of Section 10B in view of the said later provision being *pari materia* with Section 10A of the Act though governing a different situation.

The broad question indicated above may be conveniently dissected into the following specific questions arising in the cases under consideration.

- (i) Whether Section 10A of the Act is beyond the purview of the computation mechanism of total income as defined under the Act. Consequently, is the income of a Section 10A unit required to be excluded before arriving at the gross total income of the assessee?
- (ii) Whether the phrase "total income" in Section 10A of the Act is akin and *pari materia* with the said expression as appearing in Section 2(45) of the Act?
- (iii) Whether even after the amendment made with effect from 1.04.2001, Section 10A of the Act continues to remain an exemption section and not a deduction section?
- (iv) Whether losses of other 10A Units or non 10A Units can be set off against the profits of 10A Units before deductions under Section 10A are effected?
- (v) Whether brought forward business losses and unabsorbed depreciation of 10A Units or non 10A Units can be set off against the profits of another 10A Units of the assessee?

Decision: Appeals allowed.

Reason:

The Revenue contends that by virtue of the amendment made by Finance Act, 2000, deductions under Section 10A are required to be made and allowed at the stage of computation of total income under Chapter VI of the Act notwithstanding the absence of any specific provision in Chapter VI to the said effect. In fact, the Revenue contends that in view of the clear language of Section 10A, as brought about by the amendment, a parallel or consequential amendment in Chapter VI of the Act was wholly unnecessary.

On the other hand, according to the learned counsels for the assessee, though heterogeneous elements exist in Section 10A, the provision is really an exemption provision. Alternatively, according to the learned counsels, even if Section 10A is understood to be providing for deductions, the stage of such deductions would be immediately after computation of profits and gains of business and before the aggregate of incomes under different heads of other loss making eligible units or non-eligible units of the assessee are taken into account. In other words, it is immediately after the computation of profits and gains of business of the undertaking that the deduction under Section 10A is required to be made. There is no question of such deductions being computed at the stage of application of provisions of Chapter VI of the Act.

We have considered the submissions advanced and the provisions of Section 10A as it stood prior to the amendment made by Finance Act, 2000 with effect from 1.4.2001; the amended Section 10A thereafter and also the amendment made by Finance Act, 2003 with retrospective effect from 1.4.2001.

The retention of Section 10A in Chapter III of the Act after the amendment made by the Finance Act, 2000 would be merely suggestive and not determinative of what is provided by the Section as amended, in contrast to what was provided by the un-amended Section. The true and correct purport and effect of the amended Section will have to be construed from the language used and not merely from the fact that it has been retained in Chapter III. The introduction of the word 'deduction' in Section 10A by the amendment, in the absence of any contrary material, and in view of the scope of the deductions contemplated by Section 10A as already discussed, it has to be understood that the Section embodies a clear enunciation of the legislative decision to alter its nature from one providing for exemption to one providing for deductions.

From a reading of the relevant provisions of Section 10A it is more than clear to us that the deductions contemplated therein is qua the eligible undertaking of an assessee standing on its own and without reference to the other eligible or non-eligible units or undertakings of the assessee. The benefit of deduction is given by the Act to the individual undertaking and resultantly flows to the assessee. This is also more than clear from the contemporaneous Circular No. 794 dated 9.8.2000 which states in paragraph 15.6 that, "The export turnover and the total turnover for the purposes of sections 10A and 10B shall be of the undertaking located in specified zones or 100% Export Oriented Undertakings, as the case may be, and this shall not have any material relationship with the other business of the assessee outside these zones or units for the purposes of this provision."

If the specific provisions of the Act provide [first proviso to Sections 10A(1); 10A (1A) and 10A (4)] that the unit that is contemplated for grant of benefit of deduction is the eligible undertaking and that is also how the contemporaneous Circular of the department (No.794 dated 09.08.2000) understood the situation, it is only logical and natural that the stage of deduction of the profits and gains of the business of an eligible undertaking has to be made independently and, therefore, immediately after the stage of determination of its profits and gains. At that stage the aggregate of the incomes under other heads and the provisions for set off and carry forward contained in Sections 70, 72 and 74 of the Act would be premature for application. The deductions under Section 10A therefore would be prior to the commencement of the exercise to be undertaken under Chapter VI of the Act for arriving at the total income of the assessee from the gross total income. The somewhat discordant use of the expression "total income of the assessee" in Section 10A has already been dealt with earlier and in the overall scenario unfolded by the provisions of Section 10A the aforesaid discord can be reconciled by understanding the expression "total income of the assessee" in Section 10A as 'total income of the undertaking'.

For the aforesaid reasons we answer the appeals and the questions arising therein, as formulated at the outset of this order, by holding that though Section 10A, as amended, is a provision for deduction, the stage of deduction would be while computing the gross total income of the eligible undertaking under Chapter IV of the Act and not at the stage of computation of the total income under Chapter VI. All the appeals shall stand disposed of accordingly.

LW 12: 02: 2017

AHMEDABAD MUNICIPAL CORPORATION v. GTL INFRASTRUCTURE LTD & ORS [SC]

Civil Appeal Nos. 5360-5363 of 2013 with batch of appeals

Ranjan Gogoi & Prafulla C. Pant, JJ. [Decided on 16/01/2017]

Gujarat Municipalities Act, 1963 and Gujarat Panchayats Act, 1993 read with entry No.49 of State List of the Constitution of India- tax on land and buildings- mobile towers- whether building for the purposes of levying property tax- Held, Yes.

Brief facts:

Section 145A (inserted by the Gujarat Local Authorities Laws (Amendment) Act, 2011) provides for tax on mobile towers at rates not exceeding those prescribed by order in writing by the State Government. Such tax which is levied on mobile towers is to be collected from persons engaged in providing telecommunication services through service towers.

By the aforesaid Gujarat Local Authorities Laws (Amendment) Act, 2011 similar provisions for levy of tax on mobile towers have been inserted in the Gujarat Municipalities Act, 1963 and also the Gujarat Panchayats Act, 1993.

The short contention of the cellular operators advanced before the High Court is that Section 127(1) (c) read with Section 145A of the Gujarat Act are legislatively incompetent as mobile towers are beyond the scope of Entry 49 of List II of the Seventh Schedule

to the Constitution which is in the following terms “Taxes on lands and buildings.”

The High Court thought it proper to accept the said contention and on that basis to hold that levy of tax on mobile towers under the Gujarat Act is ultra vires the Constitution except insofar as the Cabin that houses the BTS system is concerned. Municipal Corporations came before the Supreme Court in appeal.

Decision: Appeal allowed.

Reason:

A cardinal principle of interpretation of a Legislative Entry in any of the Lists of the Seventh Schedule is to treat the words and expressions therein as inclusive in meaning and give the same all possible flexibility instead of restricting such meaning to the perceptions contemporaneous with the times when the Constitution was framed. The Constitution, an organic document, has to be allowed a natural growth by such a process of interpretation. Interpretation of a Legislative Entry has to grow and keep up with the pace of times.

Coming specifically to the expression “building” appearing in Entry 49 List II of the Seventh Schedule in view of the settled principles that would be applicable to find out the true and correct meaning of the said expression it will be difficult to confine the meaning of the expression “building” to a residential building as commonly understood or a structure raised for the purpose of habitation. In *Government of Andhra Pradesh & Ors v. Hindustan Machine Tools Ltd (1975) 2 SCC 274*, a tax on a building housing a factory has been understood to be a tax on building and not on the factory or its plant and machinery. A general word like ‘building’ must be construed to reasonably extend to all ancillary and subsidiary matters and the common parlance test adopted by the High Court to hold the meaning of levy of tax on building and machinery does not appear to be right keeping in mind the established and accepted principles of interpretation of a constitutional provision or a Legislative Entry. A dynamic, rather than a pedantic view has to be preferred if the constitutional document is to meet the challenges of a fast developing world throwing new frontiers of challenge and an ever changing social order.

The regulatory power of the Corporations, Municipalities and Panchyats in the matter of installation, location and operation of ‘Mobile Towers’ even before the specific incorporation of Mobile Towers in the Gujarat Act by the 2011 Amendment and such control under the Bombay Act at all points of time would also be a valuable input to accord a reasonable extension of such power and control by understanding the power of taxation on ‘Mobile Towers’ to be vested in the State Legislature under Entry 49 of List II of the Seventh Schedule.

Under both the Acts read with the relevant Rules, tax on Mobile Towers is levied on the yield from the land and building calculated in terms of the rateable value of the land and building. Also the incidence of the tax is not on the use of the plant and machinery in the Mobile Tower; rather it is on the use of the land or building, as may be, for purpose of the mobile tower. That the tax is imposed on the “person engaged in providing telecommunication services through such mobile towers” (Section 145A of the Gujarat Act) merely indicates that it is the occupier and not the owner of the land and building who is liable to pay the tax. Such a liability to

pay the tax by the occupier instead of the owner is an accepted facet of the tax payable on land and building under Entry 49 List II of the Seventh Schedule.

Viewed in the light of the above discussion, if the definition of “land” and “building” contained in the Gujarat Act is to be understood, we do not find any reason as to why, though in common parlance and in everyday life, a mobile tower is certainly not a building, it would also cease to be a building for the purposes of Entry 49 List II so as to deny the State Legislature the power to levy a tax thereon. Such a law can trace its source to the provisions Entry 49 List II of the Seventh Schedule to the Constitution.

Though several other decisions of this Court and also of different High Courts have been placed before us we do not consider it necessary to refer to or to enter into any discussion of the propositions laid down in the said decisions as the views expressed in all the aforesaid cases pertain to the meaning of the expressions ‘land’ and ‘building’ as appearing in the definition clause of the statutes in question. We, therefore, set aside the judgment passed by the Gujarat High Court.



General Laws

GREAVES COTTON LTD v. UNITED MACHINERY & APPLIANCES [SC]

Civil Appeal No. 12066 of 2016 (Arising out of S.L.P. (C) No. 34016 of 2015)
J. Chelameswar & Prafulla C. Pant, [Decided on 14/12/2016]

Arbitration and Conciliation Act, 1996- section 8- civil suit filed by plaintiff against defendant- defendant initially sought time to file written statement- thereafter defendant filed an application seeking reference to arbitration- trial court rejected the application- whether correct- Held, No.

Brief facts: Appellant Greaves Cotton are manufacturers of, inter alia, diesel engines and Respondent United Machinery and Appliances are manufacturers of diesel generator sets. An agreement containing arbitration clause was executed between them for supply of diesel engines by the appellant to the respondent for using the same in the diesel gensets.

The plaintiff-respondent filed civil suit seeking money decree towards the loss and damages suffered by it on account of alleged breach of contract on the part of defendant- appellant. After receiving notice from the court, the appellant moved an application seeking extension of time for eight weeks to file written statement and also invoked the arbitration clause contained in the agreement. Thereafter, the appellant moved application under Section 5 read with Section 8 of the Arbitration

and Conciliation Act, 1996 (for short “the 1996 Act”), in the suit seeking reference of the disputes between the parties forming the subject-matter of the suit, for arbitration, which was rejected by the Court on the ground that the appellant has, by moving application for extension of time to file written statement, waived its right to seek arbitration. Hence, this appeal through special leave.

Decision: Appeal allowed.

Reason:

The issue before us for consideration is whether filing of an application for extension of time to file written statement before a judicial authority constitutes – ‘submitting first statement on the substance of the dispute’ or not.

In view of the law laid down by this Court, in *Manna Lal Kedia & Ors v. State of Bihar & Ors* AIR 2000 Pat 91; *Rashtriya Ispat Nigam Ltd & Anr v. Verma Transport Co* (2006) 7 SCC 275 and in *Booz Allen and Hamilton Inc. v. SBI Homes Finance Ltd & Ors* (2011) 5 SCC 532, we find it difficult to agree with the High Court that in the present case merely moving an application seeking further time of eight weeks to file the written statement would amount to making first statement on the substance of the dispute. In our opinion, filing of an application without reply to the allegations of the plaintiff does not constitute first statement on the substance of the dispute. It does not appear from the language of sub-section (1) of Section 8 of the 1996 Act that the Legislature intended to include such a step like moving simple application of seeking extension of time to file written statement as first statement on the substance of the dispute. Therefore, in the facts and circumstances of the present case, as already narrated above, we are unable to hold that the appellant, by moving an application for extension of time of eight weeks to file written statement, has waived right to object to the jurisdiction of judicial authority.

From the order impugned, it also reflects that before disposing of application under Section 8 of the 1996 Act the High Court has not looked into questions as to whether there is an agreement between the parties; whether disputes which are subject-matter of the suit fall within the scope of arbitration; and whether the reliefs sought in the suit are those that can be adjudicated and granted in arbitration. In view of the above, we think it just and proper to request the High Court to decide the application afresh in the light of law laid down by this Court in para 19 of the judgment in *Booz Allen and Hamilton* (supra) except the point, which has already been answered in the present case by us. Accordingly the appeal is allowed.

LW 14: 02: 2017

THOUGHTWORKS INC v. SUPER SOFTWARE PVT LTD & ANR [DEL]

O.M.P. No.530/2015

S. Muralidhar, J. [Decided on 12/01/2017]

Arbitration and Conciliation Act, 1996- section 34- appellant's registered trademark- infringement thereof by the respondent in its domain name- arbitrator failed to consider certain valid issues in the award- award passed

against the appellant- whether appeal to be allowed- Held, Yes.

Brief facts:

The Petitioner is engaged in the business of IT consulting, software development services and sale of proprietary software under its coined trademark/tradename “ThoughtWorks” since 1993. The Petitioner has registered its trademark ThoughtWorks in India in 2001 under class 9.

In 2015, the Petitioner became aware that the domain name “Thoughtworks.in” was registered by Respondent No. 1 when one of the analysts of the Petitioner accessed the website of Respondent No. 1 mistaking it to be the Petitioner’s website. Immediately the Petitioner filed a complaint against Respondent No. 1 before NIXI under the “.In Domain Dispute Resolution Policy (“INDRP”)” and the Procedure Rules of NIXI. The Respondent contested the above complaint. The arbitrator passed an award against the petitioner, against which the present appeal has been filed.

Decision: Petition allowed.

Reason:

Indeed, the learned Arbitrator does not appear to have drawn the attention of the Petitioner to the three different addresses appearing in the petition. However, the logical sequitur would be to seek the Petitioner’s clarification. For some reason, the learned Arbitrator failed to do so. Not permitting a party to clarify the factual aspect might itself lead to a grave error that is fatal to the Award in terms of what could be seen as a procedural lapse. The learned Arbitrator also appears to have made a mistake about the trademark registration not having been produced. As pointed out by the Petitioner, it was annexed to the complaint itself as Annexure F.

The Petitioner was able to show that no sooner than he came to know of the above domain name, it took prompt action by filing a complaint with NIXI. More importantly, the learned Arbitrator appears to have come to an erroneous conclusion that the trademark “ThoughtWorks” did not belong to the Petitioner. Again, no opportunity was afforded to the Petitioner. The impugned domain name contains only the Petitioner’s trademark and yet no finding was returned on whether there was any similarity. The decision in *Stephen Koenig v. Arbitrator, National Internet Exchange of India & Anr* 186 (2012) DLT 43, which was subsequently upheld by the Division Bench of this Court because of the fact that a mere delay in lodging the complaint would not disentitle the aggrieved party from proceeding against the ‘squatter’.

The Court is satisfied that in the present case, the learned Arbitrator failed to apply his mind to the facts on record. Indeed, a copy of the trademark registration certificate of the Petitioner was enclosed with the complaint and yet the learned Arbitrator failed to have noticed this fact. In any event, the complaint itself contained details of its various registrations.

If there was any doubt, the learned Arbitrator ought to have sought a clarification from the Petitioner on this aspect as well. Importantly, no finding was returned on whether the use of the domain name by Respondent No. 1 would lead to confusion and deception. With the domain name taking up the entire name of the Petitioner, there could be no doubt that the use of such

domain name by the Respondent would be deceptively confusing and erroneously indicate a connection of Respondent No. 1 with the Petitioner when there is none.

For all of the aforementioned reasons, the Court is satisfied that the impugned Award is opposed to the fundamental policy of India as it has numerous glaring errors which appear on the face of the Award. Consequently, the Court sets aside the impugned Award and allows the petition but, in the circumstances, with no order as to costs.

LW 15: 02: 2017

CHUNNU FASHIONS & ORS v. EDELWEISS ASSET RECONSTRUCTION CO LTD [DEL]

W.P(C).No. 10589/2016

Indira Banerjee & Anil Kumar Chawla, JJ. [Decided on 16/01/2017]

SARFAESI Act, 2002- sections 17 & 18 - borrower filed appeal before DRAT against the attachment order of the secured creditor- appeal admitted with condition of pre-deposit- borrower failed to pay the pre-deposit amount- appeal dismissed by DRAT- whether correct- Held, Yes.

Brief facts:

This writ petition is directed against an order, passed by the Debt Recovery Appellate Tribunal (DRAT), in Appeal No.6015/2015, whereby the DRAT dismissed an appeal against an order of the Debt Recovery Tribunal, under Section 17 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, hereinafter referred to as the SARFAESI Act, on the ground of non-compliance with an earlier direction issued on 13.10.2015 to the petitioner for deposit of 25% of the amount directed to be paid by the order under appeal.

Decision: Petition dismissed.

Reason:

Under Section 21 of the 1993 Debt Recovery Act, an appeal is not to be entertained by the Appellate Tribunal, unless the person preferring the appeal has deposited 75% of the amount of the debt due from him as determined by the Tribunal under Section 19. In terms of the proviso, the Appellate Tribunal may for reasons to be recorded in writing waive or reduce the amount to be deposited under the said section. Unlike Section 18 of the 1993 Debt Recovery Act, Section 18 of the SARFAESI Act does not permit full waiver.

In *Narain Chandra Ghose v. UCO Bank & Ors* (2011) 4 SCC 548, the Supreme Court held that the condition of pre-deposit for entertainment of an appeal being mandatory under Section 18 of the SARFAESI Act, an appeal cannot be entertained, unless the condition precedent of deposit is fulfilled. The Court also held that the condition of pre-deposit being mandatory, complete waiver of pre-deposit is beyond the provisions of the Act.

The learned DRAT has reduced the required pre-deposit of 25%, which is the minimum amount required to be deposited in view of the third proviso to Section 18 of the SARFAESI Act.

In view of the verdict of the Supreme Court in *Narain Chandra Ghose* (supra) and the mandatory requirement of the third proviso to Section 18 of the SARFAESI Act, the writ petition cannot be entertained and the same is dismissed. All the pending applications are also dismissed.



LW 16: 02: 2017

ASHUTOSH BHARDWAJ v. DLF LTD & ORS [CCI]

Case No. 01 of 2014 with Case No.93 of 2015

Devender Kumar Sikri, S. L. Bunker, Augustine Peter, U. C. Nahta & G. P. Mittal [Decided on 04/01/2017]

Competition Act, 2002- section 4- abuse of dominance- restrictive clauses in the flat buyer's agreement- delay in completion of projects- whether constitutes abuse of dominance- Held, Yes.

Brief facts:

Informants in both the cases have booked flats in the OP's housing project in Gurgaon. Informants booked flats and entered into flat buyer's agreement with OP. Even after making the payment flats were not handed over to them on the stipulated time. Further the progress of construction was also tardy. On the contrary, the OP's demanded further higher sums from the informants. In these circumstances the informants filed complaint before the CCI alleging abuse of dominance by the OP Group.

Decision: Cease & desist order passed.

Reason:

The Commission has perused the material available on record and heard the counsels of the OPs and the Informant. The issue before the Commission for consideration and determination is whether the OP Group has contravened the provisions of Section 4 of the Act or not.

Reference may be made to Case Nos. 13 and 21 of 2010 and Case No. 55 of 2012 wherein the Commission has categorically opined that the technicality on the relevant product market need not be dwelled into if the dominance of the enterprise remains the same even in alternative relevant market definitions. The relevant Para is extracted herein below for reference:

'6.20 The Commission notes that determination of relevant market is important for assessing dominance of the Opposite Party. But defining relevant market is not an end in itself. If the

primary reason for defining relevant market is assessment of dominance of a particular enterprise/ market player with regard to that relevant market, the Commission is of the opinion that such exercise can be dispensed with when such assessment remains unchanged in different alternative relevant market definitions. Therefore, when under possible alternative relevant market definitions, the conclusion on dominance remains the same; the Commission finds no reason to get into the technicalities of precisely defining relevant market.'

In the above case, the Commission has further opined that even secondary market will be not considered while defining relevant product market by referring to Belaire's case. The relevant extract in Belaire's case is provided herein below:

'12.35While secondary market may have some bearing on the demand and supply variables, it certainly cannot form a part of the relevant market for the simple reason that the primary market is a market for service- while the secondary market is a market for immoveable property. Moreover, while building an apartment, a builder performs numerous development activities like landscaping, providing common facilities, apart from obtaining statutory licenses while a sale in secondary market merely transfers the ownership rights. An individual who is selling an apartment he or she has purchased cannot be considered as a competitor of DLF Ltd. or any other builder/ developer. Nor is he or she providing the service of building/ developing. The dynamics of such sale or purchase are completely different from those existing in the relevant market under consideration. The value added or the value reduced due to usage or otherwise does not even leave the apartment as the same one as had been built or developed by the builder/ developer...'

Drawing inference from the above, the Commission hereby reiterates that when the dominance of an enterprise remains unchanged in a market even with an alternative market definition, technicality of the product market need not be dwelled further. At the same time, the Commission sees no reason to deviate from the product market definition taken in earlier cases dealing with similar issues and project i.e., Case no. 13 and 21 of 2010 and 55 of 2012 where the relevant product market was defined as the market for the 'provision of services for development/ sale of residential apartments'.

With regard to the relevant geographic market, the Commission agrees with the DG's view that Gurgaon would be the geographic region for the purpose of the present cases. Reference is made to the observation made by the Commission in Case Nos. 13 and 21 of 2010 and Case No. 55 of 2012 where Belaire's case was yet again referred to define the relevant geographic market. The relevant extract is provided herein below:

'6.23....The 'geographic region of Gurgaon' has gained relevance owing to its unique circumstances and proximity to Delhi, Airports, golf courses, world class malls. During the years it has evolved as a distinct brand image as a destination for upwardly mobile families. As it has been reasoned out in the order passed by this Commission in the Belaire case, a person working in NOIDA is unlikely to purchase an apartment in Gurgaon, as he would never intend to settle there. Thereafter, the Commission in that order distinguished between buyers

looking for residential property out of their hard earned money or even by taking housing loans and those buyers who merely buy such residential apartments for investment purposes; stating clearly that the Commission was not looking at the concerns of speculators, but of genuine buyers. It was therefore, observed that a small 5% increase in the price of an apartment in Gurgaon, would not make a person shift his preference to Ghaziabad, Bahadurgarh or Faridabad or the peripheries of Delhi or even Delhi in a vast majority of cases. The COMPAT's order, dated 19.05.2014 passed while disposing of the appeals filed against the Commission's order in the Belaire case, upheld the Commission's finding on the relevant geographic market to be 'geographic region of Gurgaon'.....'

Based on the above, the Commission is of the view that geographic region of 'Gurgaon' is the appropriate relevant geographic market and not the entire NCR as contended by the OPs.

On the dominance of OP Group, there is no doubt that the strength which the OP Group possesses in residential real estate segment in the geographic region of Gurgaon is incomparable. In the order dated 12.05.2015 in Case Nos. 13 and 21 of 2010 and Case No. 55 of 2012, the Commission has dwelled into details on the aspect of dominance of the OP Group and has thoroughly assessed the DG's findings. Thereafter, it was finally concluded that the OP Group held a dominant position in the relevant market. The assessment done by the Commission in the previous orders will also apply in the present matters since the issues, the relevant period and the OPs involved are the same. Therefore, it is opined that the OP Group holds a dominant position in the market for the 'provision of services for development/sale of residential apartments in Gurgaon'.

With regard to the issue of abuse of dominance, the Commission notes that the same has already been dealt with by the Commission in its previous orders. It was held that those terms and conditions imposed through the Agreement were abusive being unfair within the meaning of Section 4(2) (a) (i) of the Act. For the sake of brevity, the analysis on the alleged abusive terms is not provided herein. Considering the assessment done in the previous cases including Belaire's case, the Commission is of the view that the terms and conditions imposed on the allottees in the instant matters as analysed by the DG in detail are abusive in nature and the OP Group has contravened Section 4(2)(a)(i) of the Act.

In view of the above, and in exercise of powers under Section 27(a) of the Act, the Commission directs the OP Group to cease and desist from indulging in the conduct which is found to be unfair and abusive in terms of the provisions of Section 4 of the Act.

With regard to penalty the Commission is of the view that since a penalty of Rs. 630 crores has already been imposed on the OP Group in the Belaire's case for the same time period to which the present cases belong, no financial penalty under Section 27 of the Act is required to be imposed. In view of the totality and peculiarity of the facts and circumstances, the Commission does not deem it necessary to impose any penalty on the OP Group in these cases.

4

FROM THE GOVERNMENT



- COMPANIES (INCORPORATION) AMENDMENT RULES, 2017.
- PROVISIONS OF COMPANIES ACT, 2013 NOT TO APPLY OR APPLY WITH MODIFICATION TO SPECIFIED IFSC UNLISTED PUBLIC COMPANIES.
- PROVISIONS OF COMPANIES ACT, 2013 NOT TO APPLY OR APPLY WITH MODIFICATION TO SPECIFIED IFSC PRIVATE COMPANIES.
- COMPANIES (INCORPORATION) FIFTH AMENDMENT RULES, 2016.
- REMOVAL OF NAMES OF COMPANIES FROM THE REGISTER OF COMPANIES-CLARIFICATION REGARDING AVAILABILITY OF FORM STK ON MCA-21 PORTAL- REG.
- DATE OF COMING INTO FORCE THE PROVISIONS OF SECTIONS 248 TO 252 OF COMPANIES ACT, 2013.
- COMPANIES (REMOVAL OF NAMES OF COMPANIES FROM THE REGISTER OF COMPANIES) RULES, 2016.
- DELEGATION OF POWERS TO RDS
- PROCEDURES FOR EXCHANGE LISTING CONTROL MECHANISM
- FAIR AND TRANSPARENT ACCESS TO DATA FEEDS OF THE STOCK EXCHANGES
- CRITERIA FOR ELIGIBILITY, RETENTION AND RE-INTRODUCTION OF DERIVATIVE CONTRACTS ON COMMODITIES
- SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) (AMENDMENT) REGULATIONS, 2017
- SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) (AMENDMENT) REGULATIONS, 2017.
- EXCLUSIVELY LISTED COMPANIES OF DE-RECOGNIZED/NON-OPERATIONAL/EXITED STOCK EXCHANGES PLACED IN THE DISSEMINATION BOARD (DB).
- GUIDANCE NOTE ON BOARD EVALUATION
- SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (THIRD AMENDMENT) REGULATIONS, 2016
- SECURITIES AND EXCHANGE BOARD OF INDIA (ALTERNATIVE INVESTMENT FUNDS) (AMENDMENT) REGULATIONS, 2016
- GUIDELINES FOR PARTICIPATION/FUNCTIONING OF ELIGIBLE FOREIGN INVESTORS (EFIS) AND FPIS IN INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC).
- SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) (AMENDMENT) REGULATIONS, 2016
- REFERENCE TO CIRCULAR NO. FITT/C/II/02/2002 DATED MAY 15, 2002- IN REGARD TO CREDIT OF PROCEEDS DUE TO WRITE OFF OF SECURITIES HELD BY FOREIGN PORTFOLIO INVESTORS/DEEMED FOREIGN PORTFOLIO INVESTORS.



Corporate Laws

01 Companies (Incorporation) Amendment Rules, 2017.

[Issued by the Ministry of Corporate Affairs vide [(F. No. 1/13/2013-CL-V-Part-1-Vol.-II) dated 25.01.2017. To be published in Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(i)]

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

- (1) These rules may be called the Companies (Incorporation) Amendment Rules, 2017.
- (2) They shall come into force on the 30th day of January, 2017.
- In the Companies (Incorporation) Rules, 2014 (hereinafter referred to as the principal rules) for rule 18, the following rule shall be substituted, namely:-
"18. The Certificate of Incorporation shall be issued by the Registrar in Form No.INC-11 and the Certificate of Incorporation shall mention permanent account number of the company where if it is issued by the Income-tax Department".
- In the principal rules, for Form No.INC-11, the following form shall be substituted, namely:-
.....
4. In the principal rules, for form No.INC-32, the following form shall be substituted, namely:-
.....

AMARDEEP SINGH BHATIA

Joint Secretar

Forms No. INC-11, INC-32 not reproduced here for want of space. Readers may log on to www.mca.gov.in for the Forms.

02 Provisions of Companies Act, 2013 not to apply or apply with modification to specified IFSC Unlisted Public Companies.

[Issued by the Ministry of Corporate Affairs vide [(F. No. 3/1/2015/CL.I) dated 04.01.2017. Published in Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(i) vide Notification No. GSR 08(E) dated 04.01.2017]

In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of Section 462 and in pursuance of sub-section (2) of the said section of the Companies Act, 2013 (18 of 2013), the Central Government, in the

interest of public, hereby directs that certain provisions of the Companies Act, 2013 (18 of 2013), as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modifications and adaptations as specified in column (3) of the said Table, to an unlisted public company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) read with the Special Economic Zones Rules, 2006 (herein after referred to as "Specified IFSC public company"), namely:—

Serial Number	Provisions of the Companies Act, 2013 (18 of 2013)	Exceptions/Modifications/Adaptations
(1)	(2)	(3)
1.	Clause (41) of section 2	In Clause (41), after the second proviso, the following proviso shall be inserted, namely :- "Provided also that in case of a Specified IFSC public company, which is a subsidiary of a foreign company, the financial year of the subsidiary may be same as the financial year of its holding company and approval of the Tribunal shall not be required."
2.	Sub-clause (viii) of clause (76) of section 2	Shall not apply with respect to section 188.
3.	Sub-section (2) of section 3	In sub-section (2), the following proviso shall be inserted, namely:- "Provided that a Specified IFSC public company shall be formed only as a company limited by shares."
4.	Clause (a) of subsection (1) of section 4	In clause (a) of sub-section (1), after the proviso, the following proviso shall be inserted, namely:- "Provided further that a Specified IFSC public company shall have the suffix "International Financial Service Company" or "IFSC" as part of its name."
5.	Clause (c) of subsection (1) of section 4	In clause (c) of sub-section (1) of section 4, the following proviso shall be inserted, namely:- "Provided that a Specified IFSC public company shall state its objects to do financial services activities, as permitted under the Special Economic Zones Act, 2005 (28 of 2005) read with the Special Economic Zones Rules, 2006 and any matter considered necessary in furtherance thereof, in accordance with license to operate, from International Financial Services Centre located in an approved multi services Special Economic Zone, granted by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India."
6.	Sub-section (1) of section 12	In sub-section (1), the following proviso shall be inserted, namely:- "Provided that a Specified IFSC public company shall have its registered office at the International Financial Services Centre located in the approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006, where it is licensed to operate, at all times."
7.	Sub-section (2) of section 12	For the words "thirty days" read as "sixty days".
8.	Sub-section (4) of section 12	For the words "fifteen days" read as "sixty days".
9.	Sub-section (5) of section 12	For sub-section (5), the following sub-section shall be substituted, namely:- "(5) Except on the authority of a resolution passed by the Board of Directors, the registered office of the Specified IFSC public company shall not be changed from one place to another within the International Financial Services Centre: Provided that the Specified IFSC public company shall not change the place of its registered office to any other place outside the said International Financial Services Centre."

10.	Section 21	For the words "an officer" read as "an officer or any other person".
11.	Sub-sections (3) and (7) of section 42	Shall not apply.
12.	Sub-section (6) of section 42	For the words "sixty days" read as "ninety days".
13.	Section 43	Shall not apply to a Specified IFSC public company, where memorandum of association or articles of association of such company provides for it.
14.	Section 47	Shall not apply to a Specified IFSC public company, where memorandum of association or articles of association of such company provides for it.
15.	Clause (c) of subsection (1) of section 54	Shall not apply.
16.	Sub-section (4) of section 56	In sub-section (4), after the proviso, the following proviso shall be inserted, namely:- "Provided further that a Specified IFSC public company shall deliver the certificates of all securities to subscribers after incorporation, allotment, transfer or transmission within a period of sixty days."
17.	Clause (a) of subsection (1) of section 62	In clause (a) of sub-section (1), the following proviso shall be inserted, namely:- "Provided that notwithstanding anything contained in sub-clause (i), in case of a Specified IFSC public company, the periods lesser than those specified in the said sub-clause shall apply if ninety per cent. of the members have given their consent in writing or in electronic mode."
18.	Clause (b) of subsection (1) of section 62	For the words "special resolution" read as "ordinary resolution".
19.	Section 67	Shall not apply to a Specified IFSC public company- (a) in whose share capital no other body corporate has invested any money; (b) if the borrowings of such company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is lower; and (c) such a company is not in default in repayment of such borrowings subsisting at the time of making transactions under this section.
20.	Clauses (a) to (e) of subsection (2) of section 73	Shall not apply to a Specified IFSC public company which accepts from its members, monies not exceeding one hundred per cent. of aggregate of the paid up share capital and free reserves, and such company shall file the details of monies so accepted to the Registrar in such manner as may be specified.
21.	Sub-section (1) of section 82	In sub-section (1), the following proviso shall be inserted, namely:- "Provided that in case of a Specified IFSC public company, the Registrar may, on an application by the company, allow such registration to be made within a period of three hundred days of such creation on payment of such additional fees as may be prescribed."
22.	Sub-section (6) of section 89	For the words "thirty days" read as "sixty days".
23.	Sub-section (3) of section 92	Shall not apply.
24.	Sub-section (1) of section 100	In sub-section (1), the following proviso shall be inserted, namely:- "Provided that in case of a Specified IFSC public company, the Board may subject to the consent of all the shareholders, convene its extraordinary general meeting at any place within or outside India."
25.	Sections 101 to 107 and section 109	Shall apply in case of a Specified IFSC public company, unless otherwise specified in the articles of the company.

26.	Sub-section (1) of section 117	For the words "thirty days" read as "sixty days".
27.	Clause (g) of sub-section (3) of section 117	Shall not apply.
28.	Sub-section (1) of section 118	In sub-section (1), the following proviso shall be inserted, namely:- "Provided that in case of a Specified IFSC public company, the minutes of every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in the manner as may be prescribed under sub-section (1) at or before the next Board meeting or committee meeting, as the case may be and kept in the books kept for that purpose."
29.	Sub-section (10) of section 118	Shall not apply.
30.	Sub-section (3) of section 134	In sub-section (3), following proviso shall be inserted, namely:- "Provided that in case of a Specified IFSC public company, if any information listed in this sub-section is provided in the financial statement, the company may not include such information in the report of the Board of Directors."
31.	Section 135	Shall not apply for a period of five years from the commencement of business of a Specified IFSC public company.
32.	Section 138	Shall apply if the articles of the company provides for the same.
33.	Fourth proviso to sub section (1) of section 139	For the words " fifteen days" read as " thirty days".
34.	All provisos to subsection (2) of section 139	Shall not apply.
35.	Sub-section (1) of section 140	In sub-section (1) after the proviso, the following proviso shall be inserted, namely:- "Provided further that in case of a Specified IFSC public company, where, within a period of sixty days from the date of submission of the application to the Central Government under this sub-section, no decision is communicated by the Central Government to the company, it would be deemed that the Central Government has approved the application and the company shall appoint new auditor at a general meeting convened within three months from the date of expiry of sixty days period."
36.	Second proviso to subsection (1) of section 149	Shall not apply.
37.	Sub-section (3) of section 149	In sub-section (3), the following proviso shall be inserted, namely:- "Provided that this sub-section shall apply to a Specified IFSC public company in respect of financial years other than the first financial year from the date of its incorporation."
38.	Sub-sections (4) to (11), clause (i) of subsection (12) and sub-section (13) of section 149	Shall not apply.
39.	Sub-section (5) of section 152	For the words "thirty days" read as "sixty days".
40.	Sub-sections (6) and (7) of section 152	Shall not apply.
41.	Section 160	Shall apply as per the articles framed by the company.

42.	Sub-section (3) of section 161	In sub-section (3), the following proviso shall be inserted, namely:- "Provided that in case of a Specified IFSC public company, the Board may appoint, any person nominated by any institution or company or body corporate as a director in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company."
43.	Section 162	Shall not apply.
44.	Proviso to sub-section (1) of section 168	For the word "shall" read as "may".
45.	Sub-section (2) of section 170	For the words "thirty days" at both places read as "sixty days".
46.	Sub-section (1) of section 173	In sub-section (1), after the proviso, the following proviso shall be inserted, namely:- "Provided further that a Specified IFSC public company shall hold the first meeting of the Board of Directors within sixty days of its incorporation and thereafter hold at least one meeting of the Board of Directors in each half of a calendar year."
47.	47. Sub-section (3) of section 174	Shall apply with the exception that interested director may participate in such meeting provided the disclosure of his interest is made by the concerned director either prior or at the meeting.
48.	Section 177	Shall not apply.
49.	Section 178	Shall not apply.
50.	Sub-section (3) of section 179	In sub-section (3), after the second proviso, the following proviso shall be inserted, namely:- "Provided also that in case of a Specified IFSC public company, the Board can exercise powers by means of resolutions passed at the meetings of the Board or through resolutions passed by circulation."
51.	51. Section 180	Shall apply in case of a Specified IFSC public company, unless the articles of the company provides otherwise.
52.	Sub-section (2) of section 184	Shall apply with the exception that interested director may participate in such meeting provided the disclosure of his interest is made by the concerned director either prior or at the meeting.
53.	Sub-section (1) of section 185	In the Explanation, for clause (c), the following clause shall be substituted, namely:- "(c) any private company of which any such director is a director or member in which director of the lending company do not have direct or indirect shareholding through themselves or through their relatives and a special resolution is passed to this effect;"
54.	Sub-section (1) of section 186	Shall not apply.
55.	Sub-sections (2) and (3) of section 186	Shall not apply if a company passes a resolution either at meeting of the Board of Directors or by circulation.
56.	Sub-section (5) of section 186	In sub-section (5), after the proviso, the following proviso shall be inserted, namely:- "Provided further that in case of a Specified IFSC public company, the Board can exercise powers under this sub-section by means of resolutions passed at meetings of the Board of Directors or through resolutions passed by circulation."
57.	Second proviso to subsection (1) of section 188	Shall not apply.
58.	Sub-section (4) of section 196	Shall not apply.
59.	Section 197	Shall not apply.

2. A copy of this notification has been laid in draft before both Houses of the Parliament as required by sub-section (2) of section 462 of the Companies Act, 2013 (18 of 2013).

AMARDEEP SINGH BHATIA
Joint Secretary

03 Provisions of Companies Act, 2013 not to apply or apply with modification to specified IFSC Private Companies.

[Issued by the Ministry of Corporate Affairs vide [(F. No. 3/1/2015/CL.I (Part-1)) dated 04.01.2017. Published in Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(i) vide Notification No. GSR 9(E) dated 04.01.2017]

In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of section 462 and in pursuance of sub-section (2) of the said section of the Companies Act, 2013 (18 of 2013), the Central Government, in the interest of public, hereby directs that certain provisions of the Companies Act, 2013 (18 of 2013), as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modifications and adaptations as specified in column (3) of the said Table, to a private company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) read with the Special Economic Zones Rules, 2006 (hereinafter referred to as "Specified IFSC private company"), namely:—

Serial Number	Provisions of the Companies Act, 2013 (18 of 2013)	Exceptions/Modifications/Adaptations
(1)	(2)	(3)
1.	Clause (41) of section 2	In clause (41), after the second proviso, the following proviso shall be inserted, namely:- "Provided also that in case of a Specified IFSC private company, which is a subsidiary of a foreign company, the financial year of the subsidiary may be same as the financial year of its holding company and approval of the Tribunal shall not be required."
2.	Sub-section (2) of section 3	In sub-section (2), the following proviso shall be inserted, namely:- "Provided that a Specified IFSC private company shall be formed only as a company limited by shares."
3.	Clause (a) of subsection (1) of section 4	In clause (a) of sub-section (1), after the proviso, the following proviso shall be inserted, namely:- "Provided further that a Specified IFSC private company shall have the suffix "International Financial Service Company" or "IFSC" as part of its name."
4.	Clause (c) of subsection (1) of section 4	In clause (c) of sub-section (1) of section 4, the following proviso shall be inserted, namely:- "Provided that a Specified IFSC private company shall state its objects to do financial services activities, as permitted under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006 and any matter considered necessary in furtherance thereof, in accordance with license to operate, from International Financial Services Centre located in an approved multi services Special Economic Zone, granted by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India."
5.	Sub-section (1) of section 12	In sub-section (1), the following proviso shall be inserted, namely:- "Provided that a Specified IFSC private company shall have its registered office at the International Financial Services Centre located in the approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006, where it is licensed to operate, at all times."
6.	Sub-section (2) of section 12	For the words "thirty days" read as "sixty days".
7.	Sub-section (4) of section 12	For the words "fifteen days" read as "sixty days".

8.	Sub-section (5) of section 12	For sub-section (5), the following sub-section shall be substituted, namely:- “(5) Except on the authority of a resolution passed by the Board of Directors, the registered office of the Specified IFSC private company shall not be changed from one place to another within the International Financial Services Centre: Provided that a Specified IFSC private company shall not change the place of its registered office to any other place outside the International Financial Services Centre.”.
9.	Section 21	For the words “an officer” read as “an officer or any other person”.
10.	Sub-sections (3) and (7) of section 42	Shall not apply.
11.	Sub-section (6) of section 42	For the words “sixty days” read as “ninety days”.
12.	Clause (c) of subsection (1) of section 54	Shall not apply.
13.	Sub-section (4) of section 56	In sub-section (4), after the proviso, the following proviso shall be inserted, namely:- “Provided further that a Specified IFSC private company shall deliver the certificates of all securities to subscribers after incorporation, allotment, transfer or transmission within a period of sixty days.”.
14.	Sub-section (1) of section 82	In sub-section (1), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, the Registrar may, on an application by the company, allow such registration to be made within a period of three hundred days of such creation on payment of such additional fees as may be prescribed.”.
15.	Sub-section (6) of section 89	For the words “thirty days” read as “sixty days”.
16.	Sub-section (3) of section 92	Shall not apply.
17.	Sub-section (1) of section 100	In sub-section (1), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, the Board may subject to the consent of all the shareholders, convene its extraordinary general meeting at any place within or outside India.”.
18.	Sub-section (1) of section 117	For the words “thirty days” read as “sixty days”.
19.	Sub-section (1) of section 118	In sub-section (1), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, the minutes of every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in the manner as may be prescribed under sub section (1) at or before the next Board or committee meeting, as the case may be and kept in books kept for that purpose.”.
20.	Sub-section (10) of section 118	Shall not apply.
21.	Sub-section (3) of section 134	In sub-section (3), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, if any information listed in this sub-section is provided in the financial statement, the company may not include such information in the report of the Board of Directors.”.
22.	Section 135	Shall not apply for a period of five years from the commencement of business of a Specified IFSC private company.
23.	Section 138	Shall apply if the articles of the company provides for the same.
24.	Fourth proviso to subsection (1) of section 139	For the words “fifteen days” read as “thirty days”.
25.	All provisos to subsection (2) of section 139	Shall not apply.
26.	Sub-section (1) of section 140	In sub-section (1), after the proviso, the following proviso shall be inserted, namely:- “Provided further that in case of a Specified IFSC private company, where, within a period of sixty days from the date of submission of the application to the Central Government under this sub-section, no decision is communicated by the Central Government to the company, it would be deemed that the Central Government has approved the application and the company shall appoint new auditor at a general meeting convened within three months from the date of expiry of sixty days period.”.
27.	Sub-section (3) of section 149	In sub-section (3), the following proviso shall be inserted, namely:- “Provided that this sub-section shall apply to the Specified IFSC private company in respect of financial years other than the first financial year from the date of its incorporation.”.
28.	Sub-section (3) of section 161	In sub-section (3), the following proviso shall be inserted, namely:- “Provided that in case of a Specified IFSC private company, the Board may appoint, any person nominated by any institution or company or body corporate as a director in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.”.
29.	Proviso to sub-section (1) of section 168	For the word “shall” read as “may”.
30.	Sub-section (2) of section 170	For the words “thirty days” at both places read as “sixty days”.
31.	Sub-section (1) of section 173	In sub-section (1), after the proviso, the following proviso shall be inserted, namely:- “Provided further that a Specified IFSC private company shall hold the first meeting of the Board of Directors within sixty days of its incorporation and thereafter hold at least one meeting of the Board of Directors in each half of a calendar year.”.
32.	Sub-section (3) of section 174	Shall apply with the exception that interested director may participate in such meeting provided the disclosure of his interest is made by the concerned director either prior or at the meeting.
33.	Sub-section (3) of section 179	In sub-section (3), after the second proviso, the following proviso shall be inserted, namely:- “Provided also that in case of a Specified IFSC private company, the Board can exercise the powers by means of resolutions passed at the meetings of the Board or through resolutions passed by circulation.”.
34.	Sub-section (1) of section 185	In the Explanation, for clause (c), the following clause shall be substituted, namely:- “(c) any private company of which any such director is a director or member in which director of the lending company do not have direct or indirect shareholding through themselves or through their relatives and a special resolution is passed to this effect.”.
35.	Sub-section (1) of section 186	Shall not apply.
36.	Sub-sections (2) and (3) of section 186	Shall not apply, if a company passes a resolution either at meeting of the Board of Directors or by circulation.
37.	Sub-section (5) of section 186	In sub-section (5), after the proviso, the following proviso shall be inserted, namely:- “Provided further that in case of a Specified IFSC private company, the Board can exercise powers under this sub-section by means of resolutions passed at meetings of the Board of Directors or through resolutions passed by circulation.”.

38.	Sub-section (2) of section 384	In sub-section (2), the following proviso shall be inserted, namely:- "Provided that notwithstanding anything contained in this Act, the exemptions provided under section 92 to companies incorporated under this Act for the purpose of operating from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) and the Special Economic Zones Rules, 2006, shall apply mutatis mutandis to a foreign company registered under Chapter XXII of this Act, which has a place of business or which conducts business activity from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006." .
39.	Sub-section (4) of section 384	In sub-section (4), the following proviso shall be inserted, namely:- "Provided that notwithstanding anything contained in this Act, the exemptions provided under Chapter VI to companies incorporated under this Act for the purpose of operating from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) and the Special Economic Zones Rules, 2006, shall apply mutatis mutandis to a foreign company registered under Chapter XXII of this Act, which has a place of business or which conducts business activity from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006." .

2. A copy of this notification has been laid in draft before both Houses of the Parliament as required by sub-section (2) of section 462 of the Companies Act, 2013 (18 of 2013).

AMARDEEP SINGH BHATIA

Joint Secretary

04 Companies (Incorporation) Fifth Amendment Rules, 2016.

[Issued by the Ministry of Corporate Affairs vide [(F. No. 1/13/2013-CL-V) dated 29.12.2016. To be published in Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(i)]

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

1. (1) These rules may be called the Companies (Incorporation) Fifth Amendment Rules, 2016.
(2) They shall come into force on the 1st day of January, 2017.
2. In the Companies (Incorporation) Rules, 2014 (hereinafter referred to as the principal rules).
3. In the principal rules,
 - (a) in rule 4, in sub-rule (2), for the words and figures 'such nomination in Form No. INC-2 along with consent of such nominee obtained in Form No. INC-3' the words and figures 'such nomination in Form No. INC-32 (SPICe) along with consent of such nominee obtained in Form No. INC-3' shall be substituted
 - (b) in rule 10 for the words and figures 'Form No. INC-7' the words and figures 'Form No. INC-7 or Form No. INC-32 (SPICe)' shall be substituted.
 - (c) in rule 12, for the words and figures 'Form No. INC-2 (for One

Person Company) and Form No INC-7 (other than One Person Company) the words and figures 'Form No. INC-7 (Part I company and company with more than seven subscribers) and Form No. INC-32 (SPICe)' shall be substituted.

(d) rule 36 shall be omitted.

(e) for rule 38, the following rule shall be substituted, namely:-

"38. Simplified Proforma for Incorporating Company Electronically (SPICe).

(1) The application for incorporation of a company under this rule shall be in FORM No INC-32 (SPICe) along with a-Memorandum of Association (e-MOA) in Form No. INC-33 and e-Articles of Association (e-AOA) in Form no. INC-34.

Provided that in case of incorporation of a company falling under section 8 of the Act, FORM No. INC-32 (SPICe) shall be filed along with FORM No. INC-13 (Memorandum of Association) and FORM No. INC-31 (Articles of Association) as attachments.

(2) For the purposes of sub-rule (1), the application for allotment of Director Identification Number upto three Directors, reservation of a name, incorporation of company and appointment of Directors of the proposed for One Person Company, private company, public company and a company falling under section 8 of the Act, shall be filed in FORM No. INC-32 (SPICe), with the Registrar, within whose jurisdiction the registered office of the company is proposed to be situated along with the fee of rupees five hundred in addition to the registration fee as specified in the Companies (Registration of Offices and Fees) Rules, 2014

Provided that where an applicant has applied for reservation of a name under Rule 9 and which has been approved therein, he may fill the reserved name as proposed name of the company.

(3) For the purposes of filing SPICe Form, the particulars of maximum of three directors shall be allowed to be filled in FORM No. INC-32 (SPICe), and allotment of Director Identification Number of maximum of three proposed directors shall be permitted in FORM No. INC-32 (SPICe) in case of proposed directors not having approved Director Identification Number.

(4) The promoter or applicant of the proposed company shall propose only one name in FORM No. INC-32 (SPICe).

(5) The promoter or applicant of the proposed company shall prepare Memorandum of Association (e-MoA) in FORM No. INC-33 and Articles of Association (e-AoA) in FORM No. INC-34, in accordance with rule 13.

Provided that the subscribers and witness or witnesses shall affix their digital signatures to the e-MoA and e-AoA.

(6) For incorporation using application as provided in this rule, provisions of the sub-clause (i) of sub-section (5) of section 4 of the Act, rule 9, and clause (a) of sub-rule (1) of rule 16 to the extent of affixing recent photograph shall not apply.

(7) A company using the provisions of this rule may furnish verification of its registered office under sub-section (2) of section 12 of the Act by filing FORM No. INC-32 (SPICe) in which case the company shall attach along with such FORM No. INC-32 (SPICe), any of the documents referred to in sub-rule (2) of rule 25.

(8) FORM No. INC-22 shall not be required to be filed in case the proposed company maintains its registered office at the given correspondence address.

(9) (a) Where the Registrar, on examining FORM No. INC-32 (SPICe), finds that it is necessary to call for further information or finds such application or document to be defective or

incomplete in any respect, he shall give intimation to the applicant to remove the defects and re-submit the e-form within fifteen days from the date of such intimation given by the Registrar.

(b) After the resubmission of the document, if the registrar still finds that the document is defective or Incomplete in any respect, he shall give one more opportunity of fifteen days to remove such defects or deficiencies.

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

(10) The Certificate of Incorporation of company shall be issued by the Registrar in Form No. INC-11."

4. In the principal rules .-
 - (a) Form No. INC-2 shall be omitted;
 - (b) for Form No INC-7 the following form shall be substituted. namely:-

AMARDEEP SINGH BHATIA
Joint Secretary

Forms No. INC-7, INC-27 not reproduced here for want of space. Readers may log on to www.mca.gov.in for the Forms.

05 Removal of names of companies from the Register of Companies- clarification regarding availability of Form STK on MCA-21portal- reg.

[Issued by the Ministry of Corporate Affairs vide [(F. No. 1/28/2013-CL.V) General Circular No. 16/2016 dated 26.12.2016.]

1. This Ministry has commenced provisions of sections 248 to 252 of the Companies Act, 2013 w.r.t. removal of names of companies from the Register of Companies today and notified relevant rules simultaneously. However, e-Form STK-2 prescribed under the said rules, for making application to the Registrar of Companies for removal of name of the company from the register of companies, is under development and would be deployed in some time.
2. Stakeholders are requested to bear with the inconvenience caused in this regard.

KMS NARAYANAN
Assistant Director

06 Date of coming into force the provisions of sections 248 to 252 of Companies Act, 2013.

[Issued by the Ministry of Corporate Affairs [vide (F. No. 1/28/2013-CL-V) dated 26.12.2016. Published in Gazette of India, Extraordinary, Part II—Section 3—Sub-section (ii) vide notification No. S.O. 416(E) dated 26.12.2016]

In exercise of the powers conferred by sub-section (3) of Section 1 of the Companies Act, 2013 (18 of 2013, the Central Government hereby appoints the 26th December, 2016 as the date on which the provisions of sections 248 to 252 of the said Act, shall come into force.

AMARDEEP SINGH BHATIA
Joint Secretary

07 Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016.

[Issued by the Ministry of Corporate Affairs vide [F. No. 1/28/2013-CL.V) dated 26.12.2016. Published in Gazette of India, Extraordinary, Part-II, Section(3) Sub-section(i) vide Notification No. GSR1174(E) dated 26.12.2016]

In exercise of the powers conferred by sub-sections (1), (2) and (4) of section 248 read with section 469 of the Companies Act, 2013 (18 of 2013) and in supersession of the Companies (Central Government) General Rules and Forms, 1956 except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:-

1. **Short title and commencement.-** (1) These rules may be called the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.-** (1) In these rules, unless the context otherwise requires, -
(a) "Act" means the Companies Act, 2013 (18 of 2013);
(b) "Form" or "e-Form" means a non-electronic form or an electronic form annexed to these rules.
(2) Words and expressions used in these rules but not defined and defined in the Act or in the Companies (Specification of Definitions Details) Rules, 2014, shall have the same meanings respectively assigned to them in the Act or in the said rules.
3. **Removal of name of company from the Register on suo-motu basis.-** (1) The Registrar of Companies may remove the name of a company from the register of companies in terms of sub-section (1) of section 248 of the Act:
Provided that following categories of companies shall not be removed from the register of companies under this rule and rule 4, namely:-
(i) listed companies;
(ii) companies that have been delisted due to non-compliance of listing regulations or listing agreement or any other statutory laws;
(iii) vanishing companies;
(iv) companies where inspection or investigation is ordered and being carried out or actions on such order are yet to be taken up or were completed but prosecutions arising out of such inspection or investigation are pending in the Court;
(v) companies where notices under section 234 of the Companies Act, 1956 (1 of 1956) or section 206 or section 207 of the Act have been issued by the Registrar or Inspector and reply thereto is pending or report under section 208 has not yet been submitted or follow up of instructions on report under section 208 is pending or where any prosecution arising out of such inquiry or scrutiny, if any, is pending with the Court;
(vi) companies against which any prosecution for an offence is pending in any court;
(vii) companies whose application for compounding is pending before the competent authority for compounding the offences committed by the company or any of its officers in default;
(viii) companies, which have accepted public deposits which are either outstanding or the company is in default in repayment of the same;

- (ix) companies having charges which are pending for satisfaction; and
- (x) companies registered under section 25 of the Companies Act, 1956 or section 8 of the Act.

Explanation.- For the purposes of clause (iii), the expression “vanishing company” means a company, registered under the Act or previous company law or any other law for the time being in force and listed with Stock Exchange which has failed to file its returns with the Registrar of Companies and Stock Exchange for a consecutive period of two years, and is not maintaining its registered office at the address notified with the Registrar of Companies or Stock Exchange and none of its directors are traceable.

(2) For the purpose of sub-rule (1), the Registrar shall give a notice in writing in Form STK 1 which shall be sent to all the directors of the company at the addresses available on record, by registered post with acknowledgement due or by speed post.

(3) The notice shall contain the reasons on which the name of the company is to be removed from the register of companies and shall seek representations, if any, against the proposed action from the company and its Directors along with the copies of relevant documents, if any, within a period of thirty days from the date of the notice.

4. **Application for removal of name of company.**—(1) An application for removal of name of the company under sub-section (2) of section 248 shall be made in Form STK-2 along with the fee of five thousand rupees.

(2) Every application under sub-rule (1) shall accompany a no objection certificate from appropriate Regulatory Authority concerned in respect of following companies, namely :-

- (i) companies which have conducted or conducting non-banking financial and investment activities as referred to in the Reserve Bank of India Act, 1934 (2 of 1934) or rules and regulations thereunder;
- (ii) housing finance companies as referred to in the Housing Finance Companies (National Housing Bank) Directions, 2010 issued under the National Housing Bank Act, 1987 (53 of 1987);
- (iii) insurance companies as referred to in the Insurance Act, 1938 (4 of 1938) or rules and regulations thereunder;
- (iv) companies in the business of capital market intermediaries as referred to in the Securities and Exchange Board of India Act, 1992 (15 of 1992) or rules and regulations thereunder;
- (v) companies engaged in collective investment schemes as referred to in the Securities and Exchange Board of India Act, 1992 (15 of 1992) or rules and regulations thereunder;
- (vi) asset management companies as referred to in the Securities and Exchange Board of India Act, 1992 (15 of 1992) or rules and regulations thereunder;
- (vii) any other company which is regulated under any other law for the time being in force.

(3) The application in Form STK 2 shall be accompanied by -

- (i) indemnity bond duly notarised by every director in Form STK 3;
- (ii) a statement of accounts containing assets and liabilities of the company made up to a day, not more than thirty days before the date of application and certified by a Chartered Accountant;
- (iii) An affidavit in Form STK 4 by every director of the company;
- (iv) a copy of the special resolution duly certified by each of the directors of the company or consent of seventy five per cent of the members of the company in terms of paid up share capital as on the date of application;
- (v) a statement regarding pending litigations, if any, involving the company.

5. **Manner of filing of application.**— (1) The application in Form STK 2 shall be signed by a director duly authorised by the Board in their behalf.

(2) Where the director concerned does not have a registered digital signature certificate, a physical copy of the form duly filled in shall be signed manually by the director duly authorised in that behalf and shall be attached with the Form STK 2 while uploading the form.

6. **Form to be certified.**- The Form STK 2 shall be certified by a Chartered Accountant in whole time practice or Company Secretary in whole time Practice or Cost Accountant in whole time practice, as the case may be.

7. **Manner of publication of notice** – (1) The notice under sub-section (1) or sub-section (2) of section 248 shall be in Form STK 5 or STK 6, as the case may be, and be-

- (i) placed on the official website of the Ministry of Corporate Affairs on a separate link established on such website in this regard;
- (ii) published in the Official Gazette;
- (iii) published in English language in a leading English newspaper and at least once in vernacular language in a leading vernacular language newspaper, both having wide circulation in the State in which the registered office of the company is situated.

Provided that in case of any application made under sub-section (2) of section 248 of the Act, the company shall also place the application on its website, if any, till the disposal of the application.

(2) The Registrar of Companies shall, simultaneously intimate the concerned regulatory authorities regulating the company, viz, the Income-tax authorities, central excise authorities and service-tax authorities having jurisdiction over the company, about the proposed action of removal or striking off the names of such companies and seek objections, if any, to be furnished within a period of thirty days from the date of issue of the letter of intimation and if no objections are received within thirty days from the respective authority, it shall be presumed that they have no objections to the proposed action of striking off or removal of name.

8. **Manner of notarisation, apostilisation or consularisation of indemnity bond and declaration in case of foreign nationals or non-resident Indians:-** For the purposes of these rules, if the person is a foreign national or non-resident Indian, the indemnity bond, and declaration shall be notarised or apostilised or consularised.

9. **Notice of striking off and dissolution of company.** - The Registrar shall cause a notice under subsection (5) of section 248 of striking off the name of the company from the register of companies and its dissolution to be published in the Official Gazette in Form STK 7 and the same shall also be placed on the official website of the Ministry of Corporate Affairs.

10. **Applications or forms pending before Central Government.** – Any application or pending proceeding for striking off or Form-FTE filed with the Registrar of Companies prior to the commencement of these rules but not disposed of by such authority for want of any information or document shall, on its submission, to the satisfaction of the authority, be disposed of in accordance with the rules made under the Companies Act, 1956 (1 of 1956).

AMARDEEP SINGH BHATIA
Joint Secretary

Forms No. STK-1 to STK-7 not reproduced here for want of space. Readers may log on to www.mca.gov.in for the Forms.

08 Delegation of Powers to RDs

[Issued by the Ministry of Corporate Affairs vide [F. No. 2/31/CAA/2013-CL-V) dated 19.12.2016. Published in Gazette of India, Extraordinary, Part II—Section 3—Sub-section (ii) vide notification No. S.O. 4090(E) dated 19.12.2016]

1. In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), and in supersession of the notification of the Government of India, in the Ministry of Corporate Affairs, dated the 10th July, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (ii) vide number S.O. 1539(E), dated the 10th July, 2012, and also in supersession of the notification of the Government of India, in the Ministry of Corporate Affairs, dated the 21st May, 2014, published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (ii) vide number S.O. 1352(E), dated the 22nd May, 2014, except as respects things done or omitted to be done before such supersession, the Central Government hereby delegates to the Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong, the powers and functions vested in it under the following sections of the said Act, subject to the condition that the Central Government may revoke such delegation of powers or may itself exercise the powers under the said sections, if in its opinion such a course of action is necessary in the public interest, namely :—
 - (a) clause (i) of sub-section (4) of section 8 (for alteration of memorandum in case of conversion into another kind of company);
 - (b) sub-section (6) of section 8;
 - (c) sub-sections (4) and (5) of section 13;
 - (d) section 16;
 - (e) section 87;
 - (f) sub-section (3) of section 111;
 - (g) sub-section (1) of section 140;
 - (h) sub-section (5) of section 230;
 - (i) sub-sections (2), (3), (4), (5) and (6) of section 233;
 - (j) first and second proviso of sub-section (3) of section 272;
 - (k) sub-section (1) of section 348;
 - (l) sections 361, 362, 364 and 365
 - (m) clause (i) of the proviso to sub-section (1) of section 399 and
 - (n) section 442.
2. This notification shall come into force with effect from the date of its publication in the Official Gazette.

AMARDEEP SINGH BHATIA
Joint Secretary

09 Procedures for Exchange Listing Control Mechanism

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MRD/DSA/CIR/P/2017/9. dated 27.01.2017]

1. Regulation 45 of the SECC Regulations provides for listing of stock exchanges on any recognised stock exchange, other than itself and its associated stock exchange. As per Regulation 45(2)

- of the SECC Regulations, the Board may specify such conditions as it may deem fit in the interest of the securities market.
2. In order to address any conflict arising out of aforesaid provisions of listing of a stock exchange on any recognised stock exchange, other than itself, and also to ensure effective compliance with the applicable laws, it has been decided that:
 - I. The Listing Department of the listing stock exchange (i.e. a stock exchange on which the listing is done) shall be responsible for monitoring the compliance of the listed stock exchange (i.e. a stock exchange which is getting listed) as in the case of listed companies.
 - II. The Independent Oversight Committee of the listing stock exchange shall exercise oversight at the second level to deal with the conflicts, if any. The listed stock exchange may appeal to the Independent Oversight Committee of the listing stock exchange, if aggrieved, with the decision on disclosure of the listing stock exchange as referred under para 2 (I).
 - III. An independent Conflict Resolution Committee (CRC) constituted by SEBI, with an objective for independent oversight and review, shall monitor potential conflicts between listed and listing stock exchange on a regular basis. The listed stock exchange aggrieved by the decision of the Independent Oversight Committee of the listing exchange may appeal to the CRC.
3. 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.
4. This circular is also available on SEBI website at www.sebi.gov.in

MANOJ KUMAR
Chief General Manager

10 Fair and transparent access to data feeds of the stock exchanges

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MRD/DP/CIR/P/2017/08. dated 20.01.2017]

1. SEBI in consultation with the Technical Advisory Committee (TAC) of SEBI had reviewed the market data feed mechanism of the stock exchanges.
2. Based on the recommendations of SEBI's Technical Advisory Committee (TAC), it has been decided that stock exchanges shall formulate a comprehensive policy document for providing stock market related data to the market participants in a fair and transparent manner, irrespective of the type of mechanism used by the stock exchanges for broadcasting of data.
3. In this context, stock exchanges shall ensure that :
 - (i) Appropriate tools are deployed so as to monitor service quality of data feeds;
 - (ii) Appropriate mechanism (viz. load balancers, randomizers, etc.) to manage load across systems disseminating data in order to ensure consistent response time to all market participants;
 - (iii) All communication to the market participants, especially on all technology related matters such as Monitoring Tool, Load Balancer, Randomisation etc., are abundantly clear and precise providing all necessary details related

to the concerned facility / service, including information on features, benefits, risks, etc. of the concerned facility / service, particularly for participants who have opted for colocation facility.

4. Further, SEBI vide circular dated March 30, 2013 had inter alia directed stock exchanges to synchronize their system clocks with the atomic clock before the start of market such that their clocks have precision of atleast one microsecond and accuracy of atleast +/- one millisecond. In this regard, the stock exchange should ensure that all clocks of the servers and other related systems are synchronized. Stock exchanges may adopt suitable mechanism to ensure such synchronization of system clocks.
5. Stock exchanges are directed to:
 - (a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations.
 - (b) bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on their website;
 - (c) communicate to SEBI the status of implementation of the provisions of this circular.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

SUSANTA KUMAR DAS
Deputy General Manager

11 Criteria for Eligibility, Retention and re-introduction of derivative contracts on Commodities

[[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2017/6. dated 20.01.2017]

1. The nature/properties of one commodity differs from another, thereby not all commodities may be suitable for the commodity derivatives trading. It is prudent that before allowing any derivatives contract on any commodity, the appropriateness/ usefulness of commencing futures trading in products (not necessarily of just commodities), needs to be ascertained.
2. The Commodity Derivatives Advisory Committee (CDAC), constituted for advising SEBI on matters concerning effective regulation and development of the commodity derivatives market, on the above aspects had inter alia, recommended that:
 - 2.1. The commodities which are to be recommended by SEBI for notification by the Government or on which the exchange proposes to launch a contract should pass through some test based upon the objective parameters and upon satisfaction, should be allowed for trading.
 - 2.2. It is also important that the contracts available for trading in the commodity derivatives market are liquid enough for the contracts to trade smoothly.
3. Though it may not be practicable to keep a strict objective criteria which may be uniformly applied across all commodities for inclusion under derivatives, a broad framework can certainly be laid down. Thus, based on the recommendation of CDAC and in consultation with the stakeholders, it has been decided that the following criteria for eligibility, retention and re-introduction of derivative contracts on commodities shall be followed by all national commodity derivatives exchanges ('exchange').

3.1. Eligibility criteria for allowing derivative contracts on commodities

- a) Exchanges shall examine following basic parameters and the commodity may be permitted to be included under derivatives if such commodity satisfies these parameters.

I. Commodity Fundamentals

- Size of the market / Volume of the market: The total supply value of the commodity in each year is taken as a measure of the physical market size of that commodity in that year. A higher physical market size could create higher futures trading volume by attracting more hedgers and speculators into the futures market.
- Homogeneity/Standardization: The commodity should be either Homogeneous or should be conducive to standardization. This is required so that participants trading the commodity on exchange platform should be able to unambiguously understand exactly what they are trading as on exchange only standardized contracts can be traded.
- Durable / Storable: The commodity should be durable and storable for better price discovery. Durability i.e. higher shelf life makes commodity conducive for storage, which creates opportunity for cash and carry and hence would attract arbitragers thus make it more suitable for derivatives trading.

II. Trade Factors

- Global: Global market in a commodity could be a positive indicator as internationally linked commodity prices are influenced by various global factors and thus create multiple reference points for price discovery which may make it conducive for derivatives trading.
- Value chain: The term "value chain" describes the full range of value adding activities required to bring a product or service through the different phases of production, including procurement of raw materials and other inputs", connected along a chain of producing, transforming and bringing goods and services to end-consumers through a sequenced set of activities and a strategic network among a number of business organizations". Larger is the value chain larger would be the number of participants interested in derivatives trading of such commodity.
- Geographical coverage: The commodity should ideally have a vast distribution across the country. The coverage can be in the form of production of commodity or the distribution of the commodity across the country. Higher coverage would attract higher number of participants to the derivatives.

III. Ease-of-doing-business

- Price Control: Price controls are government mandated minimum or maximum prices that can be charged for specified goods. Government sometimes implements price

controls when prices on essential items, such as food grain or oil are rising rapidly. Such goods which are prone to price control may be less conducive for derivatives markets.

- Applicability of other laws: The Food control Regulation Act, Essential commodities Act, APMC Act etc., may have an impact on the commodities to be introduced for derivatives trading. Commodities which have excessive restrictions may be less conducive for derivatives markets.

IV. Risk Management

- Correlation with International Market: Commodities which have a strong correlation with the global market have higher need for price risk management. Such commodities are conducive for derivatives trading.
- Seasonality: The Indian commodity sphere is characterized by seasonality. The prices fluctuate with the supply season and the off season. The derivatives market is necessary to even out this fluctuation and facilitate better price discovery. Thus the commodities with higher seasonality are conducive for derivatives trading.
- Price Volatility: Commodities with high volatility of prices have high need for hedging. Such commodities are conducive for Derivatives trading.

- b) In order to bring in uniformity among the commodity derivatives exchanges, the indicative template as enclosed at Annexure A shall be adopted by the exchanges. In this regard the exchanges shall decide upon the specific numerical weightages as approved by their oversight committee for 'Product Design'.
- c) The exchanges shall also analyze all the proposed commodities/ commodity derivatives contracts on the afore-said parameters comprised in the template and submit the same to SEBI while applying for the approvals along with necessary supporting documentary evidence.

3.2. Applicability of the template on the commodities presently being traded

- a) As regards the commodities which are presently being traded on the exchange platforms, the exchanges shall apply the afore-said parameters comprised in the template on each of the commodities.
- b) The results of such exercise is to be submitted to SEBI within a period of 3 months.

3.3. Criteria for retention and reintroduction of derivative contracts on commodities

- a) For any commodity to continue to be eligible for Futures trading on Exchange, it should have annual turnover of more than `500 Crore across all National Commodity Derivatives Exchanges in at least one of the last three financial years. For validating this criteria, gestation period of three years is provided for commodities from the launch date/re-launch date, as may be applicable.
- b) Once, a commodity becomes ineligible for derivatives trading due to not satisfying the retention criteria, the exchanges shall not reconsider such commodity for re-launching contract for a minimum period of one year.
- c) Further, a commodity which is discontinued/suspended

by the exchange from derivatives trading on its platform, shall not be re-considered by the concerned exchange for re-launching of derivatives contract on such commodity at least for a minimum period of one year.

- The provisions of this circular shall come into effect from the date of the circular except for the provisions listed out at 3.3 above which will be effective from April 01, 2017.
- This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
- The Exchanges are advised to:
 - To make necessary amendments to the relevant bye-laws, rules and regulations.
 - Bring the provisions of this circular to the notice of the stock brokers of the Exchange and also to disseminate the same on their website.
 - Communicate to SEBI, the status of the implementation of the provisions of this circular.
- This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars" and "Info for Commodity Derivatives".

VIKAS SUKHWAL
Deputy General Manager
Annexure A

Criteria for Commodity Eligibility for Derivative Products - Template

Section I			
Particulars	Weight	Sub-score	Details
Parameter I - Commodity Fundamentals			
Size of commodity			This parameter relates to production, imports, carryover stocks etc...
Volume in cash market			The daily volumes in the underlying cash/spot/physical market may be a good indicator of the depth
Durability and Storability			Relates to the durability and duration for which the commodity can be stored
Homogeneous/ Standardization			Scope for standardization
Parameter II - Ease of doing Business			
Particulars	Weight	Sub-score	Details
Prevalence of price controls			These parameters relates to the ease of doing business in commodity markets. Issues such as price controls, storage controls, Taxation etc., have a bearing on the trade. These parameters are also an indicator of what reforms should be brought in the commodity space in a regulated environment to be best in class globally.
Minimum Support Price (MSP) for the commodity			
Storage controls/ Stock Limits			
Government. Policy			
Applicability of other Laws			
Parameter II Score =			
Section II			
Particulars	Weight	Sub-score	Details
Parameter III - Trade/ Business			
Global Trade - Imports or Exports			Importance in global trade and to our economy. Ability to add value to the base commodity. Commercial application, nature of buyers, Supply/demand gap etc.
Domestic market / Geographical coverage			
Presence of Value Chain participants (VCPs)			
Supply/ Demand			
Parameter III Score			

Parameter IV - Risk Management			
Particulars	Weight	Sub-score	Details
Correlation			The risk parameters viz., volatility, correlation with either domestic traded prices or globally traded prices, seasonality, liquidity, benefits to hedgers / farmer through direct / indirect participation and scope to hedge the price risk forms part of the Risk Management
Seasonality			
Basis Risk			
Volatility			
Hedging Incentive			
Liquidity			
Parameter IV Score =			
Parameter V - Benchmark Potential			
Particulars	Weight	Sub-score	Details
Existence of Forward Trading in OTC markets			
Suitability for Futures/ Options Trading			
Potential to create a Domestic Benchmark			
Potential to create a Global Benchmark			
Parameter V Score			
Section I Score = Parameter I Score + Parameter II Score			
Section II Score = Parameter III Score + Parameter IV Score + Parameter V Score			
Overall Score = Section I Score + Section II Score			
Note:			
<ul style="list-style-type: none"> ● Weight-ages in % and total of all weight-ages should be 100 ● Scores/Sub-scores are to be given in a range of 1 to 5 ● The following scale is to be used for scoring the parameters: 			
1 : Poor			
2 : Reasonable			
3 : Good			
4 : Very Good			
5 : Excellent			

12 Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2017

[[Issued by the Securities and Exchange Board of India vide Notification No. SEBI/LAD/NRO/GN/2016-17/020. dated 12.01.2017. Published in Gazette of India, Extraordinary, Part-III, Section 4, dated 12.01.2017]

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

1. These regulations may be called the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2017.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012,
 - (l) in regulation 17,-
 - (a) in sub-regulation (3), after the words “stock exchange”, for the symbol “.” the symbol “:” shall be

- substituted;
- (b) after sub-regulation (3), the following shall be inserted,-

“Provided that, -

 - (i) a foreign stock exchange;
 - (ii) a foreign depository;
 - (iii) a foreign banking company;
 - (iv) an foreign insurance company; and
 - (v) a foreign commodity derivatives exchange, may acquire or hold, either directly or indirectly, either individually or together with persons acting in concert, upto fifteen per cent. of the paid up equity share capital of a recognised stock exchange.

Explanation.—For the purposes of this proviso, the persons referred to in clauses (i) to (v) shall mean persons recognised/ incorporated outside India.”
 - (c) in sub-regulation (4), the proviso and Explanation shall be omitted.

U.K. SINHA
Chairman

13 Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2017.

[[Issued by the Securities and Exchange Board of India vide Notification No. SEBI/LAD/NRO/GN/2016-17/018. dated 12.01.2017. Published in Gazette of India, Extraordinary, Part-III, Section 4, dated 12.01.2017]

In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby, makes the following regulations to further amend the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, namely,—

1. These regulations may be called the Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2017.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014,—
 - (1) In regulation 21,-
 - i. in sub-regulation (1), in clause (a),—
 - (1) for the words “Securities in the primary and secondary markets including shares”, the word “Shares” shall be substituted;
 - (2) after the word “India”, the words and symbol “, through primary and secondary markets”, shall be inserted;
 - ii. in sub-regulation (4), in clause (e),—
 - (1) after sub-clause (vii) the following sub-clauses shall be inserted, namely,-

“(viii) transactions by Category I and II foreign portfolio investors, in corporate bonds, as may be specified by the Board;

“(ix) transactions on the electronic book provider platform of recognized stock exchanges;”
 - (2) existing sub-clause (viii) shall be re-numbered as sub-clause (x);

U.K. SINHA
Chairman

14 Exclusively listed companies of De-recognized/Non-operational/exited Stock Exchanges placed in the Dissemination Board (DB).

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MRD/DSA/CIR/P/2017/5 dated 05.01.2017]

1. SEBI vide circular dated October 10, 2016 provided a period of three months to the ELCs on the DB to submit an action plan to list or to provide exit to shareholders to the designated stock exchanges.
2. In light of representation received seeking extension of time to submit plan of action, it is decided to extend the time till March 31, 2017. All other conditions as mentioned in the SEBI circular dated October 10, 2016 remain unchanged.
3. 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

15 Guidance Note on Board Evaluation

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 05.01.2017]

1. 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.
2. 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.
3. SEBI has studied the practices of Board evaluation prevalent among listed entities in India. An analysis has also been done of the global practices in various jurisdictions like regulatory requirements, best practices, internal versus external evaluation, disclosure requirements etc. The matter was further discussed with the industry associations, stock exchanges, market participants and international bodies and experts to obtain their views on this subject.
4. Based on the aforesaid analysis, a guidance note in this matter has been prepared in order to guide listed entities by elaborating various aspects of Board evaluation that may help them to improve the evaluation process, derive the best possible benefit and achieve the objective of the entire process.

5. The guidance note covers all major aspects of Board Evaluation including the following:
 - a. Subject of Evaluation i.e. who is to be evaluated;
 - b. Process of Evaluation including laying down of objectives and criteria to be adopted for evaluation of different persons;
 - c. Feedback to the persons being evaluated;
 - d. Action Plan based on the results of the evaluation process;
 - e. Disclosure to stakeholders on various aspects;
 - f. Frequency of Board Evaluation;
 - g. Responsibility of Board Evaluation and
 - h. Review of the entire evaluation process periodically.
6. The purpose of the Guidance Note 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. This would serve as a guide for listed entities and may be adopted by them as considered appropriate. Anything mentioned in the Guidance Note shall not be construed as interpretation of provisions of SEBI LODR or any other law.
7. This Circular is issued in exercise of the powers conferred under Section 11 and Section 11A of the Securities and Exchange Board of India Act, 1992 read with Regulation 101 of SEBI LODR.
8. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Issues and Listing".

PRADEEP RAMAKRISHNAN
Deputy General Manager

Annex A

Guidance Note on Board Evaluation

A. Background of Board Evaluation in India

India has moved recently from a voluntary Board evaluation under Clause 49 of the Listing Agreement (SEBI) and Corporate Governance Voluntary Guidelines of MCA (2009) to a mandatory Board evaluation under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

The Companies Act, 2013 and SEBI LODR provide for several mandatory provisions for Board Evaluation on 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 is attached at **Annexure A1** and summarized as under:

1. Role of the Nomination and Remuneration Committee (NRC):
 - a. NRC shall formulate of criteria for evaluation of performance of independent directors and the board of directors.
 - b. NRC shall carry out evaluation of every director's performance.
 - c. NRC shall determine 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.
2. Role of independent directors:
 - a. In the meeting of independent directors of the company (without the attendance of non-independent directors and management), such directors shall:
 - i. review the performance of non-independent directors

- and the Board as a whole.
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
 - iii. 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.
- b. The independent directors shall bring an objective view in the evaluation of the performance of board and management.
3. Evaluation of independent directors: The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
 4. Disclosure requirements:
 - a. 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 shall be included in the report by Board of Directors placed in the general meeting.
 - b. The performance evaluation criteria for independent directors shall be disclosed in the section on the corporate governance of the annual report.

B. Subject of Evaluation

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.)

C. Process of Evaluation

The process of evaluation is generally elaborate, stretching across pre-evaluation, evaluation and post- evaluation processes including, inter alia, the following:

1. Identifying the objectives of evaluation:

Identifying the objectives of the evaluation is the first and a crucial step in the Board Evaluation process. Clear identification of objectives is key to streamlining the process of evaluation, analyzing the results and taking appropriate and corrective action.

The objectives may be:

- a) General objectives- Standard Objectives for all Board evaluations of the entity
- b) Specific objectives- Objectives specific to the current Board evaluation based on recent events, new issues of concern, etc.

2. Criteria of evaluation:

The criteria for evaluation under different categories depend on the role the person/group plays in the organization. For instance, the evaluation of the Chairperson may evaluate the person's leadership, coordination and steering skills, etc. which may be different from the role of other directors. 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 of

formulation of criteria lies on the NRC.

Indicative criteria that may be used for different directors/groups are:

A. Board as a whole

- a. Structure of the Board:
 - i. **Competency of directors:** *(Different competencies may be identified as may be required for effective functioning of the entity and the Board) -Whether Board as a whole has directors with a proper mix of competencies to conduct its affairs effectively.*
 - ii. **Experience of directors:** *Whether Board as a whole has directors with enough experience to conduct its affairs effectively.*
 - iii. **Mix of qualifications:** *Whether Board as a whole has directors with a proper mix of qualifications to conduct its affairs effectively.*
 - iv. **Diversity in Board under various parameters:** *Gender/background/ competence/experience, etc. – Whether there is sufficient diversity in the Board on the aforesaid parameters.*
 - v. **Appointment to the Board:** *Whether the process of 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.*
- b. Meetings of the Board:
 - i. **Regularity of meetings:** *Whether meetings are being held on a regular basis*
 - ii. **Frequency:**
 1. *Whether the Board meets frequently*
 2. *Whether the frequency of such meetings is enough for the Board to undertake its duties properly*
 - iii. **Logistics:** *Whether the logistics for the meeting is being handled properly- venue, format, timing, etc.*
 - iv. **Agenda:**
 1. *Whether the agenda is circulated well before the meeting*
 2. *Whether the agenda has all relevant information to take decision on the matter*
 3. *Whether the agenda is up to date, regularly reviewed and involves major substantial decisions*
 4. *Whether the quality of agenda and Board papers is up to the mark (explains issues properly, not overly lengthy, etc.)*
 5. *Whether outstanding items of previous meetings are followed-up and taken up in subsequent agendas*
 6. *Whether the time allotted for the every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject*
 7. *Whether the Board is able to finish discussion*

- and decision on all agenda items in the meetings
8. Whether adequate and timely inputs are taken from the Board members prior to setting of the Agenda for the meeting
 9. Whether the agenda includes adequate information on Committee's activities
- v. **Discussions and dissent:**
1. Whether the Board discusses every issue comprehensively and depending on the importance of the subject
 2. Whether the environment of the meeting induces free-flowing free flowing discussions, healthy debate and contribution by everyone without any fear or fervour
 3. Whether the discussions generally add value to the decision making
 4. Whether the Board tends towards groupthink and whether critical and dissenting suggestions are welcomed
 5. Whether all members actively participate in the discussions
 6. Whether overall, the Board functions constructively as a team
- vi. **Recording of minutes:**
1. Whether the minutes are being recorded properly- clearly, completely, accurately and consistently.
 2. Whether the minutes are approved properly in accordance with set procedures.
 3. Whether the minutes are timely circulated to all the Board members
 4. Whether dissenting views are recorded in the minutes
- vii. **Dissemination of information:**
1. Whether all the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly
 2. Whether Board is adequately informed of material matters in between meetings
- c. Functions of the Board:
(Functions of the Board have been specified in detail in Chapter II of SEBI LODR and Companies Act)
- i. **Role and responsibilities of the Board:** Whether the same are clearly documented E.g. Difference in roles of Chairman and CEO, Matters reserved for the Board, etc.
 - ii. **Strategy and performance evaluation:**
 1. Whether significant time of the Board is being devoted to management of current and potential strategic issues
 2. Whether various scenario planning is used to evaluate strategic risks
 3. Whether the Board overall reviews and guides corporate strategy, major plans of action, risk
- policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.
- iii. **Governance and compliance:**
1. Whether adequate time of the Board is being devoted to analyse and examine governance and compliance issues
 2. Whether the Board monitors the effectiveness of its governance practices and makes changes as needed
 3. Whether the Board ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
 4. Whether the Board oversees the process of disclosure and communications.
 5. Whether the Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance.
- iv. **Evaluation of Risks:**
1. Whether Board undertakes a review of the high risk issues impacting the organization regularly
 2. In assessment of risks, whether it is ensured that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.
- v. **Grievance redressal for Investors:**
Whether the Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.
- vi. **Conflict of interest:**
1. Whether the Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions
 2. Whether a sufficient number of non-executive members of the board of directors capable of exercising independent judgement are assigned to tasks where there is a potential for conflict of interest
- vii. **Stakeholder value and responsibility:**
1. Whether the decision making process of

- the Board is adequate to assess creation of stakeholder value
2. Whether the Board has mechanisms in place to communicate and engage with various stakeholders
 3. Whether the Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders.
 4. Whether the Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/ stakeholder groups differently.
 5. Whether the Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc.
- viii. Corporate culture and values:** Whether the Board sets a corporate culture and the values by which executives throughout a group shall behave
- ix. Review of Board evaluation:** Whether the Board monitors and reviews the Board evaluation framework.
- x. Facilitation of independent directors:** Whether the Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.
- d. Board and management:
- i. **Evaluation of performance of the management and feedback:**
 1. Whether the Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance
 2. Whether the measures used are broad enough to monitor performance of the management
 3. Whether the management's performance is benchmarked against industry peers
 4. Whether remuneration of the management is in line with its performance and with industry peers
 5. Whether remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders.
 6. Whether the Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation.
7. Whether the Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus.
 - ii. **Independence of the management from the Board:** Whether the level of independence of the management from the Board is adequate
 - iii. **Access of the management to the Board and Board access to the management:** Whether the Board and the management are able to actively access each other and exchange information
 - iv. **Secretarial support:** Whether adequate secretarial and logistical support is available for conducting Board meetings
 - v. **Fund availability:** Whether sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice E.g. Legal, accounting, etc.
 - vi. **Succession plan:** Whether an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board
- e. Professional development:
- i. Whether adequate induction and professional development programmes are made available to new and old directors
 - ii. Whether continuing directors training is provided to ensure that the members of board of directors are kept up to date
- B. Committees of the Board**
- a. **Mandate and composition:** Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.
 - b. **Effectiveness of the Committee:** Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable (For different Committees, different functions may be laid out as sub-criteria for evaluation)
 - c. **Structure of the Committee and meetings:**
 - i. Whether the Committees have been structure properly and regular meetings are being held
 - ii. In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board
 - d. **Independence of the Committee from the Board:** Whether adequate independence of the Committee is ensured from the Board
 - e. **Contribution to decisions of the Board:** Whether the Committee's recommendations contribute effectively to decisions of the Board.
- C. Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-independent directors, etc.)**
- General
- a. **Qualifications:** Details of professional qualifications of the member
 - b. **Experience:** Details of prior experience of the member,

especially the experience relevant to the entity

c. Knowledge and Competency:

- i. How the person fares across different competencies as identified for effective functioning of the entity and the Board (The entity may list various competencies and mark all directors against every such competency)
- ii. Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates

d. Fulfillment of functions: Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law (E.g. Law imposes certain obligations on independent directors)

e. Ability to function as a team: Whether the person is able to function as an effective team- member

f. Initiative: Whether the person actively takes initiative with respect to various areas

g. Availability and attendance: Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.

h. Commitment: Whether the person is adequately committed to the Board and the entity

i. Contribution: Whether the person contributed effectively to the entity and in the Board meetings

j. Integrity: Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)

Additional criteria for Independent director:

- a. Independence:** Whether person is independent from the entity and the other directors and there if no conflict of interest
- b. Independent views and judgement:** Whether the person exercises his/ her own judgement and voices opinion freely

Additional criteria for Chairperson:

- a. Effectiveness of leadership and ability to steer the meetings:** Whether the Chairperson displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively
- b. Impartiality:** Whether the Chairperson is impartial in conducting discussions, seeking views and dealing with dissent, etc.
- c. Commitment:** Whether the Chairperson is sufficiently committed to the Board and its meetings.
- d. Ability to keep shareholders' interests in mind:** Whether the Chairperson is able to keep shareholders' interest in mind during discussions and decisions.

Different criteria may be assigned different weights depending on the organisation'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.

3. Method of evaluation:

As a global best practice, the method of evaluation is generally in 2 ways:

- a. Internal assessment
- b. Assessment by external experts

Internal assessment:

Internal assessment of the Board is crucial. Who should evaluate whom is provided in the Companies Act and SEBI LODR as specified above.

The internal assessment may be done by following methods:

- a. A detailed Questionnaire to be circulated to individual directors, Committees, Board, etc.

b. 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 various 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:

Use of external experts imparts an independence to the evaluation process and therefore is used by many entities globally. However, care must be taken to ensure that the external assessor is not a related party or conflicted due to closeness of the Board to ensure impartiality.

Such external assessment may be done based on questionnaires/ interviews or a combination of the two and done on a regular basis. Such external assessment complements the internal assessment and adds an objective aspect to the evaluation process.

Effective use of Information Technology through use of board evaluation software, applications, etc. can also play a facilitating role.

D. Feedback

Providing feedback to the individual directors, the Board and the Committees is crucial for success of Board Evaluation. On collation of all the responses, the feedback may be provided in one or more of the following ways:

- 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

The active role of the Chairperson is desirable in providing feedback to the members. If members are not comfortable to open individual assessments, provision for confidentiality may be made where possible. For effectiveness of the evaluation, it is essential that the feedback be given honestly and without bias.

E. 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 Board members
- List of actions required detailing:
 - o Nature of actions
 - o Timeline
 - o Person responsible for implementation
 - o Resources required, etc.
- Review of the actions within a specific time period

The action plan may be prepared by the Board in a comprehensive manner. Suggestions under the external assessment, individual member feedback, etc. may be taken into account while drafting the action plan.

F. Disclosure requirements

SEBI LODR and Companies Act requires disclosure of manner of formal annual evaluation of the Board, its committees and individual directors and of performance evaluation criteria for independent directors to the shareholders on an annual basis. In addition, for more transparency, many entities worldwide voluntarily provide additional disclosures including the results of the Board evaluation, action taken on the basis of the evaluation, current status, etc. to various stakeholders.

G. Frequency of Board Evaluation

As per SEBI LODR and Companies Act, the Board Evaluation is required to be done once a year. The entity, if it so desires, may also conduct such evaluation more frequently. Since Board evaluation is a continuous process, it is felt that feedback provided to the members during meetings and otherwise, whether oral or written, is more effective for continuous improvement and ideally complements the annual evaluation process.

Many entities globally also complement the internal assessment with external assessment at regular intervals to impart objectivity to the process.

H. Responsibility

The responsibility of Board evaluation lies on different persons depending on the subject of evaluation as per Companies Act and SEBI LODR.

However, it is found that on a global basis, generally the primary role of steering the whole process of Board evaluation and of ensuring its effectiveness in improving the Board efficiency lies on the Chairperson. Therefore, to achieve maximum benefit of the process, the role and function of Chairperson in Board Evaluation needs to be laid out clearly in advance.

I. Review

Board evaluation is not a static process and requires periodical review for improvement. The responsibility of such review of the evaluation process lies with the Board of Directors in accordance with SEBI LODR.

Such review may involve the following:

- a. Whether objectives and criteria for evaluation are adequate or needs to be changed/ updated
- b. Whether the process/method of evaluation is appropriate for individual members, Committees and the Board
- c. Whether the actions based on the Board evaluation is being followed up on a timely basis
- d. Whether the Board evaluation has enhanced effectiveness of the Board
- e. Whether the review of the process is being done on a regular basis
- f. Whether feedback of the members to improve the process is being taken into account

Such review may be done based on feedback from management, Board members, Chairperson, external assessors, various stakeholders, etc.

Annexure A1

Main provisions under Companies Act with respect to Board Evaluation

Section 134(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;

Section 178(2)- 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.

SCHEDULE 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.

Rule 8 (4) of the Companies (Accounts) Rules, 2014

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.

Main provisions under SEBI LODR with respect to Board Evaluation

CHAPTER II:

4(2)(f)(ii): Key functions of the board of directors- (9) Monitoring and reviewing board of director's evaluation framework.

Chapter IV:

17(10): 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:

25: (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-

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- 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 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: 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.

16 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide Notification No. SEBI/LAD/NRO/GN/2016-17/025. dated 04.01.2017. Published in Gazette of India, Extraordinary, Part-III, Section 4, dated 05.01.2017]

In exercise of the powers conferred by section 11, sub section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Securities and Exchange Board of India hereby makes the following regulations to

further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely:-

- These regulations shall be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016.
- They shall come into force on the date of their publication in the Official Gazette.
- In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in regulation 26,-

i. the title shall be substituted with the following, namely-

"Obligations with respect to employees including senior management, key managerial persons, directors and promoters".

ii. after sub-regulation (5), the following sub-regulation shall be inserted, namely:-

“(6) No employee including key managerial personnel or director or promoter of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution:

Provided that such agreement, if any, whether subsisting or expired, entered during the preceding three years from the date of coming into force of this sub-regulation, shall be disclosed to the stock exchanges for public dissemination:

Provided further that subsisting agreement, if any, as on the date of coming into force of this sub-regulation shall be placed for approval before the Board of Directors in the forthcoming Board meeting:

Provided further that if the Board of Directors approve such agreement, the same shall be placed before the public shareholders for approval by way of an ordinary resolution in the forthcoming general meeting:

Provided further that all interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.

Explanation - For the purposes of this sub-regulation, 'interested person' shall mean any person holding voting rights in the listed entity and who is in any manner, whether directly or indirectly, interested in an agreement or proposed agreement, entered into or to be entered into by such a person or by any employee or key managerial personnel or director or promoter of such listed entity with any shareholder or any other third party with respect to compensation or profit sharing in connection with the securities of such listed entity."

U. K. SINHA
Chairman

17 Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide Notification No. SEBI/LAD/NRO/GN/2016-17/026. dated 04.01.2017.

Published in Gazette of India, Extraordinary, Part-III, Section 4, dated 04.01.2017]

In exercise of the powers conferred by sub-section (1) of section 30 read with sub-section (1) of section 11, clause (ba) and clause (c) of sub-section (2) of section 11 and sub-sections (1) and (1B) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, namely,–

1. These regulations may be called the Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, -
 - (i) In sub-regulation (4) of regulation 19E, for the words “forty nine”, the words “two hundred” shall be substituted.
 - (ii) In Regulation 19F,-
 - (a) In sub-regulation (1), the word “only” shall be deleted.
 - (b) In clause (a) of sub-regulation (1), the words “have been incorporated during the preceding three years from the date of such investment” shall be substituted by the words “complies with the criteria regarding the age of the venture capital undertaking/startup issued by the Department of Industrial Policy and Promotion under the Ministry of Commerce and Industry, Government of India vide notification no. G.S.R. 180(E) dated February 17, 2016 or such other policy made in this regard which may be in force;”.
 - (c) In sub-regulation (2), for the words “fifty”, the words “twenty five” shall be substituted.
 - (d) In sub-regulation (3), for the words “three years”, the words “one year” shall be substituted.
 - (e) After sub-regulation (5), the following sub-regulation (6) shall be inserted, namely:-
“(6) An angel fund may also invest in the securities of companies incorporated outside India subject to such conditions or guidelines that may be stipulated or issued by the Reserve Bank of India and the Board from time to time.”

U. K. SINHA
Chairman

18 Guidelines for participation/ functioning of Eligible Foreign Investors (EFIs) and FPIs in International Financial Services Centre (IFSC).

[Issued by the Securities and Exchange Board of India vide General Circular No. IMD/HO/FPIC/CIR/P/2017/003 dated 04.01.2017.]

- 1) Pursuant to announcement made in the Union Budget 2015-16 on Gujarat International Finance Tec-City (GIFT), SEBI, in consultation with stakeholders, is in process of laying down requisite regulatory framework for facilitating and regulating financial services relating to securities market in an International Financial Services Centre (IFSC). Accordingly, SEBI issued IFSC

Guidelines, 2015 on March 27, 2015 and also issued further guidelines for functioning of Stock Exchanges and Clearing Corporations in IFSC on November 28, 2016.

- 2) Based on consultations held with the stakeholders on the proposed regulatory framework on participation of Eligible Foreign Investors (EFIs), in partial modification to SEBI (IFSC) Guidelines, 2015, it has been decided as follows:
 - a. SEBI registered FPIs (“FPIs”), proposing to operate in IFSC, shall be permitted, without undergoing any additional documentation and/or prior approval process.
 - b. In case of participation of FPIs in IFSC, a trading member of the recognized stock exchange in IFSC, may rely upon the due diligence process already carried out by a SEBI registered intermediary during the course of registration and account opening process in India.
 - c. In case of participation of an EFI, not registered with SEBI as an FPI, but desirous of operating in IFSC, a trading member of the recognized stock exchange in IFSC, may rely upon the due diligence carried out by a bank, which is permitted by RBI to operate in IFSC, during the account opening process of EFI.
 - d. FPIs, who presently operate in Indian securities market and propose to operate in IFSC also, shall be required to ensure clear segregation of funds and securities. Custodians shall, in turn, monitor compliance of this provision for their respective FPI clients. Such FPIs shall keep their respective custodians informed about their participation in IFSC.
 - e. Recognised stock exchange in IFSC shall maintain, at all times, the necessary details of EFIs, which may be called upon by SEBI/RBI or any other authority of law.
 - f. EFIs shall abide by all the applicable Indian laws viz. Rules/Regulations/Circulars/Guidelines etc. in IFSC issued by the Government of India/RBI/SEBI or any other authority of law, from time to time.
 - g. It has now been decided to delete the words “a foreign portfolio investor,” in the definition of the term “intermediary” in clause (g) of Guideline 2 (1) of the SEBI (IFSC) Guidelines. Accordingly, the Guidelines stand amended.
- 3) This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
- 4) 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. The DDPs/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

ACHAL SINGH
Deputy General Manager

19 Securities and Exchange Board of India (Portfolio Managers) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide Notification No. SEBI/LAD/NRO/GN/2016-17/019. dated 02.01.2017. Published in Gazette of India, Extraordinary, Part-III, Section 4, dated 02.01.2017]

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby

makes the following regulations to further amend the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, namely:-

1. These regulations may be called the SEBI (Portfolio Managers) (Amendment) Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993,-
 - I. in regulation 6, in sub-regulation (2), in clause (c),-
 - (a) in sub-clause (ii), the symbol "." shall be substituted for the symbol and words "; or";
 - (b) after sub-clause (ii) the following sub-clause shall be inserted, namely:-
"(iii) a CFA charter from the CFA Institute."
 - II. after Chapter II and before Chapter III, the following Chapter shall be inserted, namely,-

"CHAPTER II - A ELIGIBLE FUND MANAGERS

Definitions

12A. For the purposes of this Chapter, unless the context otherwise requires-

- (i) The term "eligible fund manager" shall have the same meaning as assigned to it in sub section (4) of Section 9A of the Income-tax Act, 1961.
- (ii) The term "eligible investment fund" shall have the same meaning as assigned to it in sub section (3) of Section 9A of the Income-tax Act, 1961.

Applicability

12B.(1) The provisions of this Chapter shall apply to eligible fund managers exclusively, pertaining to their activities as portfolio managers to eligible investment funds.

(2) All other provisions of these regulations and the guidelines and circulars issued thereunder, unless the context otherwise requires or repugnant to the provisions of this chapter, shall apply to eligible fund managers in relation to their activities as portfolio managers to eligible investment funds.

Procedure to be followed by an existing Portfolio Manager

12 C. An existing portfolio manager may act as a portfolio manager to an eligible fund manager if:

- a) it fulfills all the conditions specified in sub section (4) of Section 9A of the Income-tax Act, 1961; and
- b) it intimates the Board prior to undertaking such activity and submit declarations as specified in clause (1) of Schedule VI.

Procedure to be followed by an applicant for fresh registration

12D. An applicant who is a company or a limited liability partnership or a body corporate who intends to act as an eligible fund manager may be granted registration under regulation 8 if:

- a) it fulfills all the conditions specified in sub section (4) of Section 9A of the Income-tax Act, 1961;
- b) it complies with the requirements specified under Chapter II of these regulations, unless specified otherwise in this Chapter;
- c) it pays the fees as specified in Schedule II; and
- d) it provides a declaration to the Board as specified in clause (2)

of Schedule VI.

Obligation and Responsibilities of Eligible Fund Managers

12E. An eligible fund manager shall be required to:

- (1) comply with the requirements specified under Section 9A of the Income-tax Act, 1961 or any amendment, notification, clarification, guideline issued thereon;
- (2) offer discretionary or non-discretionary or advisory services or a combination thereof to eligible investment funds;
- (3) operate in accordance to its mutually agreed contract with the eligible investment funds;
- (4) provide all material disclosures to eligible investment funds;
- (5) segregate funds and securities of each eligible investment fund;
- (6) segregate the funds and securities of eligible investment funds from that of its other clients;
- (7) maintain and segregate its books and accounts pertaining to its activities as a portfolio manager to eligible investment funds and other clients;
- (8) appoint a custodian:
Provided that requirement of compliance to this sub-regulation does not arise in case an eligible investment fund has already appointed a custodian under the applicable act or regulations;
- (9) keep the funds of eligible investment funds in scheduled commercial banks:
Provided that requirement of compliance to this sub-regulation does not arise in case an eligible investment fund does not intend to invest in Indian securities;
- (10) maintain any additional records as may be specified by the Board and disclose the same to the Board as and when required;
- (11) provide quarterly reports to the Board;
- (12) ensure compliance with the Prevention of Money Laundering Act, 2002 and rules and regulations prescribed thereunder;
- (13) abide by the provisions in these regulations and circulars / guidelines issued from time to time by the Board.

Certain provisions not to apply

12F. The eligible fund managers shall be exempted from the following provisions pertaining to their activities as portfolio managers to eligible investment funds notwithstanding anything contained in these regulations, schedules thereto or circulars made thereunder:

- (i) clauses (a) and (b) of sub-regulation (1) of Regulation 14;
- (ii) clauses (a) and (b) of sub-regulation (2) of Regulation 14;
- (iii) sub-regulations (1A), (2), (2A), (4A) and (5) of Regulation 15;
- (iv) first proviso to sub-regulation (3) of Regulation 16;
- (v) clause (b) of sub-regulation (1) of Regulation 16;
- (vi) clause (a) of sub-regulation (2) of Regulation 16;
- (vii) sub-regulation (4) of Regulation 16;
- (viii) sub-regulation (1) of Regulation 16B;
- (ix) Regulation 18;
- (x) sub-regulation (3) of Regulation 20;
- (xi) sub-regulations (1), (1A), (2) and (3) of Regulation 21;
- (xii) Form C in Schedule I; and
- (xiii) Schedules IV and V."

- III. after Schedule V the following Schedule shall be inserted, namely,-

"SCHEDULE VI

Declarations for Eligible Fund Managers [Chapter II-A]

1. **Declaration by an existing portfolio manager which intends to act as an eligible fund manager** (must be signed by two

directors or designated partners, as the case may be)
 We hereby declare that we are a SEBI registered portfolio manager with Registration Number We intend to provide our services to eligible investment funds. In this regards, we declare that:

- a) We comply with subsection 4(a) of section 9A of Income-tax Act, 1961 (We are not an employee of the eligible investment fund or a connected person of the fund);
- b) We comply with subsection 4(c) of section 9A of Income-tax Act, 1961 (We are acting in the ordinary course of our business as a portfolio manager);
- c) We comply with subsection 4(d) of section 9A of Income-tax Act, 1961 (We along with our connected persons shall not be entitled, directly or indirectly, to more than twenty per cent of the profits accruing or arising to the eligible investment fund from the transactions carried out by the fund through us); and
- d) We shall comply with any other requirements as may be specified by the Government and/or any regulatory body from time to time. For and on behalf of

 (Name of Applicant)

Director 1/ Designated Partner 1

Director 2/ Designated Partner 2

 Name in Block Letters
 Place:
 Date:

 Name in Block Letters
 Place:
 Date:

2. Declaration by an applicant who intends to act as a portfolio manager to eligible investment funds (must be signed by two directors or designated partners, as the case may be)

We hereby declare that we are applying to SEBI to be registered as a portfolio manager. We intend to provide our services to eligible investment funds. In this regards, we declare that:

- a) We comply with subsection 4(a) of section 9A of Income-tax Act, 1961 (We are not an employee of the eligible investment fund or a connected person of the fund);
- b) We comply with subsection 4(c) of section 9A of Income-tax Act, 1961 (We are acting in the ordinary course of our business as a portfolio manager);
- c) We comply with subsection 4(d) of section 9A of Income-tax Act, 1961 (We along with our connected persons shall not be entitled, directly or indirectly, to more than twenty per cent of the profits accruing or arising to the eligible investment fund from the transactions carried out by the fund through us);
- d) We may engage in the activity of fund management for eligible investment funds, subject to registration provided by SEBI under SEBI (Portfolio Managers) Regulations, 1993; and
- e) We shall comply with any other requirements as may be specified by the Government and/or any regulatory body from time to time.

For and on behalf of

 (Name of Applicant)

Director 1/ Designated Partner 1

Director 2/ Designated Partner 2

 Name in Block Letters
 Place:
 Date:

 Name in Block Letters
 Place:
 Date:

Name in Block Letters

Name in Block Letters

Place:

Place:

Date:

Date:

U. K. SINHA
 Chairman

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Reference to Circular no. FITTC/ FII/02/2002 dated May 15, 2002- In regard to credit of proceeds due to write off of securities held by Foreign Portfolio Investors/deemed Foreign Portfolio Investors.

[Issued by the Securities and Exchange Board of India vide General Circular No. IMD/HO/FPIC/CIR/P/2017/001 dated 02.01.2017.]

1. Please refer to SEBI's circular no. FITTC/FII/02/2002 dated May 15, 2002. (http://www.sebi.gov.in/cms/sebi_data/pdf/files/16883_t.pdf)
2. In partial modification to the above circular, pursuant to the notification of SEBI (Investor Protection and Education Fund) Regulations, 2009, SEBI has established its own Investor Protection and Education Fund.
3. In view of the above, in terms of Regulation 4(g) of SEBI (Investor Protection and Education Fund) Regulations, 2009, any proceeds due to :
 - a. Disinvestment: In case a custodian is unable to deliver the securities or ascertain the claimant for the securities that are received subsequent to write off due to any unforeseen circumstances viz. deemed Foreign Portfolio Investor/ Foreign Portfolio Investor no longer existing/operating or expiry of SEBI registration/FEMA approval, etc., the sale of these securities through stock exchange and proceeds thereof net of expenses shall be credited to the Investors Protection and Education Fund of SEBI not later than 7 days from the date of receipt thereof.
 - b. Corporate benefits: In case of receipt of corporate benefits in the form of securities arising out of shares written off, the same shall be reported to SEBI in the normal manner. Similarly, corporate benefits received in the form of cash viz. dividend shall be credited to the Investors Protection and Education Fund of SEBI not later than 7 days from the date of receipt of the same.
4. All other terms and conditions laid down in the circular no. FITTC/ FII/02/2002 dated May 15, 2002 shall continue to apply.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6. A copy of this circular is available at the web page "Circulars" and "Info for F.P.I." on our website www.sebi.gov.in. The Designated Depository Participants/Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

ACHAL SINGH
 Deputy General Manager

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NEWS FROM THE INSTITUTE & REGIONS



- MEMBERS ADMITTED/RESTORED
- CERTIFICATE OF PRACTICE ISSUED/CANCELLED
- LICENTIATE ICSI ADMITTED
- COMPANY SECRETARIES BENEVOLENT FUND
- LIST OF PRACTISING MEMBERS/COMPANIES REGISTERED FOR IMPARTING TRAINING
- REGIONAL NEWS



Members Admitted

FELLOWS*

Sl. NO.	NAME	MEMB NO.	REGN.
1	MS. DEEPTI LOHIYA	FCS - 8985	NIRC
2	MRS. SUMA VINAYAK UPPARATTI	FCS - 8986	WIRC
3	MS. VEENA UMASHANKAR IYER	FCS - 8987	SIRC
4	MS. KRISHNA VENI P	FCS - 8988	SIRC
5	MR. VIRENDER SHARMA	FCS - 8989	NIRC
6	MR. PRAKASH CHANDER	FCS - 8990	NIRC
7	MS. GEETA RAMESH SERWANI	FCS - 8991	SIRC
8	MS. SWATI SINGHAL	FCS - 8992	NIRC
9	MS. DAKSHAYANI P	FCS - 8993	SIRC
10	MS. ANSU ELEZABETH THOMAS	FCS - 8994	SIRC
11	MR. HARIDASA KARUNAKAR PRABHU	FCS - 8995	SIRC
12	SH. SUDHAKAR RAVSAHEB PAWAR	FCS - 8996	WIRC
13	MS. CHANDRASEKARAN GAYATHRI	FCS - 8997	SIRC
14	MS. PREETI JAISWAL	FCS - 8998	NIRC
15	SH. SUDHIR KUMAR POLA	FCS - 8999	SIRC
16	SH. MAYUR MAGANLAL BUHA	FCS - 9000	WIRC
17	MS. RICHA KUMAR	FCS - 9001	NIRC
18	MR. HARISH CHAWLA	FCS - 9002	NIRC

ASSOCIATES*

S. NO.	NAME	MEMB NO.	REGN
1	MS. SUSOVITA TRIPATHY	ACS - 48856	EIRC
2	MS. ANJALI SHAW	ACS - 48857	EIRC
3	MS. DISHA KHETAN	ACS - 48858	EIRC
4	MR. MIRZA NIZRAN BAIG	ACS - 48859	NIRC
5	MS. SURBHI KHANDELWAL	ACS - 48860	NIRC
6	MS. NIKITA HEDA	ACS - 48861	NIRC
7	MS. GARIMA KHURANA	ACS - 48862	NIRC
8	MS. JYOTI SINGH CHAUHAN	ACS - 48863	NIRC
9	MS. RUPA HARIANNA SHETTY	ACS - 48864	WIRC
10	MR. GANESH BHAGWAT ZOLEKAR	ACS - 48865	WIRC
11	MS. SHREYA ANANT PRABHUDESAI	ACS - 48866	WIRC
12	MS. HEMANSHI GALA	ACS - 48867	WIRC
13	MS. SHABANA BANO	ACS - 48868	EIRC
14	MR. PINTU JAISWAL	ACS - 48869	EIRC
15	MS. SWETA AGARWAL	ACS - 48870	EIRC
16	MS. NEHA VORA	ACS - 48871	EIRC
17	MR. ZAFAR IMAM KHAN	ACS - 48872	EIRC
18	MS. NIDHI KHEMKA	ACS - 48873	EIRC
19	MS. PRERNA SHARMA	ACS - 48874	EIRC
20	MS. NEHA AGARWAL	ACS - 48875	EIRC
21	MS. SNEHA SHARMA	ACS - 48876	EIRC
22	MS. SHRUTY VERMA	ACS - 48877	EIRC
23	MR. ROSAN KUMAR SUBUDHI	ACS - 48878	EIRC
24	MS. NEHA KUMAWAT	ACS - 48879	NIRC

25	MS. PARUL AGGARWAL	ACS - 48880	NIRC
26	MR. KULDEEP SHARMA	ACS - 48881	NIRC
27	MS. RAJ KUMAR SINGH	ACS - 48882	NIRC
28	MR. MANISH KUMAR	ACS - 48883	NIRC
29	MR. ROBIN SEN GIRI	ACS - 48884	NIRC
30	MS. SHAILJA GUPTA	ACS - 48885	NIRC
31	MR. SUKH DEV	ACS - 48886	NIRC
32	MR. NEERAJ DIXIT	ACS - 48887	NIRC
33	MR. SUMIT KUMAR	ACS - 48888	NIRC
34	MR. RAJ KUMAR SHUKLA	ACS - 48889	NIRC
35	MR. ANKIT SHARMA	ACS - 48890	NIRC
36	MR. NEELMANI GOSWAMI	ACS - 48891	NIRC
37	MR. SAJID ALI BHAT	ACS - 48892	NIRC
38	MS. DEEPIKA JHANWAR	ACS - 48893	NIRC
39	MS. NEHA NIJHAWAN	ACS - 48894	NIRC
40	MS. RUHI SURI	ACS - 48895	NIRC
41	MS. PANKHURI SINGHAL	ACS - 48896	NIRC
42	MS. SHOBHA BISHT	ACS - 48897	NIRC
43	MS. PAYAL JAIN	ACS - 48898	NIRC
44	MS. JYOTI PATIDAR	ACS - 48899	NIRC
45	MR. ROHIT BANSAL	ACS - 48900	NIRC
46	MR. RAKESH	ACS - 48901	NIRC
47	MR. RINSON VARGHESE	ACS - 48902	SIRC
48	MS. RAGINI AGRAWAL	ACS - 48903	NIRC
49	MS. NEHA	ACS - 48904	NIRC
50	MS. RITU BHANDARI	ACS - 48905	NIRC
51	MS. BINDU JAIN	ACS - 48906	NIRC
52	MS. RITU ATRI	ACS - 48907	NIRC
53	MS. HARPREET KAUR	ACS - 48908	NIRC
54	MS. REBECCA DHAWAN	ACS - 48909	NIRC
55	MS. YOGENDER KUMAR SHARMA	ACS - 48910	NIRC
56	MR. CHETAN KHANNA	ACS - 48911	NIRC
57	MS. GURPREET KAUR	ACS - 48912	NIRC
58	MR. VIKASH JAIN	ACS - 48913	NIRC
59	MS. ROLI JAISWAL	ACS - 48914	NIRC
60	MR. NITIN KUMAR PUGALIA	ACS - 48915	NIRC
61	MS. JYOTI SAJWAN	ACS - 48916	NIRC
62	MR. TUSHAR MALHOTRA	ACS - 48917	NIRC
63	MR. KULDEEP BHARDWAJ	ACS - 48918	NIRC
64	MS. PRERNA PAREEK	ACS - 48919	NIRC
65	MR. MANOJ MANGAIN	ACS - 48920	NIRC
66	MS. NEHA JOLLY	ACS - 48921	NIRC
67	MS. SONAL KHURANA	ACS - 48922	NIRC
68	MS. HARSHA PARASHAR	ACS - 48923	NIRC
69	MS. PRACHI DASHORA	ACS - 48924	NIRC
70	MS. AKRITI MONGA	ACS - 48925	NIRC
71	MS. AASHITA JAIN	ACS - 48926	NIRC
72	MS. NITI SHARMA	ACS - 48927	NIRC
73	MR. ABHISHEK RAJ SINGH	ACS - 48928	NIRC
74	MS. POOJA JAIN	ACS - 48929	NIRC
75	MR. ROHIT KUMAWAT	ACS - 48930	NIRC
76	MS. MAYURI SINHA	ACS - 48931	NIRC
77	MS. MANSI AGARWAL	ACS - 48932	NIRC
78	MR. SHER SINGH	ACS - 48933	NIRC
79	MS. RISHU SINGHAL	ACS - 48934	NIRC
80	MS. PARUL RAWAT	ACS - 48935	NIRC
81	MS. SAKSHI TOMAR	ACS - 48936	NIRC
82	MS. NEEMA BISHT	ACS - 48937	NIRC
83	MR. ANKIT KALRIA	ACS - 48938	NIRC
84	MS. REETIKA PANT	ACS - 48939	NIRC
85	MS. NEHA ANTHWAL	ACS - 48940	NIRC
86	MS. PRIYANKA JAIN	ACS - 48941	NIRC
87	MR. KETAN VYAS	ACS - 48942	NIRC
88	MR. DHARMENDRA KUMAR YADAV	ACS - 48943	WIRC
89	MR. ASHISH YADAV	ACS - 48944	NIRC
90	MR. TUSHAR RAI SHARMA	ACS - 48945	NIRC

*ADMITTED DURING THE PERIOD FROM 20.12.2016 TO 19.01.2017

91	MR. HIMANSHU AGARWAL	ACS - 48946	NIRC	157	MR. URVISH VINAYCHANDRA BHARDWAJ	ACS - 49012	WIRC
92	MR. HIMANSHU GUPTA	ACS - 48947	NIRC	158	MS. SHRUTI KHANDELWAL	ACS - 49013	WIRC
93	MS. KUSUM LATA SINGH	ACS - 48948	NIRC	159	MS. JABEEN IQRA ANSARI	ACS - 49014	WIRC
94	MS. RUPALI MITTAL	ACS - 48949	NIRC	160	MR. T SANKARAN	ACS - 49015	SIRC
95	MS. AYUSHI AGARWAL	ACS - 48950	NIRC	161	MS. SOBHA KRISHNAMOORTHY	ACS - 49016	SIRC
96	MS. PAYAL RAJAWAT	ACS - 48951	NIRC	162	MR. PRAKASH G	ACS - 49017	SIRC
97	MS. ANSIA A	ACS - 48952	SIRC	163	MS. PRIYADARSHINI M	ACS - 49018	SIRC
98	MR. MORLA CHAITANYA BABU	ACS - 48953	SIRC	164	MR. MAHADEVAN M V	ACS - 49019	SIRC
99	MR. J ANAND AMIRTHARAJ	ACS - 48954	WIRC	165	MR. DEWAN ASPARAN NABI	ACS - 49020	NIRC
100	MR. C V VENKATESH	ACS - 48955	SIRC	166	MR. MOHIT KUMAR DIXIT	ACS - 49021	NIRC
101	MS. GOWRY A JAISHANKAR	ACS - 48956	SIRC	167	MS. ARCHANA BHASKAR SAKHARE	ACS - 49022	WIRC
102	MR. SRIKANTH G MENON	ACS - 48957	SIRC	168	MS. POONAM SHARMA	ACS - 49023	WIRC
103	MR. R ASHWIN	ACS - 48958	SIRC	169	MR. SRIDAR R	ACS - 49024	SIRC
104	MR. VIGNESHWAR M	ACS - 48959	SIRC	170	MR. JAIHARI S	ACS - 49025	SIRC
105	MR. SHARON JOSH	ACS - 48960	SIRC	171	MR. KASHI NATH SAHOO	ACS - 49026	EIRC
106	MS. SHRUTI VIJAY WARGI	ACS - 48961	SIRC	172	MR. NAGESH DNYANOBA GULBHILE	ACS - 49027	WIRC
107	MS. TISS THOMAS	ACS - 48962	SIRC	173	MR. TANUSHYAM GHOSH	ACS - 49028	EIRC
108	MR. JIBIN V JOHNSON	ACS - 48963	SIRC	174	MR. SOURABH WALIA	ACS - 49029	NIRC
109	MR. VADAPALLI KAMESHWARA RAO	ACS - 48964	SIRC	175	MS. KHUSBOO SONI	ACS - 49030	EIRC
110	MS. KISHWAR FATIMA	ACS - 48965	SIRC	176	MS. PRIYADARSANI SAHOO	ACS - 49031	EIRC
111	MS. DIVYA MURALI	ACS - 48966	SIRC	177	MR. ASHEESH BATRA	ACS - 49032	NIRC
112	MR. ABHINAY YENUMULA	ACS - 48967	SIRC	178	MS. HIRAL KALA	ACS - 49033	NIRC
113	MS. JYOTI GANAPATI TUMBALLI	ACS - 48968	SIRC	179	MR. DEVESH ARORA	ACS - 49034	NIRC
114	MR. YALAGOUDA NINGAPPA PATIL	ACS - 48969	SIRC	180	MS. SONAL JANI	ACS - 49035	NIRC
115	MS. NAVYASHREE P R	ACS - 48970	SIRC	181	MR. SHUBHAM BANSAL	ACS - 49036	NIRC
116	MS. S POORNISHA RAO	ACS - 48971	SIRC	182	MS. ANSHIMA GARG	ACS - 49037	NIRC
117	MR. SHREE RAM PRASSAD N	ACS - 48972	SIRC	183	MR. RAVI KUMAR DHAKER	ACS - 49038	NIRC
118	MR. S KARTHIK	ACS - 48973	SIRC	184	MS. POONAM BAFNA	ACS - 49039	NIRC
119	MR. ABHIJITH JAYAN	ACS - 48974	SIRC	185	MS. ALKA MANGAL	ACS - 49040	NIRC
120	MR. JUGAL KISHORE AGARWAL	ACS - 48975	SIRC	186	MS. AAKANKSHA	ACS - 49041	SIRC
121	MR. SWAPNIL KAMLAKAR HASABNIS	ACS - 48976	WIRC	187	MR. S M ADITHYA JAIN	ACS - 49042	SIRC
122	MR. G KRISHNAN	ACS - 48977	WIRC	188	MR. PRATIK ASHOKBHAI PATEL	ACS - 49043	WIRC
123	MR. PREM SHANKAR CHOUDHARY	ACS - 48978	EIRC	189	MS. ABIR ABDULLAH SHAIKH	ACS - 49044	WIRC
124	MS. DHANASHREE VIJAY KALE	ACS - 48979	WIRC	190	MS. SHELMA BANU MEHEBOOB CHAVADA	ACS - 49045	WIRC
125	MR. RAHUL NILKANTH PATIL	ACS - 48980	WIRC	191	MS. SHEEKHA NARENDRA JAIN	ACS - 49046	WIRC
126	MS. SWATI SHAILESH SONAR	ACS - 48981	WIRC	192	MS. AKANKSHA AWASTHI	ACS - 49047	WIRC
127	MR. AKASH KUMAR RAI	ACS - 48982	NIRC	193	MR. VENKITA RAMANAN G	ACS - 49048	SIRC
128	MS. KRITI SINGH	ACS - 48983	WIRC	194	MS. POOJA KUMAR HINDUJA	ACS - 49049	WIRC
129	MR. SIDDHESH RAJENDRA TEREDESAI	ACS - 48984	WIRC	195	MS. NIVEDITA KRISHNA	ACS - 49050	SIRC
130	MS. SNEHAL RAJENDRA KUMAR LADDHA	ACS - 48985	WIRC	196	MR. VISHAL MEHTA	ACS - 49051	NIRC
131	MS. GRISHMA HARESH DOSHI	ACS - 48986	WIRC	197	MS. MEGHA AGARWAL	ACS - 49052	EIRC
132	MR. KALPESH DHIRUBHAI VEKARIYA	ACS - 48987	WIRC	198	MR. MANOJ KUMAR SAMAL	ACS - 49053	SIRC
133	MS. BHAGYASHREE LALIT NAWANI	ACS - 48988	WIRC	199	MR. SANJAY KUMAR	ACS - 49054	EIRC
134	MS. RACHNA KEWLIYA	ACS - 48989	WIRC	200	MR. ARPIT ROY	ACS - 49055	EIRC
135	MR. NITIN PATIDAR	ACS - 48990	WIRC	201	MS. MAYA SHAW	ACS - 49056	EIRC
136	MS. POOJA ATUL SANGOI	ACS - 48991	WIRC	202	MS. YASHIKA PARDASANI	ACS - 49057	EIRC
137	MR. CHIRAG BABUBHAI SOJITRA	ACS - 48992	WIRC	203	MS. NISHA MUNKA	ACS - 49058	EIRC
138	MS. HIMANI GOYAL	ACS - 48993	WIRC	204	MS. PUJA AGARWAL	ACS - 49059	EIRC
139	MR. SOURABH KOTHARI	ACS - 48994	WIRC	205	MS. PRIYA MAHESHWARI	ACS - 49060	EIRC
140	MS. STANCY SAVIA DIAS	ACS - 48995	WIRC	206	MS. PRATIBHA SINGH	ACS - 49061	NIRC
141	MS. MANISHA BHIMRAOJI WASE	ACS - 48996	WIRC	207	MS. SHIVANGI CHHABRA	ACS - 49062	NIRC
142	MS. VARSHA LALWANI	ACS - 48997	WIRC	208	MS. ASTHA BHARDWAJ	ACS - 49063	NIRC
143	MR. RAHUL RUPLALBHAI SHAH	ACS - 48998	WIRC	209	MR. SHIVANSHU GAUR	ACS - 49064	NIRC
144	MR. SAURABH MAHENDRA SHUKLA	ACS - 48999	WIRC	210	MS. SANJANA	ACS - 49065	NIRC
145	MS. HARSHILI HARISH CHOGLA	ACS - 49000	WIRC	211	MR. DEEPAK CHANDRA JOSHI	ACS - 49066	NIRC
146	MR. SOURAV MODI	ACS - 49001	WIRC	212	MS. SEEMA	ACS - 49067	NIRC
147	MR. VINAY AMRUTLAL MAHETA	ACS - 49002	WIRC	213	MS. NANDINI VADHAN	ACS - 49068	NIRC
148	MR. HUSSAIN HAIDER ALI MOTORWALA	ACS - 49003	WIRC	214	MS. RASHMI MALHOTRA	ACS - 49069	NIRC
149	MS. SWETA NATRAJAN ACHARYA	ACS - 49004	WIRC	215	MS. RAVNEET KAUR	ACS - 49070	NIRC
150	MS. ANJU BANSILAL JAIN	ACS - 49005	WIRC	216	MR. PRASHANT	ACS - 49071	NIRC
151	MR. JAGATPAL LIMBER SINGH ATWAL	ACS - 49006	WIRC	217	MR. LAKHAN	ACS - 49072	NIRC
152	MS. SNEHA NIRMALLAL VALEJA	ACS - 49007	WIRC	218	MS. ALKA DEVI	ACS - 49073	NIRC
153	MR. PANCHAL ALPESHKUMAR JAYANTILAL	ACS - 49008	WIRC	219	MR. SHUBHAM KHANNA	ACS - 49074	NIRC
154	MS. RAMYA RAMAN	ACS - 49009	WIRC	220	MR. AMIT KUMAR PANDEY	ACS - 49075	WIRC
155	MS. RUTU MANOJ KUMAR SHAH	ACS - 49010	WIRC	221	MS. SNEHA BAID	ACS - 49076	NIRC
156	MS. MEGHA SURESH JAGIRDAR	ACS - 49011	WIRC	222	MS. LEEPIKA RIYAL	ACS - 49077	NIRC

223	MS. SPARSH	ACS - 49078	NIRC	289	MR. MITESH NANDKISHOR MUNDADA	ACS - 49144	WIRC
224	MS. SALONI AGRAWAL	ACS - 49079	NIRC	290	MS. PAYAL RAVI BANWARI	ACS - 49145	WIRC
225	MR. DIVYANSHU KHURANA	ACS - 49080	NIRC	291	MS. SALONI SANJAY KUMAR SHAH	ACS - 49146	WIRC
226	MS. PRACHI CHAUDHARY	ACS - 49081	NIRC	292	MS. SHIVI JAIN	ACS - 49147	WIRC
227	MS. SWATI	ACS - 49082	NIRC	293	MR. BHAVESH OMPRAKASH JIANDANI	ACS - 49148	WIRC
228	MS. ANISHA FALOR	ACS - 49083	NIRC	294	MS. JUHI KHANDLWAL	ACS - 49149	WIRC
229	MS. GEETA KALIA	ACS - 49084	NIRC	295	MS. SHARDA HANUMAN SINGH RATHOD	ACS - 49150	WIRC
230	MS. DIVYA SHARMA	ACS - 49085	NIRC	296	MR. AVINASH KUMAR GUPT	ACS - 49151	WIRC
231	MR. PARAMJEET SINGH	ACS - 49086	NIRC	297	MS. NIKITA RAJENDRA MANANI	ACS - 49152	WIRC
232	MS. PRIYANKA GARG	ACS - 49087	NIRC	298	MS. PATEL ANISHA INDRAVADANBHAI	ACS - 49153	WIRC
233	MS. DISHA RAWAL	ACS - 49088	NIRC	299	MR. NIRAJ KUMAR BHIKHUBHAI VAJIFDAR	ACS - 49154	WIRC
234	MS. ESHA GUPTA	ACS - 49089	NIRC	300	MS. ASHNA JAIN	ACS - 49155	WIRC
235	MS. AKANKSHA PARASHAR	ACS - 49090	NIRC	301	MR. MANISH KUMAR PURI	ACS - 49156	NIRC
236	MS. ANJALI PALIWAL	ACS - 49091	NIRC	302	MS. ROHINI DINESH KASTURE	ACS - 49157	WIRC
237	MS. SHANU SHARMA	ACS - 49092	NIRC	303	MS. LEKSHMI N RAJ	ACS - 49158	SIRC
238	MS. KRITIKA BALODI	ACS - 49093	NIRC	304	MS. SUMITRA SHARMA	ACS - 49159	NIRC
239	MS. PRIYANKA GANGWAR	ACS - 49094	NIRC	305	MR. VIJAY SINGH	ACS - 49160	NIRC
240	MR. YOGESH KUMAR YADAV	ACS - 49095	NIRC	306	MS. SHWETA PANDEY	ACS - 49161	NIRC
241	MS. NAMRATA KHERA	ACS - 49096	NIRC	307	MR. DEEPAK RAMAKANT AMRUTKAR	ACS - 49162	WIRC
242	MS. KOMAL SHARMA	ACS - 49097	NIRC	308	MR. NARENDRA PURUSHOTTAM SHIRODKAR	ACS - 49163	WIRC
243	MS. POOJA SANCHETI	ACS - 49098	NIRC	309	MR. PRAVEEN CHAUDHARY	ACS - 49164	NIRC
244	MS. ANSHITA KAUR	ACS - 49099	NIRC	310	MR. MOHAMMAD SARFARAZ M ANSARI	ACS - 49165	WIRC
245	MR. KAUSHIK HARIBHAI VEGAD	ACS - 49100	WIRC	311	MS. HIREMATH SOURABHA GURUPADAYYA	ACS - 49166	WIRC
246	MS. SAUGAAT KHURANA	ACS - 49101	NIRC	312	MS. SANJANA CHHABRA	ACS - 49167	NIRC
247	MS. DEEPIKA JAIN	ACS - 49102	NIRC	313	MR. RATI RANJAN DASH	ACS - 49168	EIRC
248	MS. POOJA JADWANI	ACS - 49103	NIRC	314	MS. CHINKI KALRA	ACS - 49169	NIRC
249	MR. ABHIJEET SINGH	ACS - 49104	NIRC	315	MS. PURVA BAHETI	ACS - 49170	NIRC
250	MS. HASNU P A	ACS - 49105	SIRC	316	MS. MAIMUNA RASHIDA	ACS - 49171	EIRC
251	MS. RANJITHA M R	ACS - 49106	SIRC	317	MS. SULEKHA SHAW	ACS - 49172	NIRC
252	MR. VINAY GANAPATI HEGDE	ACS - 49107	SIRC	318	MS. MEETU ACHPAL	ACS - 49173	NIRC
253	MR. GANESH RAMACHANDRAN	ACS - 49108	SIRC	319	MS. JYOTI ANTIL	ACS - 49174	NIRC
254	MR. SIRAJ AHMED M	ACS - 49109	SIRC	320	MS. NEHA MALHOTRA	ACS - 49175	NIRC
255	MS. NAGAJYOTHI GUMPENA	ACS - 49110	SIRC	321	MR. ABHIMANYU	ACS - 49176	NIRC
256	MR. S M S DEVAOSS	ACS - 49111	SIRC	322	MR. MOHIT CHOUDHARY	ACS - 49177	NIRC
257	MS. ANITHA K P	ACS - 49112	SIRC	323	MR. SHUBHAM ARORA	ACS - 49178	NIRC
258	MS. SOMAVARAPU SWATHI	ACS - 49113	SIRC	324	MS. PRITI NAGAR	ACS - 49179	NIRC
259	MS. AMRUTHA P M	ACS - 49114	SIRC	325	MS. LAXMI KALYANI	ACS - 49180	NIRC
260	MS. DIVYA MARY B	ACS - 49115	SIRC	326	MS. SHEETAL SHAMSUNDAR BALDAWA	ACS - 49181	SIRC
261	MS. ANISHA JOHNSON	ACS - 49116	SIRC	327	MR. VIKRANT DILIP VAIDYA	ACS - 49182	WIRC
262	MS. ARYADEVU P V	ACS - 49117	SIRC	328	MS. DESAI SHRADDHA RAMDAS	ACS - 49183	WIRC
263	MS. NAJMUNNISSA	ACS - 49118	SIRC	329	MS. SUJATA JAYANT PAI	ACS - 49184	WIRC
264	MS. ASWATHY PRADEEP	ACS - 49119	SIRC	330	MS. YESHA HASMUKH NISHAR	ACS - 49185	WIRC
265	MS. SARITA JAIN	ACS - 49120	SIRC	331	MS. MOHINI MEGHRAJ BUDHWANI	ACS - 49186	WIRC
266	MS. PAITENKAR SURESH AMRITHA	ACS - 49121	SIRC	332	MR. KULVIRSINGH SUKHWINDER MASUTE	ACS - 49187	WIRC
267	MS. SUNITA BABAN NISAL	ACS - 49122	WIRC	333	MR. NISHANT JOSHI	ACS - 49188	WIRC
268	MR. SIDDHARTHA VISHWAS LONDHE	ACS - 49123	WIRC	334	MS. CHARVI AJAY PANCHMATIA	ACS - 49189	WIRC
269	MR. SUMITKUMAR SHANTIBHAI PATEL	ACS - 49124	WIRC	335	MR. MRUGESH ASHWIN KUMAR VYAS	ACS - 49190	WIRC
270	MS. KRITIKA LALIT JAIN	ACS - 49125	WIRC	336	MS. URVI BIPIN RATHOD	ACS - 49191	WIRC
271	MS. DHANASHREE SHRIRAM SATHE	ACS - 49126	WIRC	337	MR. MUSHAHID AHMED KHAN	ACS - 49192	WIRC
272	MR. VIJAYKUMAR BHUPATBHAI VAGHASIYA	ACS - 49127	WIRC	338	MS. RANI SONI	ACS - 49193	EIRC
273	MS. SNEHA ANANDRAO BHIWGADE	ACS - 49128	WIRC	339	MS. JITENDRA JHA	ACS - 49194	EIRC
274	MS. SHAILEE ANIL BATRA	ACS - 49129	WIRC	340	MR. ASHUTOSH RAI	ACS - 49195	EIRC
275	MR. ANKUR SHARMA	ACS - 49130	WIRC	341	MR. SILADITYA CHOWDHURY	ACS - 49196	EIRC
276	MR. PRATUL BHALCHANDRA WATE	ACS - 49131	WIRC	342	MR. RUSHABH SHAH	ACS - 49197	EIRC
277	MS. RADHA BANSAL	ACS - 49132	WIRC	343	MS. SONAM PRASAD	ACS - 49198	EIRC
278	MS. CHANDANIBAHEN RAJUBHAI SOMANI	ACS - 49133	WIRC	344	MR. RAHUL SHARMA	ACS - 49199	EIRC
279	MS. MEGHA PRAFULBHAI GAJJAR	ACS - 49134	WIRC	345	MS. SUNAYNA JAISWAL	ACS - 49200	EIRC
280	MR. HARSHVARDHAN ARUN SHARMA	ACS - 49135	WIRC	346	MR. AMIT AGARWAL	ACS - 49201	EIRC
281	MR. AKSHAY ANANT BUDUKH	ACS - 49136	WIRC	347	MR. MOHIT KANDOI	ACS - 49202	EIRC
282	MS. MANDELIA SNEHA KANTIPRASAD	ACS - 49137	WIRC	348	MR. RAVI TODI	ACS - 49203	EIRC
283	MS. NAYAN LALCHAND NAVANDAR	ACS - 49138	WIRC	349	MR. AJIT KUMAR SINGH	ACS - 49204	EIRC
284	MS. POOJA AGARWAL	ACS - 49139	WIRC	350	MR. SWATI TRIVEDI	ACS - 49205	EIRC
285	MR. PARESH GAJANAN SURTE	ACS - 49140	WIRC	351	MR. RAHUL JHA	ACS - 49206	EIRC
286	MR. PRATIK BHARAT VASA	ACS - 49141	WIRC	352	MS. ARPITA DEY	ACS - 49207	EIRC
287	MR. NIRAJ SANTOSH AGARWAL	ACS - 49142	WIRC	353	MS. TWINKLE PANDEY	ACS - 49208	EIRC
288	MS. SNEHAL AJIT DESHPANDE	ACS - 49143	WIRC	354	MS. ROKHSAR PARVEEN	ACS - 49209	EIRC

355	MS. DEEPA KUMARI	ACS - 49210	EIRC	421	MR. UDAYAN ABHILASH SHUKLA	ACS - 49276	WIRC
356	MS. POOJA DHANUKA	ACS - 49211	EIRC	422	MR. RAJ ASHOK MANEK	ACS - 49277	WIRC
357	MS. SWATI PODDAR	ACS - 49212	EIRC	423	MR. MAYANK MUKESHBHAI MANEK	ACS - 49278	WIRC
358	MS. PALLAVI ANAND AMIN	ACS - 49213	SIRC	424	MS. POOJA SINGH	ACS - 49279	WIRC
359	MS. POOJA SOMANI	ACS - 49214	EIRC	425	MR. PRAKASH KUMAR RAMAN JETHVA	ACS - 49280	WIRC
360	MS. RAMYA MOHAN	ACS - 49215	WIRC	426	MR. RAGHAVENDRRA BANGALORE GUNDACHAR	ACS - 49281	SIRC
361	MS. NISHA AGARWAL	ACS - 49216	EIRC	427	MR. NAVIT KUMAR	ACS - 49282	NIRC
362	MS. CHAITALI PANSARI	ACS - 49217	NIRC	428	MR. PRATEEK SHARMA	ACS - 49283	NIRC
363	MS. PREETI JHA	ACS - 49218	EIRC	429	MS. SANDHYA DESHPANDE	ACS - 49284	SIRC
364	MS. DEVANSHI SHAH	ACS - 49219	EIRC	430	MR. SANJEEV KUMAR MISHRA	ACS - 49285	EIRC
365	MS. RITIKA GUPTA	ACS - 49220	EIRC	431	MR. ADITHYA K N	ACS - 49286	SIRC
366	MS. SUMAN MODI	ACS - 49221	EIRC	432	MS. DEEPARAJ	ACS - 49287	SIRC
367	MS. PRITI SWAIKA	ACS - 49222	EIRC	433	MR. RISHABH GUPTA	ACS - 49288	NIRC
368	MS. PALLAVI MOONKA	ACS - 49223	EIRC	434	MR. VIJAY MOHAN REDDY MATTA	ACS - 49289	SIRC
369	MS. APARNA MADHU	ACS - 49224	EIRC	435	MS. KAMALESH AMARNATH	ACS - 49290	SIRC
370	MS. NEHA AJITSARIA	ACS - 49225	EIRC	436	MS. PREETI KHATORE	ACS - 49291	NIRC
371	MS. TANUSREE GUHA ROY	ACS - 49226	EIRC	437	MS. BIJAYALAXMI MISHRA	ACS - 49292	EIRC
372	MS. KOTTAPALI ANITA VIDYULATA	ACS - 49227	EIRC	438	MR. ANURAG GUPTA	ACS - 49293	NIRC
373	MS. APEKSHA KHEMKA	ACS - 49228	EIRC	439	MS. BHAWANA SHARMA	ACS - 49294	NIRC
374	MS. RUKHSAR	ACS - 49229	EIRC	440	MR. AJAY KUMAR PRAJAPATI	ACS - 49295	NIRC
375	MS. ANJU PRAJAPAT	ACS - 49230	NIRC	441	MS. MEHAK DEVGAN	ACS - 49296	NIRC
376	MR. RUCHIN KUMAR NAHAR	ACS - 49231	NIRC	442	MS. GEETA PANT	ACS - 49297	NIRC
377	MS. ASHIMA MATHUR	ACS - 49232	NIRC	443	MS. ASHIMA JAIN	ACS - 49298	NIRC
378	MS. EKTA SHARMA	ACS - 49233	NIRC	444	MS. CHHAVI AGARWAL	ACS - 49299	NIRC
379	MS. RACHNA JAJOO	ACS - 49234	NIRC	445	MS. AMISHA	ACS - 49300	NIRC
380	MS. GEETIKA DHEER	ACS - 49235	NIRC	446	MS. MEGHA TAYAL	ACS - 49301	NIRC
381	MR. RUPINDER SINGH	ACS - 49236	NIRC	447	MR. ASHISH MEHROTRA	ACS - 49302	NIRC
382	MS. HARPREET KAUR GAMBHIR	ACS - 49237	NIRC	448	MS. JYOTSNA	ACS - 49303	NIRC
383	MS. NEHA BACHANI	ACS - 49238	NIRC	449	MS. ISHA GOEL	ACS - 49304	NIRC
384	MR. SIDDHARTH TIWARI	ACS - 49239	NIRC	450	MR. VIKASH VERMA	ACS - 49305	NIRC
385	MR. MUKUL MEHRA	ACS - 49240	NIRC	451	MR. AVINASH	ACS - 49306	NIRC
386	MR. ANURAG GOYAL	ACS - 49241	NIRC	452	MS. AKHILA M SWAMI	ACS - 49307	SIRC
387	MS. SURABHI GUPTA	ACS - 49242	NIRC	453	MR. BABY PAUL	ACS - 49308	SIRC
388	MS. SADHNA SINHA	ACS - 49243	NIRC	454	MR. VINAYAK KAMATH	ACS - 49309	SIRC
389	MS. ANCHAL RASTOGI	ACS - 49244	NIRC	455	MS. PUJA AGGARWAL	ACS - 49310	SIRC
390	MR. JOGINDER	ACS - 49245	NIRC	456	MS. BYRAJU SIVA	ACS - 49311	SIRC
391	MR. DEEP CHAKRABORTY	ACS - 49246	NIRC	457	MR. RAMESH J	ACS - 49312	SIRC
392	MS. SHRUTI PASHINE	ACS - 49247	NIRC	458	MR. ABHINAV JAIN	ACS - 49313	SIRC
393	MS. SHWETA JAIN	ACS - 49248	NIRC	459	MR. ABHINANDHANAN R S	ACS - 49314	SIRC
394	MS. AYUSHI GUPTA	ACS - 49249	NIRC	460	MR. L ANANDA RAO	ACS - 49315	SIRC
395	MS. DEEPANJALI SHARMA	ACS - 49250	NIRC	461	MS. VIJAYALATHA R KAMATH K	ACS - 49316	SIRC
396	MS. ANJALI GUPTA	ACS - 49251	NIRC	462	MR. V SUNIL PARWANI	ACS - 49317	SIRC
397	MS. MONIKA JAIN	ACS - 49252	NIRC	463	MR. LUKMAN SADHIK K M	ACS - 49318	SIRC
398	MR. AKHIL BHANDARI	ACS - 49253	NIRC	464	MR. DINESH KUMAR	ACS - 49319	SIRC
399	MR. DIWAKAR JUGANI	ACS - 49254	WIRC	465	MR. KIRAN P GEORGE	ACS - 49320	SIRC
400	MS. TANVI MAHENDRA SHAH	ACS - 49255	WIRC	466	MS. BHAVYA SHANTILAL MOTTA	ACS - 49321	SIRC
401	MS. HELI PANKAJKUMAR PATEL	ACS - 49256	WIRC	467	MS. RAMYA P S	ACS - 49322	SIRC
402	MS. ISHITA MANDLOI	ACS - 49257	WIRC	468	MS. NEETHI D CUNHA	ACS - 49323	SIRC
403	MS. MANASVINI UPENDRA MEHTA	ACS - 49258	WIRC	469	MS. JIMSHI C T	ACS - 49324	SIRC
404	MS. KOMAL GYANCHAND KEWALRAMANI	ACS - 49259	WIRC	470	MS. TEENA B	ACS - 49325	SIRC
405	MS. SHRIDDHA GUPTA	ACS - 49260	WIRC	471	MS. GREESHMA K S	ACS - 49326	SIRC
406	MS. THAKKAR PRIYANKABEN NAVINBHAI	ACS - 49261	WIRC	472	MR. RAMA KRISHNAN G	ACS - 49327	SIRC
407	MS. SAYAMA SHABIR SHEIKH	ACS - 49262	WIRC	473	MR. L S MURALI KRISHNAN	ACS - 49328	SIRC
408	MR. SIDDHARTH PARSOTTAM GAJRA	ACS - 49263	WIRC	474	MS. GAYATHRI H	ACS - 49329	SIRC
409	MR. SUMIT KUMAR RISHINARAYAN SHARMA	ACS - 49264	WIRC	475	MR. SUMITHRA GIRI	ACS - 49330	SIRC
410	MS. THAKAR PAYALBEN KIRTIKUMAR	ACS - 49265	WIRC	476	MS. P HARINI SRIDHARAN	ACS - 49331	SIRC
411	MR. ANUP DILIP SANCHETI	ACS - 49266	WIRC	477	MR. SARVOTHAM P	ACS - 49332	SIRC
412	MS. RENUKA V GAGGAR	ACS - 49267	WIRC	478	MR. VIPUL RAVINDRA GUJAR	ACS - 49333	WIRC
413	MS. SHWETA NARAYANAN	ACS - 49268	WIRC	479	MS. URVI BHARAT VAKIL	ACS - 49334	WIRC
414	MS. RIYA SHAILESH SHAH	ACS - 49269	WIRC	480	MR. ATUL TIWARI	ACS - 49335	WIRC
415	MS. KOMAL VIMALKUMAR DHANUKA	ACS - 49270	WIRC	481	MR. GOURISH RAMESH AROLKAR	ACS - 49336	WIRC
416	MS. KHUSHBU JITENDRA SHAH	ACS - 49271	WIRC	482	MS. AMRUTA VITHOBA RIKAME	ACS - 49337	WIRC
417	MS. SHEETAL GOSWAMI	ACS - 49272	WIRC	483	MS. APARNA PRADNESH JADHAV	ACS - 49338	WIRC
418	MS. CHANI AGRAWAL	ACS - 49273	WIRC	484	MR. NIKHILESH VIJAY LAD	ACS - 49339	WIRC
419	MS. SWATI JAIN	ACS - 49274	WIRC	485	MR. BHAVESH KANTIBHAI VAGHASIYA	ACS - 49340	WIRC
420	MS. ANKITA SARAOGI	ACS - 49275	WIRC	486	MR. VIRAL NARESH MARU	ACS - 49341	WIRC

487	MR. JAIMIN VIJAY KUMAR GUNDECHIYA	ACS - 49342	WIRC	553	MR. MUKUL JAIN	ACS - 49408	NIRC
488	MR. CHIRAYU NAYANKUMAR SHAH	ACS - 49343	WIRC	554	MR. ISHAN NARULA	ACS - 49409	NIRC
489	MR. RAHUL SURESH GAWANDE	ACS - 49344	WIRC	555	MS. DOLLY JHA	ACS - 49410	NIRC
490	MR. SADASHIV MANOHAR JADYE	ACS - 49345	WIRC	556	MS. AASHIMA AGARWAL	ACS - 49411	NIRC
491	MR. YOGESH VIJAY PASTE	ACS - 49346	WIRC	557	MR. ARPIT KHANDELWAL	ACS - 49412	NIRC
492	MS. RASHIDA YAHYA WAGH	ACS - 49347	SIRC	558	MS. KANIKA SHEKHAWAT	ACS - 49413	NIRC
493	MS. MITI HITEN SHAH	ACS - 49348	WIRC	559	MR. PRABHANSHU GUPTA	ACS - 49414	NIRC
494	MR. RAMICHAND SHERICHAND RAJPUT	ACS - 49349	WIRC	560	MR. VAKKALANKA VENKATA CHAITANYA	ACS - 49415	SIRC
495	MR. G IMMANUVEL	ACS - 49350	WIRC	561	MR. RANJITH M U	ACS - 49416	SIRC
496	MS. CHHEDA PRIYANKA SHANTILAL	ACS - 49351	WIRC	562	MS. AARTHY V	ACS - 49417	SIRC
497	MR. NAVEEN N	ACS - 49352	SIRC	563	MS. KEERTHI P T	ACS - 49418	SIRC
498	MR. CHIRAG SHETH	ACS - 49353	EIRC	564	MR. RAJESH GOVINDRAM KHANDELWAL	ACS - 49419	WIRC
499	MS. JYOTI AGARWAL	ACS - 49354	EIRC	565	MS. PUJAN KUMARI N RAVAL	ACS - 49420	WIRC
500	MR. MILAN MAROTI	ACS - 49355	EIRC	566	MS. CHAITALI SHIVAJI BELOSHE	ACS - 49421	WIRC
501	MR. ABINASH PANDA	ACS - 49356	EIRC	567	MS. NIVEDITA KRUSHNARAO NIKAM	ACS - 49422	WIRC
502	MS. SWATI RAWAT	ACS - 49357	NIRC	568	MR. HITEN VIKAS CHAVAN	ACS - 49423	WIRC
503	MS. STUTI MATHUR	ACS - 49358	NIRC	569	MR. NIKHIL VASANTBHAI GAJJAR	ACS - 49424	WIRC
504	MS. PINKY SHARMA	ACS - 49359	NIRC	570	MR. BRIJESH JITENDRABHAI MODI	ACS - 49425	WIRC
505	MR. AJAY VIJAY GHORPADE	ACS - 49360	WIRC	571	MR. ROHITKUMAR KAMALKISHORE RANDAR	ACS - 49426	WIRC
506	MS. KIRTI SUBHASH MAVINKURVE	ACS - 49361	SIRC	572	MS. MANVI BATRA	ACS - 49427	WIRC
507	MS. RADHIKA SHRIRAM MOGHE	ACS - 49362	WIRC	573	MS. KHUSHBOO PREM GULRAJANI	ACS - 49428	WIRC
508	MS. NEHA SUSHIL SHARMA	ACS - 49363	WIRC	574	MS. KARISHMA NITIN BHUSARI	ACS - 49429	WIRC
509	MS. AVANI ANAND PALEJA	ACS - 49364	WIRC	575	MS. HEMLATA GUPTA	ACS - 49430	WIRC
510	MS. NIDHI JHUNJHUNWALA	ACS - 49365	EIRC	576	MS. DAMINI SHAILESH SHAH	ACS - 49431	WIRC
511	MS. SHAMA BANO	ACS - 49366	EIRC	577	MR. PIYUSH DWIVEDI	ACS - 49432	WIRC
512	MS. RICHA BACHHAWAT	ACS - 49367	EIRC	578	MS. LABDHI HARSHAD SANGHVI	ACS - 49433	WIRC
513	MS. SALONI SHARMA	ACS - 49368	EIRC	579	MS. JYOTIKA DALIP KAKRI	ACS - 49434	WIRC
514	MS. SHAKILA SHAHEEN	ACS - 49369	EIRC	580	MR. NIKHILKUMAR MANSUKHBHAI VADERA	ACS - 49435	WIRC
515	MS. AAYUSHI KAPUR	ACS - 49370	EIRC	581	MS. VISHAKHA LALWANI	ACS - 49436	WIRC
516	MS. SHADHVI JAISWAL	ACS - 49371	EIRC	582	MR. SANJAY KUSHWAH	ACS - 49437	WIRC
517	MS. UPASANA KANSAL	ACS - 49372	NIRC	583	MS. VANDANA LAKHANPAL RAJESH	ACS - 49438	WIRC
518	MR. ANKIT AGARWAL	ACS - 49373	NIRC	584	MS. PAYAL VISHNU BANG	ACS - 49439	WIRC
519	MS. NEHA SHARMA	ACS - 49374	NIRC	585	MR. NAMBI RAJA SUDALAI P	ACS - 49440	SIRC
520	MS. RANJANI JOSHI	ACS - 49375	NIRC	586	MR. VINAY KUMAR MARDA	ACS - 49441	WIRC
521	MS. LAVIKA MITTAL	ACS - 49376	NIRC	587	MR. AMIT VIJAY GADGIL	ACS - 49442	WIRC
522	MR. PRINCE KUMAR AGARWAL	ACS - 49377	NIRC	588	MS. KUMKUM GUPTA	ACS - 49443	NIRC
523	MR. RAVI SHANKAR PATHAK	ACS - 49378	NIRC	589	MR. NIKHIL SUDHIR RAJARSHI	ACS - 49444	WIRC
524	MS. SAKSHI GUPTA	ACS - 49379	NIRC	590	MS. TRINA NANDI	ACS - 49445	EIRC
525	MS. ASHIMA	ACS - 49380	NIRC	591	MS. DEEPIKA SINHA	ACS - 49446	NIRC
526	MR. DEEPAK KUMAR CHOUDHARY	ACS - 49381	NIRC	592	MR. SHIVAM AGARWAL	ACS - 49447	NIRC
527	MS. TRAPTI JAIN	ACS - 49382	NIRC	593	MR. ANURAG SHARMA	ACS - 49448	NIRC
528	MS. PRIYA GUPTA	ACS - 49383	NIRC	594	MS. NIKKITA GUPTA	ACS - 49449	NIRC
529	MR. AJAY GUPTA	ACS - 49384	NIRC	595	MR. PRAMOD KULKARNI	ACS - 49450	SIRC
530	MR. SAURAV SHARMA	ACS - 49385	NIRC	596	MS. HIRAL RAJESH SHAH	ACS - 49451	WIRC
531	MS. SHILPA BHATIA	ACS - 49386	NIRC	597	MR. MANISH VIKRAMAJIT DUBEY	ACS - 49452	WIRC
532	MR. SAGAR MADAAN	ACS - 49387	NIRC	598	MS. SHETH NIYANTRI ASHMIN	ACS - 49453	WIRC
533	MS. CHANDRIKA NARSHIMHA MADHUARAYANAVAR	ACS - 49388	SIRC	599	MS. AAYUSHI KISHAN PODDAR	ACS - 49454	WIRC
534	MR. ANANGA KUMAR MAHUNTA	ACS - 49389	EIRC	600	MR. LENIS SAVJI PATEL	ACS - 49455	WIRC
535	MR. A R ISAC	ACS - 49390	SIRC	601	MS. SHUBHAM JAGDISHPRASAD DHOOT	ACS - 49456	WIRC
536	MS. DIVYA SHARMA	ACS - 49391	NIRC	602	MR. SAURABH AGRAWAL	ACS - 49457	NIRC
537	MR. AVNISH MAURYA	ACS - 49392	NIRC				
538	MS. YOGITA JOSHI	ACS - 49393	NIRC				
539	MS. KHUSHBOO	ACS - 49394	NIRC				
540	MS. SURBHI	ACS - 49395	NIRC				
541	MS. KOMAL CHARNALIA	ACS - 49396	NIRC				
542	MR. MUDIT MADAAN	ACS - 49397	NIRC				
543	MR. AKASH GARG	ACS - 49398	NIRC				
544	MS. POOJA BASNET	ACS - 49399	NIRC				
545	MR. PRANJAL GUPTA	ACS - 49400	NIRC				
546	MR. RAGHAV AGARWAL	ACS - 49401	NIRC				
547	MS. GULISTA	ACS - 49402	NIRC				
548	MS. APRAJITA ABHAY MISHRA	ACS - 49403	NIRC				
549	MR. BHAGYA HASIJA	ACS - 49404	NIRC				
550	MS. RIDIMA GULATI	ACS - 49405	NIRC				
551	MR. AKHILESH TANGRI	ACS - 49406	NIRC				
552	MS. MANSI BHUTANI	ACS - 49407	NIRC				

RESTORED*

S. NO.	A/F	MEM. NO.	MEM. NAME	PLACE
1	A	43037	PARTHASARATHI KUMARASWAMI REDDIAAR	SIRC
2	A	23632	DEEPIKA JAIN	NIRC
3	A	20274	CHHAMA GOEL	NIRC
4	A	43713	NILESH RANJAN	NIRC
5	A	22060	SHALINI CHAWLA	NIRC
6	A	29344	EKTA SHARMA	EIRC
7	F	8034	QAISER AHMED MAKTUMSAHEB ISMAIL MAGDUM	SIRC
8	F	6017	RAJESH JAYKUMAR DOSHI	WIRC
9	A	42905	SHEFALI BHARTI	NIRC

*RESTORED FROM 01.12.2016 TO 31.12.2016

10	A	19263	SAKSHI KATYAL	F/NIRC	68	A	15900	K JAYASREE	SIRC
11	A	36030	KSHITIJ JAININDRA LUNKAD	WIRC	69	A	20581	PARUL JAIN	NIRC
12	F	8272	VIKASH CHANDRA SHARMA	NIRC	70	F	2109	CHANDRAPPA MARIYAPPA	SIRC
13	A	32218	RAM LAL NATH	WIRC	71	A	22567	VIKAS PALIWAL	NIRC
14	F	362	RAMJI LAL BATHWAL	EIRC	72	A	27509	BHUSHAN RAMESH GHARPURE	WIRC
15	A	31502	AANAL MILANKUMAR SATYAWADI	WIRC	73	A	42380	NIDHI ANAND	NIRC
16	A	5417	N KANNAN	F/SIRC	74	A	9768	MADHUSREE DAMANI	NIRC
17	A	21295	VIVEK KUMAR	NIRC	75	A	17495	ANJALI CHOPRA	NIRC
18	A	13728	KANAIYA LILADHER THAKKER	WIRC	76	A	42960	SAKSHI JAIN	NIRC
19	A	11312	RAJASHREE NAGESH DAFTARDAR	F/WIRC	77	A	29101	NIRAJ NAYAN KUMAR	NIRC
20	A	39088	MEGHA MODI	EIRC	78	A	10390	LAXMINARAYAN HEGDE	SIRC
21	A	35118	ALKA SRIVASTAVA	NIRC	79	A	9482	MOHAMED MAHABOOB BASHA	SIRC
22	A	7790	P R KANDASWAMY	SIRC	80	A	19456	RAMA BANDARU	SIRC
23	A	15444	VISHAL RANJAN LALA	NIRC	81	A	43464	ANGEERAJENDRAKUMAR SHAH	WIRC
24	A	24406	RUSHABH NARENDRA DOSHI	WIRC	82	A	22194	NEELU KAPOOR	NIRC
25	A	32860	HARASHANAG G R	SIRC	83	F	5287	LOVELEEN GUPTA	NIRC
26	A	27907	SWAROOP SURYANARAYANA	SIRC	84	A	23840	HETAL MEHTA	WIRC
27	A	26737	KULPRAKASH SINGH	NIRC	85	A	37664	RIZWAN KHAN	NIRC
28	A	14692	NAYANKUMAR MAHADEVPRASAD ADHYARU	WIRC	86	A	27955	BASAVARAJ UDADAR	SIRC
29	A	3969	B G ANIRUDH	SIRC	87	A	20444	SUNITA KHANDELWAL	NIRC
30	A	20228	NITIN BAGARIA	EIRC	88	F	7121	UMESH KUMAR AGRAWAL	NIRC
31	A	28225	RASHMI RANJAN SATAPATHY	EIRC	89	A	18832	KUMUD JAIN	WIRC
32	A	18624	RAJESH ISSAR	NIRC	90	A	18027	AMIT NARENDRA SHAH	WIRC
33	A	34630	ROSHAN SUDHAKAR HARDE	WIRC	91	A	27295	DEEPA SHRIVASTAVA	WIRC
34	A	28480	NIDHI HITESH VASWANI	WIRC	92	A	14509	MAKARAND P KARNATAKI	WIRC
35	F	5004	MANISH CHANDRAKANT PANDE	WIRC	93	A	13216	SWATI BAJAJ	EIRC
36	A	25462	SUSHMITA ROY	EIRC	94	A	14611	PRITI SINGHANIA	EIRC
37	A	20287	ARVIND MANTRI	F/WIRC	95	F	3950	SOUMITRA GHOSE	EIRC
38	A	33248	RICHA RAMCHAND DALWANI	WIRC	96	A	6765	DEEPAK JAIN	NIRC
39	A	17503	AMAN SETH	NIRC	97	A	21384	ANKUSH WADHAWAN	NIRC
40	F	4466	AMIT GUPTA	WIRC	98	A	38289	DEVIKA PANDA	EIRC
41	A	18654	KAPARDI MUDIGONDA	SIRC	99	A	31073	D LAKSHMI	SIRC
42	A	38769	PRENA GAUTAM	NIRC	100	A	41641	RYENA GUPTA	EIRC
43	F	7518	MANPREET SINGH	NIRC	101	A	25555	SRISHTI RAVI PRAKASH AGARWAL	SIRC
44	A	22381	SHRINIVAS M DEVADIGA	SIRC	102	F	8515	RAMELA RANGASAMY	SIRC
45	A	27074	BHARAT GULATI	NIRC	103	A	24102	PARIMESH MANOCHA	NIRC
46	A	38097	DIMPLE VIVEK NAYAK	WIRC	104	A	25200	VRUSHALI P. EKSAMBEKAR	WIRC
47	A	26199	AMIT DILIP PASARE	WIRC	105	A	22076	JINU JAIN	NIRC
48	A	26265	SHALINI BAGHEL	WIRC	106	A	13438	MANOJ KUMAR PALARIA	WIRC
49	A	32912	AKSHI JAIN	NIRC	107	A	16627	VIJAYKUMAR SUNKE	SIRC
50	F	6986	GAUTAM SHARMA	WIRC	108	A	29547	VRINDA VEERENDRA KAMAT	SIRC
51	A	39374	RENU KWATRA	NIRC	109	A	28355	DINESH MOURYA	EIRC
52	A	14653	YASHOBANTA KUMAR SHARMA	NIRC	110	A	26963	AMANDEEP KAUR	NIRC
53	A	21741	AALHAD ANIL MAHABAL	WIRC	111	A	21198	ANAND VIJAY KUMAR CHAPEKAR	WIRC
54	A	26429	BISWAJIT DAS	EIRC	112	A	15215	K. JAYAPRAKASH NAIR	WIRC
55	A	39573	HARSHAL MEWARA	NIRC	113	A	25914	ANJALI ARORA	NIRC
56	A	26240	MONIKA SINGHAL	NIRC	114	A	22214	SHASHI BINDU S	SIRC
57	F	6265	PRADIP SUDHAKARRAO CHANNE	EIRC	115	A	30971	ILA GOSAIN	NIRC
58	A	19836	BHAVNA SINGH	NIRC	116	A	27381	SHRUTI GUPTA	SIRC
59	A	39814	RUCHITA BIYALA	EIRC	117	A	21426	PREETI KALRA	NIRC
60	A	39046	MOHSIN KHAN	NIRC	118	A	23621	AKASH AGARWAL	NIRC
61	A	26994	PREETY GUPTA	EIRC	119	A	11825	MANOJ KUMAR SATNALIWALA	EIRC
62	A	19149	RAMANATH SAHOO	NIRC	120	A	19650	PUJA MEHTA	NIRC
63	F	3948	ANIL KUMAR SHARMA	F/NIRC	121	A	28177	CHANDAN KUMAR VERMA	NIRC
64	A	15528	SUNIL KUMAR SAHOO	EIRC	122	A	34412	PALLAVI GANDHI	NIRC
65	A	30970	RANJIT NAIR	SIRC	123	A	21631	SUBRAHMANYA PARAMESHWAR HEGDE	SIRC
66	F	5316	SHILPESH DALAL	WIRC	124	A	39350	SHYLAJADEVI MURALIDHARAN MENON	WIRC
67	F	2794	MAMTA JAIN	NIRC					

125	F	8507	KANIKA SHARMA	NIRC	24	MS. MAMTA SURKALI	ACS - 40303	NIRC	17744
126	A	18292	RAMAKANTA SHATAPATHY	EIRC	25	MS. SAYALI KARANJKAR	ACS - 40996	WIRC	17745
127	A	34815	ATUL KUMAR MODI	NIRC	26	MR. VIKAS	ACS - 43099	NIRC	17746
128	A	39055	JITENDRA PATIL	WIRC	27	MS. DESAI DIPALI CHIRAGKUMAR	ACS - 43621	WIRC	17747
129	A	23968	RIDDHI MEHUL PATEL	WIRC	28	MS. RIPALBEN SACHIN KUMAR SUKHADIYA	ACS - 43635	WIRC	17748
130	A	38173	SATISH HARKUNATH DESHMUKH	WIRC	29	MS. ISHA JAINTILAL RIWAL	ACS - 43918	WIRC	17749
131	F	6832	SUDHEER NAGAVARAPU	SIRC	30	MR. ATUL MUDGAL	ACS - 44405	NIRC	17750
132	A	7300	A R RAO	SIRC	31	MS. HIMANDRI MAHESHBHAI KEWLANI	ACS - 45144	WIRC	17751
133	A	25220	DEEPTI LOHIYA	NIRC	32	MS. MRINALI GUHA	ACS - 45535	WIRC	17752
134	F	4364	PARIMAL KANTI PAUL	EIRC	33	MR. SONU TIWARI	ACS - 46261	EIRC	17753
135	A	21901	VIVEK MISHRA	NIRC	34	MR. SIVAMANI SHANKAR	ACS - 46400	SIRC	17754
136	A	25681	RASHMI SAHNI	NIRC	35	MS. TEENA RATHI	ACS - 46419	NIRC	17755
137	A	19143	NEERAJ MARWAHA	NIRC	36	MR. MOHIT SINGH	ACS - 47259	NIRC	17756
138	F	3880	VEDPARKASH	NIRC	37	MR. GAUTAM KALAWATIA	ACS - 47314	EIRC	17757
139	A	4177	CHALAPALLE REDDEPPA REDDY	SIRC	38	MR. ANAND GUPTA	ACS - 47412	EIRC	17758
140	A	18752	SHIVANI NILESH KORDE	WIRC	39	MR. JUSTIN PAUL	ACS - 47422	SIRC	17759
141	A	15537	DEEPAK SHARMA	EIRC	40	MR. RAJAT MISHRA	ACS - 47538	NIRC	17760
142	F	7480	SUBIR KUMAR	EIRC	41	MR. PERIKILAKATTUNIRAPPEL SUNDARESHWARAN BINEESH KUMAR	ACS - 48007	SIRC	17761
143	A	41670	ANANT HEGDE	SIRC	42	MR. GANESH PARSAD	ACS - 48162	NIRC	17762
144	A	33148	VIJAY MAKHIJA	NIRC	43	MS. SWEETY CHAUHAN	ACS - 48173	NIRC	17763
145	A	33524	SHRADDHA DHACHOLIA	EIRC	44	MS. RUTU PANKAJBHAI SHAH	ACS - 48201	WIRC	17764
146	A	41113	PARSHANT ARORA	WIRC	45	MR. CHANDAN SHAMBHU TODI	ACS - 48374	WIRC	17765
147	A	39554	ANKITA ANIL JAIN	WIRC	46	MR. RITEEK BAHETI	ACS - 48468	EIRC	17766
148	A	26871	PRIYANKA SHARMA	NIRC	47	MR. MUKESH SAKHARAM TANDALEKAR	ACS - 48601	WIRC	17767
149	A	27792	ANUJ KUMAR KEASHRI	NIRC	48	MS. PRIYA JAIN	ACS - 48661	NIRC	17768
150	F	6115	KOTRA SRINIVAS	WIRC	49	MS. BANSARI PRAFUL JOSHI	ACS - 48692	WIRC	17769
151	A	41730	AKASH SHARMA	EIRC	50	MS. NAMITA SINGH	ACS - 48724	WIRC	17770
152	A	24835	VIVEK GAUTAM	NIRC	51	MR. AMIT GANAPATI INAMADAR	ACS - 48767	WIRC	17771
153	A	32688	MUKESH KUMAR SONI	WIRC	52	MS. NEHA GUPTA	ACS - 48799	NIRC	17772
154	A	29754	KANTA BINWAL	NIRC	53	MS. AVANI HASMUKH CHHEDA	ACS - 48802	WIRC	17773
					54	MR. RITURAJ RASTOGI	ACS - 48817	NIRC	17774
					55	MR. NIKHIL KHANDELWAL	ACS - 48826	NIRC	17775
					56	MR. PARMAR JAYESH MANSUKHBHAI	ACS - 48837	WIRC	17776
					57	MR. ANUJ KUMAR KEASHRI	ACS - 27792	NIRC	17777
					58	MS. SAPNA DUA	ACS - 30961	NIRC	17778
					59	MS. SHIVANI GUPTA	ACS - 37059	NIRC	17779
					60	MR. GAURAV TYAGI	ACS - 40454	NIRC	17780
					61	MS. KHUSHBOO VIVEK JALAN	ACS - 40853	WIRC	17781
					62	MR. PARATH KUMAR	ACS - 42919	SIRC	17782
					63	MR. PANKAJ KUMAR JHA	ACS - 43424	NIRC	17783
					64	MR. RAVINDRA KUMAR RAWAL	ACS - 44735	WIRC	17784
					65	MS. AMBALIKA SARKAR	ACS - 45152	EIRC	17785
					66	MS. HIRAL ISHAN DAVE	ACS - 48095	WIRC	17786
					67	MR. TEJAS PRAKASH WADKE	ACS - 48187	WIRC	17787
					68	MS. SURBHI MEHTA	ACS - 48377	WIRC	17788
					69	MR. BISWAJIT DATTA	ACS - 48597	EIRC	17789
					70	MR. ABHISHEK RAJ SINGH	ACS - 48928	NIRC	17790
					71	MR. S KARTHIK	ACS - 48973	SIRC	17791
					72	MS. AMRUTA NAYGAONKAR	ACS - 26036	WIRC	17792
					73	MS. MANSI AWANA	ACS - 36655	NIRC	17793
					74	MS. MANISHA SHANKAR CHINDARKAR	ACS - 46479	WIRC	17794
					75	MR. HITESH KUMAR GOYAL	ACS - 41532	NIRC	17795
					76	MS. ARUNIMA KUMAR	ACS - 41456	NIRC	17796
					77	MR. SUKHVINDER SINGH	ACS - 44088	NIRC	17797
					78	SH. M S VAIDYANATHAN	ACS - 11842	SIRC	17798
					79	SH. MUSTAFA ABBASBHAI KALYANWALA	ACS - 23616	WIRC	17799
					80	MR. PRAVEEN GOPALKRISHNA HEGDE	ACS - 46301	SIRC	17800
					81	MR. BALRAM PANDEY	ACS - 47531	NIRC	17801
					82	MR. HELI HITESHKUMAR MODI	ACS - 47620	WIRC	17802
					83	MR. SANCHIT MATHUR	ACS - 47782	NIRC	17803
					84	MS. MEGHA BISHT	ACS - 47797	NIRC	17804

CERTIFICATE OF PRACTICE

ISSUED*

Sl. NO.	NAME	MEMBNO	REGN	COP NO.
1	MR. SHANTANU SRIVASTAVA	ACS - 48667	NIRC	17721
2	MS. ROSHNI MOHANLAL JETHANI	ACS - 48849	WIRC	17722
3	MR. MIRAJKUMAR KISHORKUMAR DAVE	ACS - 48843	WIRC	17723
4	MR. SANDEEP BHATTER	ACS - 48458	EIRC	17724
5	MR. RAVI KASANA	ACS - 48747	NIRC	17725
6	MR. DHRUV KHANDELWAL	ACS - 48749	NIRC	17726
7	MR. NIKHIL JAIN	ACS - 48533	NIRC	17727
8	MS. VEENA KALLAMVALAPPIL SASIDHARAN	ACS - 48356	SIRC	17728
9	MR. SAGAR MALIK	ACS - 48455	NIRC	17729
10	MS. APARNA CHETAN DAGLI	ACS - 48781	WIRC	17730
11	MS. ARCHANA MAHENDRA KUMAR RAJPUT	ACS - 48449	WIRC	17731
12	MR. JUBIN JOHN	ACS - 48766	SIRC	17732
13	MS. SAKSHI NIRMAL	ACS - 36217	NIRC	17733
14	MR. GAURAV JESWANI	ACS - 30979	WIRC	17734
15	MS. POOJA KATHPAL	ACS - 48664	NIRC	17735
16	SH. N R BAHULEYAN	FCS - 1663	SIRC	17736
17	SH. ARVINDER SINGH KINDRA	FCS - 3521	NIRC	17737
18	SH. VIVEK KUMAR	FCS - 5557	NIRC	17738
19	MS. KEERTI SITARAM BHAT	ACS - 33964	WIRC	17739
20	MS. NEHA SARAF	ACS - 34973	EIRC	17740
21	MS. RUTU MILINDBHAI SANGHVI	ACS - 35548	WIRC	17741
22	MS. ANJANA OM PRAKASH SHARMA	ACS - 38190	WIRC	17742
23	MR. PRIYAM BORUAH	ACS - 39060	EIRC	17743

ISSUED DURING THE MONTH OF DECEMBER, 2016

85	MR. JITHIN SCARIA	ACS - 48443	SIRC	17805
86	MS. YOGESHWARI YOURAJ CHAMBHARE	ACS - 48776	WIRC	17806

CANCELLED*

SL. No	NAME	MEMB NO.	COP NO.	REGN
1	MR. SASI KANTH VADDADI	ACS- 41128	16740	SIRC
2	MS. SURABHI BHANDARI	ACS - 36541	16898	NIRC
3	MS. SHIVANI DHASMANA	ACS - 45445	17355	NIRC
4	MRS. KHYATEE CHIRAYU VYAS	ACS - 21434	12720	WIRC
5	MS. RASHMI AGARWAL	ACS - 23064	10377	EIRC
6	MS. NEHA SHAH	ACS - 41716	15511	WIRC
7	MR. TARUN KUMAR ARORA	ACS - 46763	17171	NIRC
8	MR. SMITESH DESAI	FCS - 7986	1609	WIRC
9	MS. PREETI CHADHA	ACS - 29183	17181	NIRC
10	MS. SAILEE AJINKYA BHARASWADKAR	ACS - 30330	10935	WIRC
11	MS. SUCHI GUPTA	ACS - 26066	15549	NIRC
12	MS. ITIKA SINGHAL	ACS - 43951	17209	NIRC
13	MR. DEVESH DAGA	ACS - 44482	17030	EIRC
14	MS. VIDYA RAGHUNATH SHEMBEKAR	ACS - 8944	13974	WIRC
15	MS. HIMANI JAIN	ACS - 45928	17276	NIRC
16	MRS. SHIVANGI DEVANG MODI	ACS - 24260	13523	WIRC
17	MS. KAPILA MAHENDROO	FCS - 7093	7509	NIRC

*CANCELLED DURING THE MONTH OF DECEMBER, 2016

18	MS. SATHYA R	ACS - 32469	11935	SIRC
19	MS. RIPTA MUKHERJEE	ACS - 43481	16783	EIRC
20	MR. HARIOM	ACS - 46630	17034	NIRC
21	MS. REEMA ANUJ KATAKIA	FCS - 8328	9143	WIRC
22	MS. GEETA LALCHAND AMESAR	ACS - 41963	17605	WIRC
23	MR. VENKATA RAVI KUMAR MANDAVILLI	FCS - 7095	14235	SIRC
24	MS. SHARWARI MAHENDRA DESHMUKH	ACS - 35525	15701	WIRC
25	MS. ISHITA TIWARI	ACS - 46189	16530	NIRC
26	MR. SATISH KUMAR RAMASHRAY PRAJAPATI	ACS - 45280	16565	WIRC
27	MRS. PATEL UPASNA ANKITKUMAR	ACS - 42623	15813	WIRC
28	MS. ANJALI LAKHOTIA	ACS - 12963	3633	EIRC
29	MR. VIKAS JAIN	ACS - 45532	17437	WIRC

LICENTIATE ICSI**ADMITTED#**

S. No.	LICENTIATE NO.	NAME	REGN
1	6904	MR. MAHESH CHANDRA KAPOOR	EIRC
2	6905	MR. S. NOOR SHAMEER	SIRC
3	6906	MR. RAVISHANKAR BASAVRAJ SHASTRI	WIRC
4	6907	MR. NAVNEET SARAF	NIRC
5	6908	MR. ASHISH DEWTIA	NIRC

*ADMITTED DURING THE MONTH OF DECEMBER, 2016

ATTENTION MEMBERS**Guidelines for Change in Name of Proprietorship Concern/Firm of Company Secretary(ies)**

In case an existing proprietary concern/firm of Company Secretary (ies) desires to change its name, the following conditions shall be fulfilled:

- An application for change in name of the firm (preferably mentioning its Unique Code Number) shall be submitted along with the Form for giving particulars of Offices and Firms duly filled- in.
- All the existing partners of the firm must sign the application and the Form duly filled- in.
- In the case of a proprietary firm, an application along with the Form for giving particulars of Offices and Firms (mentioning its Unique Code Number) is to be submitted duly filled-in and signed by the proprietor.
- The application for approval of the firm name along with the Form should be sent to the Directorate of Membership, ICSI.
- The new proposed name will be approved under the provisions contained in Regulations 169 and 170 of the CS Regulations, 1982.
- The letter granting approval of a trade / firm name will be sent at the address mentioned in the Form for giving particulars of Offices and Firms.
- The Proprietorship concern/firm of Company Secretary (ies) which has requested for change in name, upon approval shall mention "formerly known as (old name)" for a period of one year from the date of approval of the changed name.

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 decided revision in 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		Fellow	
	Existing fee	Proposed fee	Existing fee	Proposed fee
Annual Membership fee	Rs. 1125	Rs. 2500	Rs. 1500	Rs. 3000
Entrance fee	Rs. 1500	Rs. 2000	Rs. 1000	Rs. 2000
Certificate of Practice fee	Rs. 1000	Rs. 2000	Rs. 1000	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 December, 2016

AMAR KUMAR

T-123, FIRST FLOOR, BALJEET NAGAR, NEAR LAL MANDIR
NEW DELHI-110008

AMIT KANSAL

K-701, EXOTICA FRESCO, SECTOR -137, NOIDA-201304

ANITA KUMARI PANDAY

C/O B R GUPTA & ASSOCIATES, CHARTERED ACCOUNTS,
E-122-123, HEERA PANNA MARKET, PUR ROAD
BHILWARA-311001

ASHUTOSH KUMAR

A-308 (BASEMENT), DEFENCE COLONY, NEW DELHI-110024

BATCHU KALYAN

H. NO. 12-6-2/237/3/A, FLAT NO. 408, R.V. LAKSHMI
APARTMENTS, BALAJI NAGAR, KUKATPALLY,
HYDERABAD-500072

DAKSHITA GARG

D-16/83, SECTOR 7, ROHINI, NEW DELHI-110085

DEEPA

D-10, NEW GOVIND PURA, GALI NO. 9, NEAR RASHID
MARKET DELHI-110051

DEEPAK ASWANI

177, SUBHASH COLONY, SHASTRI NAGAR, JAIPUR-302016

DEEPA TULSIRAM BIRHADE

PENDSE BHUVAN CO OP SOC., 495 SADASHIV PETH, PUNE-
411030

DEEPTI GROVER

C-101, NARAINA VIHAR, FIRST FLOOR, NEW DELHI-110028

GUNTUR VAMSHESHWAR RAO

1-6-44, 1ST FLOOR, SATNAM WAHEGURU, BUILDING,
MUSHEERABAD, HYDERABAD-500020

JATIN S POPAT

308, ORCHID PLAZA, BEHIND GOKUL, SHOPPING
CENTRE, NEAR RAILWAY PLATFORM-8, OFF. S.V. ROAD,
MUMBAI-400092

K BHIMA SANKARA RAO

#501, AKASH GANGA, #6-3-635 & 637, KHAIRATABAD
HYDERABAD-500004

LAKSHMEENARAYAN BHAT

#166B, 1ST FLOOR, 13TH CROSS, 3RD PHASE, GIRINAGAR
BASK 3RD STAGE, BANGALORE-560085

MANISHA SONI

DADHICH NYATI BHAWAN KI GALI, MANAK CHOWK
JODHPUR-342001

MARATH SURESH BABU AMAL

2ND FLOOR HARERAMA, BUILDING TEMPLE ROAD,
TRIRAYAR THRISSUR-680567

MOHAN REDDY

120, GROUND FLOOR, 4TH MAIN, 5TH A CROSS, VIDYAGIRI
LAYOUT NAGARBHAVI, BANGALORE-560072

NARAYAN DUTT TIWARI

B 28 BASEMENT GUPTA PALACE, NEAR RAJOURI GARDEN
METRO GATE NO. 08, NEW DELHI-110027

NARESH KUMAR

38 -LGF, SECTOR 15 PART, GURGAON-122001

NISHANT GOYAL

B-4/418, FIRST FLOOR, SECTOR -8, ROHINI, NEW DELHI-110085

NISHTHA HANDA

T 26 GROUND FLOOR, RAJOURI GARDEN, NEW DELHI-110027

PARIMAL VASANTRAO JADHAV

OFFICE NO. 51, 2ND FLOOR B WING, K K MARKET, PUNE
SATARA ROAD, BIBAWEWADI, PUNE-411037

PRASHANT KUMAR KESHARWANI

HOUSE NO. 09, SUDARSHAN VIHAR, MAHADEO GHAT CHOWK
RAIPURA, RAIPUR-492013

REENA SHARMA

205, HALDIYON KA RASTA, OPP DINESH BHOJNALAYA, JOHARI
BAZAR, JAIPUR-302003

ROHIT MERANI

181 VIDYA NAGAR 103 CHABRA ARCADE, BEHIND SAPNA
SANGEETA, INDORE

SAPNA

512/10, NEAR DAWAR SWEETS, MASTANA CHOWK,
PANIPAT-132103

SATYAVEER

A-2/180 NAND NAGRI, DELHI-110093

SETA NAMRATA JAGDISHBHAI

GURUJINAGAR QUARTER NO. 838, GATE NO. 45,
SADHUVASVANI ROAD, RAJKOT-360005

SHAGUN DAGA

B 90, SHAKUN VILLA, RIDHI SIDHI NAGAR, BUNDI ROAD
KOTA-324007

SHASHI KANT RANJAN

WB-13, 3RD FLOOR, WB- BLOCK, SHAKARPUR, DELHI-110092

SHIVAKUMAR P SHANKARAN

308, ORCHID PLAZA, BEHIND GOKUL SHOPPING CENTRE, NEAR
RAILWAY PLATFORM-8, OFF. S.V. ROAD, MUMBAI-400092

SHRISTI GARG

1/A, RAJA GAPENDRA STREET, 1ST FLOOR, KOLKATA-700005

SHUBHAM SHUKLA

675/A, NIRANJAN KUNJ COLONY, PILIBHIT-262001

SUDIST KUMAR THAKUR

3002, 4TH FLOOR, STREET NO. 15, RANJEET NAGAR, PATEL
NAGAR, NEW DELHI-110008

SURENDRA KUMAR MOURYA

5-C, GURUKRIPA, NEAR BOHRA JI KA BAGH, OPP LAKSHMI
MANDIR CINEMA, TONK ROAD, JAIPUR-302015

SWETA ABHISHEK

20 HARI KIRAN APPARTMENT, 4TH FLOOR, 6TH A MAIN,
6TH CROSS, NEAR CHENNEMA, KERE ACHUKATU BUS DEPO
BANSHANKRI, BANGALORE-560085

UDIT DUA

115-GL -13, JAIL ROAD, SHIV NAGAR, NEW DELHI-110058

V B LAGU

101/4, SIDDHARTH APTS., TONCA-CARANZALEM,
CARANZALEM-403002

VANITA PASHUPATINATH AGARWAL

A306, SHIV MAHAL CHS, RNP PARK, BHAYANDAR (EAST)
THANE-401105

VARSHA ATUL BHUJBAL

FLAT NO: 3, PRATHMESH APARTMENT, B/H BANK OF INDIA
YASHAWANT CHOWK, CHANDAN NAGAR, PUNE-411014

VIPIN KUMAR CHHAWCHHRIYA

27/4, NEW PALASIA, NEAR OM SHANTI OM BHAWAN,
INDORE-452001



List of Companies Registered for Imparting Training during the month of December, 2016

APEKSHA INFRAPROJECTS PRIVATE LIMITED

303, 3RD FLOOR ALANKAR PLAZA, CENTRAL SPINE
VIDHYADHAR NAGAR, JAIPUR

AQUALITE INDUSTRIES PRIVATE LIMITED

72, VIVEKANAND PURI, NEW DELHI

BAJAJ SPACE PRIVATE LIMITED

F - 29, RIICO INDUSTRIAL AREA, PHASE 1 & 2, PUR ROAD,
BHILWARA (RAJASTHAN)

CARATLANE TRADING PRIVATE LIMITED

2ND, 3RD & 4TH FLOOR, #32, RUTLAND GATE, 2ND STREET,
KHADER NAWAZ KHAN ROAD NUNGAMBAKKAM, CHENNAI

CONTINENTAL MILKOSE INDIA LIMITED

FLAT 5D, PRIYANKA APARTMENTS S C GOSWAMI ROAD
PANABAZAR, GUWAHATI KAMRUP, GUWAHATI

DECIMUS FINANCIAL LIMITED

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ICSI NORTHERN REGION CONVOCATION

In January, 2017 the Institute organised its bi-annual northern region convocation at New Delhi for awarding certificate of membership to the Associate members admitted during the period 1st April, 2016 to 30th September, 2016; and also to award prizes/medals to meritorious students (National) and winners of National level student competitions. The details are as under:-

Date	6th January, 2017 (in two sessions)
Venue	Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi.
Number of members who were awarded Associate membership certificates on the occasion	898
Chief Guest & Guests of Honour	<p>Session 1 Chief Guest – Shri Arjun Ram Meghwal, Hon'ble Union Minister of State for Finance and Corporate Affairs.</p> <p>Guest of Honour- Hon'ble Justice Dr. Balbir Singh Chauhan, Chairman, Law Commission of India.</p> <p>Session 2 Guest of Honour- Prof. S. Sivakumar, Member, Law Commission of India.</p>

Company Secretaries Benevolent Fund

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4	11864	MR. RAKESH GANERIWAL	ACS - 39728	KOLKATA
5	11869	MR. NARENDAR KUMAR SINGH	ACS - 29144	DHANBAD
6	11876	SH. RANADHIS BANERJEE	ACS - 9850	KOLKATA
7	11877	SH. MOHANLAL LAHIRY	FCS - 2423	KOLKATA
8	11878	MR. VIVEK AGARWAL	FCS - 8461	KOLKATA
9	11884	MR. BISWAJIT DATTA	ACS - 48597	KOLKATA
10	11891	MR. ABHISHEK AGARWAL	ACS - 47316	HOWRAH
11	11894	SH. RAVI KUMAR MURARKA	ACS - 20659	KOLKATA
12	11896	MS. SHRUTI MURARKA	ACS - 42423	KOLKATA
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14	11903	MR. PRADIP KUMAR PURBEY	ACS - 45612	GUWAHATI
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17	11929	SH. SUNIL KUMAR	ACS - 25259	KOLKATA
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Sl. No.	LM NO.	NAME	MEMB NO.	CITY
19	11967	MR. PRANAB KUMAR MISHRA	ACS - 28932	BHUBANESWAR
20	11978	MR. MOHIT SRIVASTAVA	ACS - 28505	KOLKATA
21	12001	MR. ASHISH KUMAR KUSTA	ACS - 47205	SAMBALPUR
22	12003	MR. ANKUR SULTANIA	ACS - 31316	PATNA CITY, PATNA
23	12026	MR. TANMOY BANERJEE	ACS - 28845	KOLKATA
24	12028	MR. KUSHAL BHARAT BAGADIA	ACS - 35077	GUWAHATI
25	12042	MR. SOURAV KHEDIWAL	ACS - 47068	KOLKATA
26	12059	MR. AMIT AGARWAL	ACS - 37843	JAMSHEDPUR
27	12065	MR. RAKESH KUMAR GUPTA	ACS - 32018	KOLKATA
28	12072	SH. RAVINDRA KUMAR AGARWAL	FCS - 8442	HOWRAH
29	12096	SH. HARI GOPAL MONDAL	ACS - 25357	HOWRAH
30	12109	MR. ARUN KUMAR PANDEY	ACS - 36811	HOWRAH
31	12116	MS. MANSI PILANIWALA	ACS - 33362	KOLKATA
32	12149	MR. KAUSHIK SEN	ACS - 28515	MALDA
33	12171	MR. PANKAJ CHANDRA	ACS - 47404	SAMBALPUR
34	12188	MS. RACHITA MURARKA	ACS - 48045	SAMBALPUR
35	12195	MR. VARUN KUMAR SINHA	ACS - 41990	JAMSHEDPUR
36	12211	SH. AJAY KUMAR RAI	FCS - 5627	KOLKATA
37	12213	MS. BHAGWATI AGARWAL	ACS - 30437	GUWAHATI
38	12218	SH. DEBENDRA BANTHIYA	FCS - 7790	KOLKATA

* ENROLLED DURING THE PERIOD 20.12.2016 TO 30.12.2016

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40	11772	SH. PANKAJ KHETAN	FCS - 7249	NEW DELHI
41	11773	MS. VINITA RANI	ACS - 38662	DELHI
42	11774	MR. RAJIT VERMA	ACS - 36199	KANPUR
43	11776	MR. IQBAL SINGH	ACS - 36847	KURUKSHETRA
44	11777	MR. SAURABH ARORA	ACS - 47131	DELHI
45	11780	MR. ANSHUL GARG	ACS - 32301	DELHI
46	11784	SH. RAJIV MAHESHWARI	FCS - 4998	NEW DELHI
47	11785	MS. NIDHI VERMA	ACS - 19194	NEW DELHI
48	11800	MS. RITU DHYANI	ACS - 46652	FARIDABAD
49	11814	MR. ASIM KUMAR MANDAL	ACS - 46621	NEW DELHI
50	11815	MR. MOOL CHANDRA	ACS - 32623	KANPUR
51	11819	MS. RICHA KALRA	ACS - 18887	DELHI
52	11823	MR. LOKESH DHYANI	ACS - 38725	NEW DELHI
53	11825	MR. TARUN AHUJA	ACS - 37926	DELHI
54	11830	MS. APOORVA SRIVASTAVA	ACS - 47803	KANPUR
55	11831	SH. AJMAL ANSARI	ACS - 27213	MAU DISTT
56	11835	MS. DEEPIKA VERMA	ACS - 37798	DELHI
57	11837	MS. SONALI GUPTA	ACS - 32724	VARANASI
58	11841	MS. SWATI AGARWAL	ACS - 42554	KANPUR
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60	11848	MR. CHANDEEP KUMAR	FCS - 8230	NEW DELHI
61	11849	MR. PARMOD KUMAR	ACS - 41295	CHANDIGARH
62	11850	SH. AMOD KUMAR	FCS - 8797	AGRA
63	11857	MR. KAPIL MAKKAR	ACS - 34006	AMBALA
64	11858	SH. GAJENDER GUPTA	ACS - 23759	DELHI
65	11859	MR. SAHIL GUPTA	ACS - 34548	JAMMU
66	11861	MS. NEHARIKA SINGH	ACS - 39163	BAREILLY
67	11863	MR. ARUN MATHUR	ACS - 36848	JAMMU
68	11873	SH. ABHISHEK SHUKLA	ACS - 27253	KANPUR
69	11874	MS. SEEMA THAPAR	FCS - 6690	GURGAON
70	11875	MR. KISHAN BHARADWAJ	ACS - 39321	NEW DELHI
71	11879	SH. R RAVICHANDRAN	ACS - 7388	NEW DELHI
72	11880	SH. JUGAL KISHORE GUPTA	FCS - 7929	NEW DELHI
73	11881	MS. RICHI MAHAJAN	ACS - 42318	NEW DELHI
74	11886	SH. RAJIV KHANNA	ACS - 13091	AMRITSAR
75	11887	MR. DEEPAK ARYA	ACS - 37515	NEW DELHI
76	11888	MR. SANCHIT KUMAR	ACS - 42829	GHAZIABAD
77	11889	MR. ROHIT BANTHIA	ACS - 29574	NEW DELHI
78	11895	SH. VIVEK SAHAY	ACS - 16288	NEW DELHI
79	11902	MS. PRAGNYA PARIMITA PRADHAN	ACS - 32778	NEW DELHI
80	11905	MS. ASTHA CHATURVEDI	ACS - 37369	KANPUR
81	11907	MS. REEPTIKA BARMERA	ACS - 43565	JODHPUR
82	11912	MR. AKHIL GUPTA	ACS - 48175	BALTANA
83	11914	MR. RAM SAHAY	ACS - 33469	NEW DELHI
84	11921	MR. VAIBHAV AGNIHOTRI	ACS - 36594	KANPUR
85	11937	MR. CHAND MAL KUMAWAT	ACS - 41979	CHITTORGARH
86	11941	MR. GANESH PARSAD	ACS - 48162	PATHANKOT
87	11947	MS. PRIYA AGARWAL	ACS - 42715	BAREILLY
88	11950	MS. ANAMIKA RAJU	ACS - 26080	NEW DELHI
89	11953	MS. MANISHA GUPTA	ACS - 38941	NEW DELHI
90	11954	SH. KRISHAN KUMAR MISHRA	ACS - 25496	NEW DELHI
91	11955	MS. PRAGATHI P	ACS - 34199	DELHI
92	11957	SH. MD IQUEBAL AHMAD	ACS - 20921	NEW DELHI

Sl. No.	LM NO.	NAME	MEMB NO.	CITY
93	11960	MR. SHAFIQ AHMED	ACS - 31028	NEW DELHI
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95	11964	MR. SAURABH KAPOOR	ACS - 33969	NEW DELHI
96	11968	MS. CHANCHAL RANI	ACS - 48222	NEW DELHI
97	11973	MR. ABHISHEK SINHA	ACS - 35322	LUCKNOW
98	11974	MR. RANJIT KUMAR GUPTA	ACS - 32152	NEW DELHI
99	11980	SH. BIPIN BIHARI	FCS - 8297	NEW DELHI
100	11981	SH. MANOJ KUMAR	FCS - 7134	DELHI
101	11982	MR. CHANDAN SETH	ACS - 42903	LUCKNOW
102	11985	MS. IQBAL KAUR	ACS - 36663	NEW DELHI
103	11989	MS. REENA SHARMA	ACS - 29171	JAIPUR
104	11992	MR. SUNIL KUMAR	ACS - 41521	DELHI
105	11994	SH. JAYANT GUPTA	FCS - 7288	GHAZIABAD
106	11995	MR. SUNNY GULATI	ACS - 38320	NEW DELHI
107	11999	MS. POOJA CHETRI	ACS - 44337	DELHI
108	12000	SH. RAJNEESH KUMAR	ACS - 26912	NEW DELHI
109	12002	SH. SUNIL KUMAR SANGER	ACS - 4515	NOIDA
110	12004	MS. YANIKA VERMA	ACS - 43730	NEW DELHI
111	12006	MR. ANKIT GERA	ACS - 37526	FARIDABAD
112	12010	SH. THOMAS P JOSHUA	ACS - 25163	DELHI
113	12018	MR. MAN SINGH YADAV	ACS - 33815	NEW DELHI
114	12019	MS. SWATI KOCHHAR	ACS - 27252	MEERUT
115	12022	SH. LAXMAN SINGH KAIRA	ACS - 21167	NEW DELHI
116	12023	MR. ABHISHEK CHAUDHARY	ACS - 39435	JAIPUR
117	12031	MS. CHETNA AGARWAL	ACS - 31403	DELHI
118	12032	SH RAKESH MAMNANI	FCS - 8834	JAIPUR
119	12033	SH. PARVEEN KUMAR JAIN	FCS - 3226	NEW DELHI
120	12036	SH. HEM RAJ TUTEJA	FCS - 4637	JODHPUR
121	12037	MR. DEEPAK KUMAR	ACS - 34534	GURGAON
122	12038	MR. SURYA NARAYAN MISHRA	ACS - 41144	GHAZIABAD
123	12039	MR. NARESH KUMAR GOEL	ACS - 31967	NEW DELHI
124	12040	MR. ROBIN SEN GIRI	ACS - 48884	NEW DELHI
125	12041	MR. MUKESH KUMAR DUKIA	ACS - 31259	NEW DELHI
126	12043	MS. RITIKA VERMA	ACS - 35153	AGRA
127	12047	MS. PALLAVI JAIN	ACS - 35564	GHAZIABAD
128	12050	MS. SHRUTI GARG	ACS - 47212	GHAZIABAD
129	12053	MR. SACHIN VERMA	ACS - 34389	DELHI
130	12054	SH. RANJAN KUMAR SARANGI	FCS - 8604	FARIDABAD
131	12056	MS. KIRTI VERMA	ACS - 37796	GHAZIABAD
132	12058	MR. NITIN GROVER	ACS - 28616	GURGAON
133	12060	SH. VIPIN KUMAR JAIN	FCS - 8984	DELHI
134	12063	MS. SHIKHA GUPTA	ACS - 43866	NEW DELHI
135	12064	MS. POONAM SANGAL	FCS - 7196	DELHI
136	12070	MR. PARVEEN KUMAR	ACS - 45426	JHAJJAR
137	12075	MR. DEEPAK RAI	ACS - 39820	NEW DELHI
138	12076	MS. BABITA KANOJIA	ACS - 36678	DELHI
139	12077	MS. JYOTI PATIDAR	ACS - 48899	AJMER
140	12078	MR. MUKESH SINGH RATHOR	ACS - 48787	KANPUR
141	12079	SH. PRAFULLA KUMAR MALLIK	FCS - 4035	DELHI
142	12080	MS. KIRAN BALA AGGARWAL	ACS - 48301	NEW DELHI
143	12082	MR. AWANISH KUMAR	ACS - 47559	NEW DELHI
144	12083	MR. AMIT SHARMA	ACS - 48293	PANIPAT DISTT
145	12085	MS. CHANDNI VIJ	ACS - 46897	LUCKNOW
146	12089	MR. HARIOM SHARMA	ACS - 41738	NEW DELHI
147	12090	MS. MANPREET KAUR SAINI	ACS - 31256	NEW DELHI

Sl. No.	LM NO.	NAME	MEMB NO.	CITY
148	12091	MR. AJAY KUMAR PANDEY	ACS - 31697	KANPUR
149	12093	MR. KESHAV RATHI	ACS - 35438	JODHPUR
150	12097	MS. RITU AGARWAL	ACS - 36942	GOTAN
151	12101	MR. DEEPAK TIWARI	ACS - 43207	ALLAHABAD
152	12102	SH. RAKESH BHARDWAJ	ACS - 22973	GURGAON
153	12103	MR. AMIT VERMA	ACS - 27981	ZIRAKPUR
154	12104	MR. JATINDER KUMAR	ACS - 44082	FARIDABAD
155	12106	SH. DINESH BHANDARI	FCS - 5887	CHANDIGARH
156	12107	MS. RITU GOYAL	FCS - 7486	NEW DELHI
157	12117	MR. PRAVEEN KUMAR SHARMA	ACS - 30538	JODHPUR
158	12118	MR. BALAJI RAO KANAMARLAPUDI	ACS - 34542	NEW DELHI
159	12120	MR. MOHIT KUKREJA	ACS - 43077	SONEPAT
160	12123	MS. RUBINA VOHRA	ACS - 30312	NOIDA
161	12129	SH. RAVI SHANKER TIWARI	ACS - 26115	GHAZIABAD
162	12131	SH. ARVIND GUPTA	FCS - 7690	NOIDA
163	12139	SH. DHARAMVEER DABODIA	ACS - 29365	NEW DELHI
164	12143	MS. PRACHI VIJ	ACS - 30103	NEW DELHI
165	12144	MR. SURYA KANT GUPTA	ACS - 29849	NEW DELHI
166	12146	MR. SUMIT MADAN	ACS - 47557	GURGAON
167	12151	MR. DEWAN ASPARAN NABI	ACS - 49020	MOHALI
168	12152	MS. DIVYA TANDON	FCS - 3860	NEW DELHI
169	12154	MR. AJAY SINGH	ACS - 29843	MODINAGAR
170	12158	MR. YOGESH KAUSHIK	ACS - 46934	SONIPAT
171	12160	MR. KHEM CHAND	ACS - 34937	FARIDABAD
172	12162	MR. PRINCE KUMAR	ACS - 41094	DELHI
173	12168	MR. KAPIL DATTA	ACS - 36851	DELHI
174	12170	MR. MOHIT MEHTA	ACS - 46893	NEW DELHI
175	12172	SH. SUDHAKAR JHA	FCS - 7537	DELHI
176	12174	MR. AMIT SINGH	ACS - 46813	KANPUR
177	12175	SH. RAKESH KUMAR	FCS - 7886	NEW DELHI
178	12179	SH. SANJAY JINDAL	FCS - 4412	GHAZIABAD
179	12180	SH. NITIN GOYAL	ACS - 29669	NEW DELHI
180	12181	MR. SANCHIT RALHAN	ACS - 40304	DELHI
181	12185	MR. PANKAJ BANSAL	ACS - 48738	DELHI
182	12186	MS. ANURADHA GUPTA	ACS - 36639	NEW DELHI
183	12190	MR. RAKESH GUSAIN	ACS - 27632	NEW DELHI
184	12191	MR. JITENDRA SHARMA	ACS - 31493	DELHI
185	12192	MR. MOHD SHAHID	ACS - 40292	PILIBHIT
186	12193	SH. DHIR SINGH BHATI	FCS - 6760	GURGAON
187	12196	MR. DHIRENDRA SHARMA	ACS - 33592	JODHPUR
188	12197	MR. GUNJAN KUMAR	ACS - 34047	NEW DELHI
189	12198	MR. SHOBHIT RASTOGI	ACS - 31784	LUCKNOW
190	12204	SH ABHISHEK GOEL	ACS - 20192	GURGAON
191	12210	MR. SHASHIKANT PANDEY	ACS - 30763	NEW DELHI
192	12214	MR. PANKAJ VASHISTHA	ACS - 47324	GURGAON
193	12224	SH. MANOJ SHARMA	FCS - 7516	NEW DELHI
194	12225	SH. V RAMASAMY	FCS - 6191	DELHI
195	12226	SH. RAJKUMAR AGGARWAL	ACS - 9169	NEW DELHI
196	12227	SH. PAWAN CHADHA	ACS - 24117	NEW DELHI
197	12228	SH. MRITYUNJAY PRASAD ROY	FCS - 7586	NEW DELHI
198	12229	SH. VIPIN SHUKLA	FCS - 6798	DELHI
SIRC				
199	11778	MS. FORUM BHUSHAN PARIKH	ACS - 42232	HYDERABAD
200	11779	MS. PRAGYA SARDA	ACS - 37999	HYDERABAD

Sl. No.	LM NO.	NAME	MEMB NO.	CITY
201	11786	SH. T RAVI PRAKASH	ACS - 9730	SECUNDERABAD
202	11787	MR. T SANKARAN	ACS - 49015	CHENNAI
203	11788	MS. GOWRY A JAISHANKAR	ACS - 48956	CHENNAI
204	11790	MR. MAMILAPALLI RAVINDRA	ACS - 47888	ALER
205	11792	MS. ARCHANA JAISWAL	ACS - 27608	KANCHEEPURAM DISTT
206	11797	MR. RAMESH A	ACS - 41791	COIMBATORE
207	11798	MS. CHINNAIYAN SREEDEVI	ACS - 24042	COIMBATORE
208	11802	MR. AVINASH KUMAR DUBEY	ACS - 32948	HYDERABAD
209	11804	SH. MUDUPULAVEMULA JEEVAN KUMAR REDDY	ACS - 17020	CHITTOOR DISTT
210	11807	MS. KAVITHA SURANA	FCS - 5926	CHENNAI
211	11811	MR. ANIL KUMAR DOSHI	ACS - 32077	CHENNAI
212	11820	MR. VIJAY KUMAR S	ACS - 48788	ARIYALUR DISTT
213	11822	MR. SURESH MARPU	ACS - 44304	VISAKHAPATNAM
214	11827	MS. POOJA BUNG	ACS - 44764	HYDERABAD
215	11828	MS. B BHAVANI YADAV	ACS - 36318	SECUNDERABAD
216	11833	MS. VIDYA SRIDHARAN	ACS - 44354	BANGALORE
217	11839	MR. SHIJIN T T	ACS - 33223	KOZHIIKODE
218	11844	MR. VINEETH VIJAYA KUMAR	ACS - 36387	KOCHI
219	11845	MS. NIDHI AGARWAL	ACS - 30425	BANGALORE
220	11851	MS. M REKHA	ACS - 39545	HYDERABAD
221	11852	SH. CHANDRAKANTH GORAK	ACS - 26783	SECUNDERABAD
222	11853	MR. V CHANDRA SEKHAR PATNAIK	ACS - 45479	SECUNDERABAD
223	11855	MS. ASHWINI ARUN KALBURGI	ACS - 40801	HUBLI
224	11856	MR. MANASRANJAN SAHOO	ACS - 32701	CHENNAI
225	11860	MS. D DHANALAKSHMI	ACS - 40935	CHENNAI
226	11867	MR. MANOJ RAY	ACS - 42259	VISAKHAPATNAM
227	11871	MR. YOGESH DASAR M	ACS - 42993	TIPTUR
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229	11899	MR. C PERUMAL	ACS - 43436	BANGALORE
230	11901	MS. BARGAVI S	ACS - 44762	CHENNAI
231	11904	MR. K S PARAMESWARA KUMAR	ACS - 31154	BANGALORE
232	11906	SH. SRIVATSAN S	ACS - 21935	CHENNAI
233	11913	MS. VASUPRADHA S	ACS - 45677	TRICHY DISTT
234	11915	MR. GUNDRAMALLI ASWATHA NARAYANA SETTY VIKRAM RAJ	ACS - 44665	MYSORE
235	11917	MS. TIRANDASU GEETA	ACS - 47547	HYDERABAD
236	11919	MR. MADHAV BHAT	ACS - 48765	UTTARA KANNADA DISTT
237	11920	MS. RENU RAJENDRAPRASAD ASAWA	ACS - 37344	HYDERABAD
238	11922	MR. VENKATESH P C	ACS - 48210	BANGALORE
239	11923	MS. ARUNDHATI ANIL SHASTREE	ACS - 3580	BANGALORE
240	11925	MR. C V VENKATESH	ACS - 48955	COIMBATORE
241	11927	MR. PAWAN JAIN	ACS - 47325	HYDERABAD
242	11928	MR. RAJESH DESAIPATI	ACS - 34436	GADAG
243	11930	SH. MUNIAPPA GOUNDER SENGOTTAIYAN	ACS - 5645	SALEM
244	11932	SH. RAVI KUMAR SULUVA	FCS - 8247	KARIMNAGAR
245	11934	MS. PRIYANKA SINGH	ACS - 28877	BANGALORE
246	11936	MR. HARSHA T S	ACS - 43617	SHIMOGA
247	11940	MR. ISSAC WILLIAM	ACS - 42535	KOZHIIKODE
248	11944	MR. PRASADA RAO KALLURI	ACS - 47901	HYDERABAD
249	11949	MR. BONNY BOPAIAH K B	ACS - 45236	VIRAJPET (T)
250	11951	MR. ANIL KUMAR AGARWAL	ACS - 31935	BANGALORE
251	11956	MR. RAVI TEJA CHUNDURU	ACS - 31743	GUNTUR
252	11959	MS. SRAVANTHI GADIYARAM	ACS - 25754	BELLARY

Sl. No.	LM NO.	NAME	MEMB NO.	CITY
253	11963	MS. SHEETAL RAMKUMAR ATAL	ACS - 17299	BANGALORE
254	11965	MS. BINDU J N BHAT	ACS - 44058	SIRSI
255	11972	MR. PUSULURU KODANDA RAMI REDDY	ACS - 45822	HYDERABAD
256	11975	MR. JITHESH C	ACS - 42383	KOZHICODE
257	11976	MR. SREENATH SASIDHARAN	ACS - 38198	KOLLAM
258	11979	MR. MAHADEVAN M V	ACS - 49019	TIRUNELVELI
259	11987	MS. SONALI SURESH MALLYA	ACS - 40369	MANGALORE
260	11988	MR. NARASIMHA PAI P	ACS - 31740	MANGALORE
261	11991	MRS. PRATIBHA MOHTA	ACS - 39334	BANGALORE
262	11996	MS. KASHIM NARAYANABABU VAHINI	ACS - 44770	BANGALORE
263	11998	SH. DORAI RAMJEE	FCS - 2966	CHENNAI
264	12007	MS. ATHINARAYANASAMY ABIRAMI	ACS - 44767	DINDIGUL
265	12008	MR. SRIRAM VENKATRAMAN	ACS - 40392	BANGALORE
266	12020	MR. SARATH SASIDHARA	ACS - 47669	KOCHI
267	12025	MR. B MUTHUSAMY	ACS - 45071	DINDIGUL
268	12027	SH. MALIEKAL THOBIAS POWELL	ACS - 10311	THRISSUR
269	12044	MS. K MALLESHWARI	ACS - 37210	HYDERABAD
270	12048	MS. SINDHUJA P	ACS - 44831	CHENNAI
271	12051	MS. PADMAVATHI VARADARAJAN	ACS - 45688	CHENNAI
272	12055	SH. ACHUTHAN R	ACS - 23687	CHENNAI
273	12067	MR. JOSMIN JOSE	ACS - 44473	KOCHI
274	12071	MR. ARUNSREENIVAS RAMADOSS	ACS - 35865	CHENNAI
275	12081	MS. RAMAA KRISHNAKUMAR	FCS - 7485	COIMBATORE
276	12087	MS. SOBHA KRISHNAMOORTHY	ACS - 49016	BANGALORE
277	12088	MR. NARESH GERIGA	ACS - 32734	CHENNAI
278	12094	SH. P SRINIVASAN	FCS - 8391	CHENNAI
279	12108	MR. THUKKANAIACCENPALAYAM NATARAJAN RAMESH	ACS - 37937	COIMBATORE
280	12115	MS. LAKSHMI PRADEEP	ACS - 34874	PALAKKAD
281	12122	MR. PRASANNA SUBRAMANYA BHAT	ACS - 48828	HONAVAR
282	12125	MS. DIVYASHREE K N	ACS - 35785	MYSORE
283	12126	SH. RAJENDRA GANAPATI BELANKI	ACS - 29414	BELGAUM
284	12128	SH. R S DESHMUKH	ACS - 8282	HYDERABAD
285	12133	MS. NIRMALA LAKSHMI V	ACS - 47912	MADHRAI
286	12137	MS. AMAL A AZEEZ	ACS - 45691	KOLLAM
287	12138	MS. MEENAKSHI R	ACS - 48358	BANGALORE
288	12140	MR. MATHEWS V GEORGE VALIATHUNDYIL	ACS - 22235	THRIPUNITHARA
289	12141	MR. SRIDAR R	ACS - 49024	CHENNAI
290	12145	MR. PARAMESHWARAN P	ACS - 47497	BANGALORE
291	12147	SH. T G THAMIZHANBAN	FCS - 7897	COIMBATORE
292	12150	MR. VIJAYA KUMAR NANDIPATI	ACS - 33973	HYDERABAD
293	12153	MS. CHANDRASEKARAN GAYATHRI	FCS - 8997	CHENNAI
294	12156	MR. HIRANAND T BHATIA	ACS - 33110	HYDERABAD
295	12163	MR. RAGHAVENDRA	ACS - 27467	MYSORE
296	12164	MR. R MUTHU KUMAR	ACS - 36348	COIMBATORE
297	12165	MR. S KALYANARAMAN	ACS - 33842	CHENNAI
298	12166	SH. SHREENIVASA P GOTUR	ACS - 22367	BANGALORE
299	12169	MS. SUHASINI SHEENA MATHUR	ACS - 44307	BELGAUM
300	12173	MR. S VIKAS REDDY	ACS - 31739	HYDERABAD
301	12178	SH. SUPREETH HEGDE	ACS - 30187	BANGALORE
302	12189	SH. KAMAKOTI DHANDAPANI	FCS - 8610	CHENNAI
303	12199	MR. VIVEK HEGDE	ACS - 35336	BANGALORE
304	12200	MR. PANDI MANOHAR REDDY	ACS - 35524	HYDERABAD
305	12203	MR. MADHANKUMAR M	ACS - 31384	TIRUCHIRAPALLI
306	12205	MR. NITHYA PRABHU RAJAGOPAL	ACS - 29067	COIMBATORE

Sl. No.	LM NO.	NAME	MEMB NO.	CITY
307	12206	MS. KAMALA P T	ACS - 37569	BANGALORE
308	12208	MS. RAMYA V	ACS - 39721	CHENNAI
309	12209	MR. VINOD K	ACS - 44771	BANGALORE
310	12217	MR. GOVINDRAJ AKSHAY	ACS - 41957	BANGALORE
311	12221	MS. LAKSHMI JAYARAMAN	ACS - 19011	CHENNAI
312	12222	MR. MANIKIRAN RENDUCHINTALA	ACS - 45969	VIJAYAWADA
WIRC				
313	11771	MS. CHARANCHIT KAUR BAGGA	ACS - 36078	NAGPUR
314	11775	SH. JAYANTILAL RAGHUNATHRAM SUTHAR	FCS - 8779	VAPI
315	11781	MR. MILIND SURYAKANT RAO	ACS - 48012	NAGPUR
316	11782	MR. SHRIKANT SHARAD HUDDAR	ACS - 38910	NAGPUR
317	11783	MR. ANUP MANOHAR MATE	ACS - 43410	NAGPUR
318	11789	MR. SHYAMSINGH RANSINGH TOMAR	ACS - 36530	AHMEDABAD
319	11791	MR. AHSAN ALI HUSSAIN AJANI	ACS - 47596	NAGPUR
320	11793	MR. SHANTANU PRAMOD JOG	ACS - 27894	NAGPUR
321	11794	MS. DEEPIKA AGARWAL	ACS - 19588	PUNE
322	11795	MR. YASH DILIP KUMAR SHETH	ACS - 36328	AHMEDABAD
323	11796	MR. NILAY PRAVINCHANDRA MODI	ACS - 34839	AHMEDABAD
324	11801	MR. RAKESHKUMAR ASHOKKUMAR JAIN	ACS - 42389	MUMBAI
325	11803	MS. ANKITA DINESHKUMAR SONI	ACS - 45262	AHMEDABAD
326	11805	SH. RAHUL JAGANNATH JOSHI	ACS - 15782	MUMBAI
327	11806	MS. POOJA SHAH	ACS - 39708	AHMEDABAD
328	11808	SH. HITESH KUMAR JAIN	ACS - 24341	NAVI MUMBAI
329	11809	MR. ASHISH SONI	ACS - 46956	BHOPAL
330	11810	MR. SMIT SHAILESH SHAH	ACS - 35952	AHMEDABAD
331	11812	MR. VAIBHAV YASHWANTRAO JACHAK	FCS - 8821	NAGPUR
332	11813	MS. POOJA SMIT SHAH	ACS - 35945	AHMEDABAD
333	11816	MR. DHEERAJKUMAR PANNALAL TIWARI	ACS - 44510	LATUR
334	11818	MR. NITISH VINAYAK DHARAP	ACS - 41593	DOMBIVLI (W)
335	11821	MR. SAURABH BRIJRAJ SINGH	ACS - 44811	MUMBAI
336	11824	MR. JITENDRA KUMAR PRADEEPBHAI PARMAR	ACS - 41977	JUNAGADH
337	11826	MR. NIKUNJ DINESHBHAI KIRI	ACS - 30788	MUMBAI
338	11829	MS. SHEETAL GIRISH PANDYA	ACS - 26138	AHMEDABAD
339	11832	MR. AADITYA NANDKUMAR MAHADIK	ACS - 45219	MUMBAI
340	11834	MS. PAYAL VASANT MAKANI	ACS - 34657	AHMEDABAD
341	11838	MR. VIPUL AGAR	ACS - 40084	NEEMUCH DISTT
342	11840	MR. AMEYA VILAS MUNAGEKAR	ACS - 43337	PUNE
343	11843	MS. JINAL AJAYBHAI MEHTA	ACS - 48117	AHMEDABAD
344	11846	MS. RADHIKA GAJENDRA JHAROLLA	ACS - 36616	THANE
345	11847	MR. TARANG KISHOR KULKARNI	ACS - 41694	NASHIK
346	11854	MR. SHASHANK HASMUKH DAVE	ACS - 40198	MUMBAI
347	11862	MS. SUJATA GIRIDHAR PARAB	ACS - 48113	MUMBAI
348	11865	MR. YASHWANT PANDIT KAKADE	ACS - 36980	KALYAN (EAST)
349	11866	MS BINDU DARSHAN SHAH	ACS - 20066	MUMBAI
350	11868	MR. ADITYA SONI	ACS - 45810	THANE
351	11870	MR. YOGESH JAYRAM KOHINKAR	ACS - 30891	PUNE DISTT
352	11872	MS. REHANA KAMILAHMED KHAN	ACS - 34833	THANE
353	11882	MS. DHARMISTHA AJAYABSING NOKWAL	ACS - 42401	GANDHINAGAR
354	11883	MR. AMIT BANKATLALJI MUNDADA	ACS - 34537	NAGPUR
355	11885	MR. NITESH BHAGVANJI RAMANI	ACS - 35762	JAMNAGAR
356	11890	MS. RUCHIKA RUSHIK SHAH	ACS - 29160	MUMBAI
357	11893	MR. ABHAY VASANT KULKARNI	ACS - 27956	KOLHAPUR

Sl. No.	LM No.	NAME	MEMB NO.	CITY	Sl. No.	LM No.	NAME	MEMB NO.	CITY
358	11897	MR. SHETTY SADHU JAGANNATH	ACS - 37329	MUMBAI	411	12066	MS. DAISY BHUPENDRABHAI SHAH	ACS - 15676	AHMEDABAD
359	11898	MR. SUNIL KUMAR PATEL	ACS - 34445	INDORE	412	12068	MR. NARESHKUMAR NATAVARLAL PRAJAPATI	ACS - 27879	BHARUCH
360	11909	SH. S S K SASTRY GARIMELLA	ACS - 23023	MUMBAI	413	12069	MR. SONU VERMA	ACS - 45239	INDORE
361	11910	MR. GANESH SAMPAT BHANDURE	ACS - 47958	NASHIK	414	12073	MR. PAVAN NANDKISHOR ZAVAR	ACS - 32690	PUNE
362	11916	MR. NIKUNJ VASANT PATEL	ACS - 48105	VISNAGAR	415	12074	SH. MANISH GHIYA	FCS - 6413	MUMBAI
363	11918	SH. KALPESH NATVARLAL SHAH	ACS - 14193	AHMEDABAD	416	12084	MR. VIKASKUMAR R JALAN	ACS - 45742	SURAT
364	11924	MR. NIKHIL MADHUKAR SAWANT	ACS - 37819	PUNE	417	12086	MR. AMIT NAMDEV PATIL	ACS - 41406	KOLHAPUR
365	11926	MS. RUCHI MANGILAL JAIN	ACS - 43370	BHAYANDER	418	12092	MS. VINALA KESWANI	ACS - 35875	PUNE
366	11931	MR. RAJ KISHORBHAI KANANI	ACS - 47032	JAM-KHAMBHALIA	419	12095	MR. JITENDRA MADHUKAR BHAMARE	ACS - 33073	NASHIK
367	11933	MR. SUMIT JAITELY	ACS - 29954	INDORE	420	12098	MS. BHAVINI KENIL GANDHI	ACS - 46849	MUMBAI
368	11935	MR. AMAR ANANDRAO PATIL	ACS - 45835	KOLHAPUR	421	12099	MS. POOJA RAUNAK ANAND	ACS - 47112	MUMBAI
369	11938	MS. VAISHALI RISHABH UPADHYAY	ACS - 45291	VADODARA	422	12100	SH. VINAY BAPORIKAR	FCS - 3012	THANE (W)
370	11939	MS. JYOTI NARAYAN KHOLIA	ACS - 33237	MUMBAI	423	12105	MR. MOHIT KUMAR JHA	ACS - 36711	PUNE
371	11943	MR. GOKULANANDA SAHU	ACS - 43068	MUMBAI	424	12110	MR. SIDDHARTH RAJESH JAIN	ACS - 32823	MUMBAI
372	11945	MR. DEVDUTTA DILIP KHIRE	ACS - 30048	SATARA	425	12111	MS. VAISHALI VIMALKUMAR PUNJABI	ACS - 48695	SURAT
373	11946	MS. MASTER TARNNUM AKHTARHUSEN	ACS - 43640	VADODARA	426	12112	MR. RAVI JAYESH KUMAR DAXINI	ACS - 42070	SURENDRANAGAR
374	11948	MS. REGAL RAMANLAL PATEL	ACS - 31511	MUMBAI	427	12113	SH. DAMODAR H SEJPAL	FCS - 7535	AHMEDABAD
375	11952	SH. NISHANT JAWASA	FCS - 6557	MUMBAI	428	12114	MR. RAVINDRA SUNIL CHAVAN	ACS - 30984	PANAJI
376	11958	MS. PRIYA GANDHI	ACS - 45561	RAJNANDGAON	429	12119	SH. RAKESH BAPNA	ACS - 15932	NERUL, NAVI MUMBAI
377	11961	MRS. SWATI BOCHGERI MANISH PAWAR	ACS - 23016	PUNE	430	12121	MR. SHASHIKANT SHARMA	ACS - 35843	PUNE
378	11966	MS. SOWMYA SURESH PRABHU	ACS - 41322	MUMBAI	431	12124	SH. S S BHATTBHATT	FCS - 1347	VADODARA
379	11969	MR. LALIT KUMAR GUPTA	ACS - 46871	NAVI MUMBAI	432	12127	MR. ROHIT RAVIKIRAN KULKARNI	ACS - 33568	PUNE
380	11970	MS. NEHA DWIVEDI	ACS - 47381	NEEMUCH	433	12130	MR. JIMIT BABULAL PRAJAPATI	ACS - 38179	THANE
381	11971	MR. SAMIR JAYESHBHAI MEHTA	ACS - 42362	JAMNAGAR	434	12132	MR. SAURAV BIBEK SEN	ACS - 28682	NAGPUR
382	11977	MS. MEENU MAHESHWARI	FCS - 7087	AHMEDABAD	435	12134	MR. VIPIN KUMAR CHHAWCHHRIYA	ACS - 39361	INDORE
383	11983	MS. CHETNA MEHUL VASANI	ACS - 31992	MUMBAI	436	12135	MR. JEETKUMAR BHAVESHBHAI RAYCHURA	ACS - 35733	RAJKOT
384	11984	SH. BHAVESH P JINGAR	ACS - 28011	VADODARA	437	12136	MR. MEETESH GIRISHBHAI SHIROYA	ACS - 46699	RAJKOT
385	11986	MR. PARITOSH SANJAY JAIN	ACS - 44448	MUMBAI	438	12142	MS. HRUCHA MILIND DHAMDHERE	ACS - 46601	PUNE
386	11990	SH. MAYANK KUMAR SURENDRAKUMAR JOSHI	ACS - 26685	VADODARA	439	12148	MR. VIPIN TYAGI	ACS - 35345	AHMEDABAD
387	11993	MR. ASHAV DESAI	ACS - 44271	NAVSARI	440	12155	MR. RAKESH KAILAS GAIKWAD	ACS - 36264	NASHIK
388	11997	MR. MANDAR CHINTAMAN JOSHI	ACS - 40533	PUNE	441	12157	SH. SHAILESH NAGINDAS DHOLAKIA	ACS - 14316	MUMBAI
389	12005	MR. KUSH KESHRI	ACS - 30300	MUMBAI	442	12159	MR. SAURABH NAVINCHANDRA VYAS	ACS - 42684	KALOL
390	12009	MR. ASHISHKUMAR GOVINDLAL SHAH	ACS - 29017	AHMEDABAD	443	12161	MR. VISHANT NARAYAN SHETTY	ACS - 38378	THANE
391	12011	MS. MITTAL RUPAREL	ACS - 23418	THANE	444	12167	MS. AWANI KOTHARI	ACS - 42004	INDORE
392	12012	MR. CHINTAN NARESHKUMAR AMLANI	ACS - 39828	PORBANDAR	445	12176	MR. SAMBHAV SHRIVASTAVA	ACS - 45263	RAIPUR
393	12013	MR. VIKAS PURUSHOTTAM TAREKAR	ACS - 31670	MUMBAI	446	12177	MR. MAYANK VERMA	ACS - 47681	INDORE
394	12014	MR. ABHISHEK DEEPAK BUDDHADEV	ACS - 40267	MUMBAI	447	12182	MRS. PRACHI PATHIK SHAH	ACS - 30841	VADODARA
395	12015	MS. VANMALI SHANKAR POOJARI	ACS - 31931	THANE	448	12183	MR. SUMEET SADANAND MORE	ACS - 48681	MUMBAI
396	12016	MR. ASEEM MAHAJAN	ACS - 40716	INDORE	449	12184	MR. GAJENDRA SINGH SOLANKI	ACS - 33079	INDORE
397	12017	MR. PRATIK KIRIT PUJARA	ACS - 34442	THANE	450	12187	MS. SNEHA SHIVAJI SURYAVANSHI	ACS - 30218	MUMBAI
398	12021	MR. PATEL UTTAMBHAI NARAYANBHAI	ACS - 42878	ARODA	451	12194	MS. SHREYA GANDHI	ACS - 39135	JAWAD
399	12024	MR. RAVAL SOHAM BIPINCHANDRA	ACS - 34154	AHMEDABAD	452	12201	SH RAJESH SEN	FCS - 7689	INDORE
400	12029	SH. BRIJ MOHAN MAHESHWARI	FCS - 3884	INDORE	453	12202	MS. KHUSHBOO KOTHARI	ACS - 33720	INDORE
401	12030	MR. JAYESH PANDYAA	ACS - 30514	INDORE	454	12207	MS. SWATI MITTAL	FCS - 7315	INDORE
402	12034	MR. MANDAR DEEPAK SARDESAI	ACS - 24412	PUNE	455	12212	SH. PRAKASH LALCHAND SAJNANI	FCS - 6242	AHMEDABAD
403	12035	SH. MANOJ R KOHOK	ACS - 13108	PUNE	456	12215	SH. JAYARAMA UMESH POOJARI	FCS - 8102	MUMBAI
404	12045	MR. SIDDHARTH SHARMA	ACS - 33578		457	12216	MR. PATEL HARSHAD NARSINHBHAI	ACS - 44439	MUMBAI
405	12046	MS. NEHA RAMESH BORKAR	ACS - 41891	MUMBAI	458	12219	SH. VINAY DATTARAM ANGANE	ACS - 20937	MUMBAI
406	12049	MR. NILESH ANIL SHINDE	ACS - 42732	KOLHAPUR	459	12223	MS. BHARTI SONI	ACS - 10245	MUMBAI
407	12052	MS. URVI BHADRESH ZAVERI	ACS - 28055	SURAT	460	12230	MR. SHAH PARSHWA BHAVIKBHAI	ACS - 45284	AHMEDABAD
408	12057	SH. SACHIN GAJANAN BIDKAR	ACS - 27380	KOLHAPUR DISTT	461	12231	MS. PANKTI KASHYAP THAKKAR	ACS - 48258	AHMEDABAD
409	12061	MS. SUNITA MALLURAM PATEL	ACS - 26681	MUMBAI	462	12232	MS. JASMIN JAYKUMAR DOSHI	ACS - 36029	AHMEDABAD
410	12062	MR. KUNJAL SAWAN DESAI	ACS - 40809	VALSAD					




NEWS FROM THE REGIONS


EASTERN INDIA REGIONAL COUNCIL

Programme	QR Code/Weblink
Discussion Meeting on "Company Secretary – A Good KMP" on 3rd Jaanuary, 2017 at ICSI-EIRC, Kolkata.	https://www.icsi.edu/eiro/Archive.aspx 
Half Day Workshop on "Corporate Law Compliance" and "Role of CS In Present Era" on 5th January, 2017 at Siliguri.	
Half Day Workshop on "What Great Managers Do Differently" on 6th January, 2017 at The Park, Kolkata.	
HR Conclave on 6th January, 2017 at The Park Kolkata.	
Half Day Workshop on "Merger & Amalgamation, LLP, Charge Management and SS1 & SS2" on Saturday, 7th January, 2017 at ICSI EIRC House, Kolkata	
Half Day Workshop on "CSR" on Saturday 7th January, 2017 at CMA Bhawan, Kolkata.	
Campus Placement on 9th January, 2017 at ICSI-EIRC, House Kolkata.	
Full Day Seminar on "Company Secretary – The Road Ahead" on Saturday, 14th January, 2017 at The Park, Kolkata	
"Uday Diwas" celebration at Rajarhat Kolkata on 15th January, 2017.	
Full Day Workshop on GST Monday, 16th January, 2017 At ICSI-EIRC House, Kolkata.	
68th Republic Day Celebrations at ICSI-EIRC	

HOOGLHY CHAPTER

Programme	QR Code/Weblink
3rd Annual Members' Conference on "Manthan, Sanghathan & Paribartan" held at the Chapter premises on 8.1.2017	https://www.icsi.edu/hooghly/Home/NewsEventsandAnnouncements.aspx 
Study Circle Meeting held on 15.1.2017 on "Startup India and Role of Professionals", "CSR and Provisions Thereof" and on "Unity in Diversity Rewind CA – 2013" – From January 2016 incl. All Amendments".	
Republic day Celebration on 26.1.2017 at the Chapter premises.	


NORTHERN INDIA REGIONAL COUNCIL

Programme	QR Code/Weblink
Celebration of Uday Diwas by plantation of saplings held on 1.1.2017	http://www.icsi.edu/Portals/70/News%20from%20nirc2017.pdf 
Two Days PCS Induction Program held on 3 and 4.1.2017	
PCS Helpline – Incorporation of Companies held on 4.1.2017	
2nd ICSI - NIRC Convocation-2016 (1st Session) held on 6.1.2017	
2nd ICSI - NIRC Convocation-2016 (2nd Session) held on 6.1.2017	
Workshop on Merger and Amalgamation held on 7.1.2017	
Annual New Year get-together of Members held on 8.1.2017	
Campus Placement for Trainees held on 9.1.2017	
Master Classes on Insolvency and Bankruptcy Code-2016 held from 9 – 13.1.2017	
Sensitization Workshop on CSR – A Road Ahead jointly with Ministry of Corporate Affairs, Government of India held on 11.1.2017	
HR Conclave on Changing Role of HR and Company Secretary held on 11.1.2017	
Seminar on Rise-n Shine-Keeping Pace in the Marathon of Life held on 14.1.2017	
Study Session on Wealth Management by investing in Financial Markets held on 16.1.2017	
Campus Placement for Fresher's held on 17.1.2017	
PCS Helpline on Technical Issues relating to E-filing held on 18.1.2017	
Inauguration of Digitized Library of NIRC held on 18.12017	
Celebration of 68th Republic Day & Flag Hoisting held on 26.1.2017	



LUDHIANA CHAPTER

Programme	QR Code/Weblink
Half day Seminar on "Related Party Transactions under Companies Act, 2013 & GST: Provisions & its Implications" held on 17.1.2017	http://www.icsi.edu/Portals/12/Seminar_Report_17Jan.17.pdf 





SOUTHERN INDIA REGIONAL COUNCIL

Programme	QR Code/Weblink
Half Day seminar on "Updates on Companies Act 2013" held on 21.1.2017 at ICSI-SIRC House, Chennai.	https://www.icsi.edu/WebModules/SIRC_PROCEEDING_FOR21012017AND26012017.pdf 
26th January 2017 – Celebration of 68th Republic day by hoisting the National Flag at ICSI-SIRC House, Chennai.	

AMRAVATI CHAPTER

Programme	QR Code/Weblink
1st Foundation Day Celebrations of ICSI-Amaravati Chapter held on 12.1.2017	http://www.icsi.edu/portals/153/FD12012017.pdf 
National Seminar on "GST & IBC- Culmination of Governance for Sustainable Tax Regime and Invigorating Balance in Corporate held on 12.1.2017	http://www.icsi.edu/portals/153/NS12012017.pdf 


BENGALURU CHAPTER

Programme	QR Code/Weblink
Study Circle Meetings	http://bit.ly/1ThrYjR 
Joint Programmes	http://bit.ly/2ijqee9 
Inauguration of CS Acceleration Centre	http://bit.ly/2gl830C 
Chapter Activity Report - December 2016	http://bit.ly/2ifYxaU 



CALICUT CHAPTER

Programme	QR Code/Weblink
Half-day Professional Development Programme on "Overview on Goods and Services Tax" held on 28.1.2017.	NA

MYSORE CHAPTER


Programme	QR Code/Weblink
Session on FEMA & Interaction Session with Chairman SIRC	http://www.icsi.edu/mysore/ChapterActivities/SeminarPDP.aspx 

SALEM CHAPTER



Programme	QR Code/Weblink
Study Circle Meeting on Insolvency & Bankruptcy Code, 2016	http://www.icsi.edu/salem/Activities/StudyCircleMeetGroupDiscussion.aspx 
Seminar on Boards Report & Disclosures	http://www.icsi.edu/salem/Activities/SeminarPDPs.aspx 

WESTERN INDIA REGIONAL COUNCIL

BHAYANDER CHAPTER

Programme	QR Code/Weblink
Full day Seminar on 08.01.2017	https://www.icsi.edu/bhayander/Home.aspx 

PUNE CHAPTER

Programme	QR Code/Weblink
Study Circle Meeting on "Corporate Governance Issues In Tata Mistry Dispute" Held On 21.01.2017	http://www.icsi.edu/portals/32/Chartered_Secretary_21_01_17_to_31_01_17.pdf 
A Full Day Workshop On "Reforms In Labour Laws And Procedure For M&A's Under The Companies Act, 2013" Held On 28.01.2017	
Study Circle Meeting On "All About Registration Of Charges With Stamp Duty Implications" Held On 28.01.2017	http://www.icsi.edu/portals/32/Chartered_Secretary_01_01_17_to_10_01_17.pdf 
ICSI - NSE Joint Workshop on "Secretarial Audit" held on 06.01.2017	

THANE CHAPTER

Programme	QR Code/Weblink
ICSI- BSE Joint Seminar on Compliances under LODR and Secretarial Audit held on 7.1.2017	NA

6

MISCELLANEOUS CORNER



- ETHICS & SUSTAINABILITY CORNER
- EXPOSURE DRAFT ON PROPOSED NEW SYLLABUS FOR FOUNDATION PROGRAMME OF CS COURSE
- GST CORNER
- CG CORNER

OVERCOMING ETHICAL DEPLETION THROUGH SPIRITUALITY

Contributed by Brahma Kumaris, Om Shanti Retreat Centre, Gurugram

Since the past few months, we are noticing a huge change in Indian economy which is in buzz not just in the nation but also all around the world. Demonetization, followed by introduction of new currency was a major step in removing the black money from the face of the country. Since years, or may be decades, the black market was growing strong. It was in the knowledge of all but in the control of none. Government, media, market, people-everyone was aware and affected by it but was empty handed when it came to solution. In one blow, the old aged- black face of the economy was hit hard by the current government with a sudden announcement of demonetization with immediate effect. It left everyone in awe and wonder and dumbstruck for a moment. Later, there was a tsunami of comments and reactions on the bold step taken. With majority of people appreciating the revolution, others not knowing what will happen next, few criticizing on the account of foreseen challenges, few prophesying failure of the move, few hoping that the news turns out to be a bad dream and that the scene can be shift-deleted from the face of time and all will be well soon, and many worried about what to do of the overmuch so-called Lakshmi which rather than becoming a boon is turning out to be curse for them. And then began the melodrama wherein it became a steaming topic for discussion on the television, in the news, on air, in the social media, in the college canteen, wherever there was any small or big gatherings and in every household. With so-much hue and cry about the economical reform, there never were the weekends so busy; never was the queue in front of the banks and ATMs so long; never were the relatives so near and dear (that people were transferring the manageable amounts in their accounts); never did we feel so lucky and blessed to have coins and smaller denominations in the pocket or wallet; never did the immandar aam admi sleep so carefree; never was the green and peach such a disliked color and pink so much in demand. 31 December 2016 was not just an end to the past year and marking the change of the calendar; but also seemed to be an end to an era of corruption and black face of the economy, bringing the rich and the poor closer to the same level. But wait...

Do we really mean it?! Can it really be assured?? Is it truly a sure-shot solution??

We may say that this measure has somewhat helped India fight the kala- dhan but the root of the problem is actually somewhere else... People may still find out ways soon to develop some or the other corrupt practices and if we do not take a measure urgently, the evil of corruption would soon flourish either monetarily or otherwise as some corrupt practices. This is because people adapt to corrupt means as a result of their corrupt thinking and belief systems which has given room to dishonesty, lack of integrity, greed etc. Hence, the problem is not the kala- dhan, but the kala- mann, or a mind with a depleted level of ethics. Through various similar measures, we can curb the dishonest practices for a short while but cannot instill honesty in the minds of people. Just as a pin-point of infection in the body eventually grows to become a full-fledged disease, this infection of corruption in the minds of the people may ultimately lead to the birth of the whole dynasty of evil practices. Moreover, corruption, dishonestly and greed are

only a few of the evils that we face in the present scenario. There are several other challenges that the global face of humanity is encountering, be it- crime of lust in the form of eve-teasing, sexual abuse and assaults on women of all age groups, domestic violence; or crime of anger and non-tolerance in the form of violence, murders, communal disharmony, riots; crime of attachment in the form of favoritism, social prejudices or crime of ego in terms of misuse of authority and power. This has led to total depletion of ethics over the globe in all dimensions and at all levels- personal, families, social, organizational and humanitarian. And until we find out a solution to transform the corrupt and unethical attitude and thinking permanently, there cannot be complete peace, prosperity, happiness, harmony, security, sovereignty and freedom in the world. Thus to overcome these problems permanently and uproot the vices (which are the cause of such a behavior) we have to provide an antidote to these vices, that is, re-programme the minds of people to infuse ethical instincts.

But to find the actual and most effective antidote, let us first analyze the root of ethical depletion:

Depletion or decay of anything with the passing of time, is a law of nature, whether be it matter or energy. We can see for ourselves that the state of world is that of continuous decay. It may seem at some point of time that the technical- medical-nuclear- political advancement is to reverse the process of decay; but just as each coin has two-sides, each of the advancements paves a path to a new issue. Let us take a sample of the past 100 years of the history of mankind. In the past century, there have been a lot of 'advancements' and 'reforms' but when we compare the present state of human mind and life and the world at large, we find that it was much better at the time of our forefathers and even better at the time of their forefathers. As comfort and facilities have grown in leaps and bounds, the usage of these facilities has taken the form of exploitation and dependence creating a black hole of desires which never seems to replenish. Moreover, with the fast pace of the today's life when everything can happen in a blink of an eye, there is no time to even think before saying or doing anything or even the patience to wait and analyze the consequences of the actions performed.

Just as a decaying fruit implies that it was once fresh, such a decaying state of the world denotes that there must have been a perfect state sometime. So if the world has become debased, it means it only a deviation from a perfect world, which is also remembered in all ancient scriptures and folklores. It is believed that God created Man in his own image. God being a perfectionist possessing virtues of a superlative degree must have created a pure and perfect world with the Man and Nature being in their perfect and purest form. Going in the flash back, a few thousand years ago- such a world existed and is referred to as the 'Golden Age', 'Swarg', 'Paradise', 'Heaven on Earth', 'Bahisht' etc. This was the world where every individual was in the soul-conscious stage. Natural resources were abundant, pure and co-operative to the mankind and same co-operation was extended by the people towards fellow beings, animals and nature. This was because the soul was in its purest form, full of divine virtues like

love, happiness, peace, knowledge, bliss, purity and power. There was no trace of sorrow or disease and there was no question of insecurity as all the resources were ample and hence this world was a world of complete prosperity. This was the era where corruption, competition, jealousy, anger, hatred, lust and other vices had no place in the society because there was no place for them in the minds of the people. Similar was the 'Silver Age' where although with the passing of time, the quality of matter and energy had begun to decrease, but the soul was free of vices and hence prosperity continued.

These two ages were like the morning and afternoon of the world when the soul was in its 'awakened', soul-conscious stage. But as time passes, afternoon turns into evening. When referring to the evening of the world drama, this was the time and stage referred to as 'Copper Age', when the energy of the soul dropped to a certain level where the human minds entered into the darkness of body-consciousness (tam) due to aged long association with body and bodily beings. Then, instead of experiencing the inner treasures of the soul, they began to search for peace, love, happiness, knowledge, power...etc through bodily beings or materials. With this, began the feeling of hollowness within (while all the treasures lay locked up right inside), exploitation of natural resources and exploitation of each other on the basis of cast, culture, wealth etc. for fulfilling our worldly desires. Thus the vices of lust, anger, greed, attachment and ego had made entry into the minds of the people and so the actions began to be unethical or in other terms- 'corrupt' (here here, by corruption, we do not merely mean practices due to dishonesty, but practices due to loss of sanctity of the human soul). Since the soul was not completely exhausted of its original virtues; there were also percentages of love, humility, co-operation and honesty in the minds of people, but instead of them being for the entire society, these remained confined to only for their near and dear ones. And so came a shift from the feeling of 'Vasudhev Kutumbham' (entire world is one family) to selfishness.

Slowly when the depletion continued for few more years, the percentage of the original divine virtues began to fall and fall and the percentage of vices kept on increasing. This has led to a world where we are living today, a world of complete darkness or tam, where although we have heard, read and known that we are not just this body made up of 5 elements but a spiritual entity, still we have completely lost touch with our original identity and fail to experience it or bring it into consciousness while thinking, speaking or performing any action. Every mind is full of lust, anger, hatred, jealousy and this is evident from the deeds happening in the world. This is the 'Iron Age', denoted as the night of the world drama, where mankind is blindly running for the fulfillment of its desires whether be it on at the cost of nature, its own values, someone else's happiness or the future of the coming generations. The vices like greed and lust have made its roots so deep into the minds of people that they end up doing malpractices, leading to non-uniform distribution of wealth and resources and an unsafe, dishonest and unethical society. Thus, even though the resources are not that scarce to serve every individual's need but only because of their unequal distribution and exploitation, these are unavailable to a huge part of the society. People are so much intoxicated by the vices that they feel they are necessary.

It is mentioned in Gita – 'atma swyam ka mitra bhi hai aur

swyam ka shatru bhi', meaning- that our greatest enemy is our own sense of desires, lust, anger, greed, ego and attachment which was created by our obsession of body consciousness and that have led to actions which have in turn depleted the ethical base on which the spiritual instincts thrive, leading to spiritual devastation of the human and the world. So, when all these evils reach their zenith as mankind failed to end them up or keep a check on them, it goes beyond the control of the human tendencies which created them. At this critical point, these forces of evil and vices having destruction tendencies which have been destroying the human instincts since they were created, gradually take a dreadful- self destructive global form and due to their destructive nature start destroying the every cause of their existence- their creator.

Many reforms and measures are being taken by the Government and social organizations but they have failed to fill in the huge gaps of society. This is because, as a diseased tree cannot be cured by cutting off the branches unless the roots are cured; similarly, the societal problems cannot be put to an end unless the minds are freed from the influence of vices. People are worried about the future of the world. But little do they realize that it all started by humans, through humans and has created craters on human mind which now have to be filled with spiritual awakening and ethical reformation reforms. No wonder, the same scriptures that exemplify the initial perfect creation of God, warned us of the upcoming degradation of ethics, talk about the final stage and fate of the world, also mention about its restoration which is as definite as other phenomena. It is of utmost importance and relevance for mankind to realize that instead of blaming others for the present state of the world and waiting for or demanding others to bring about a positive change, we need to show concern for self change, and now is the time to initiate it because, the gravity of the problems are indicative that the point of explosion will reach very soon.

Let us all, therefore, know that our first responsibility is for self change and freedom from vices, for this is from where world transformation starts. Since it was the depletion of our energy and values, the lack of inner peace, happiness, purity, love ... that had forced us to search them outside and eventually fall into the trap of vices. So only when we get a means to overcome our ever growing depletion of values, will we be able to get away from the clutches of vices. Hence, arises the need for Spiritual Awakening.

Spiritual Awakening or Spirituality is the process of regaining our soul-conscious stage. It begins with the knowledge and realization of being a pure energy full of virtues which is the driving force in this body. The more and more we realize ourselves as this spiritual energy i.e. soul, we open channels to let the original essence of the soul freely flow into our thinking, behavior and actions. Moreover, a little practice of spirituality through Rajyoga Meditation also makes God, the ever-pure, the ocean of knowledge, peace, love, happiness, bliss and power, easily accessible to us as our Supreme Father, Supreme Mother, Supreme Teacher, Best Friend and World Preceptor. When we refill ourselves by these virtues from the Supreme and start experiencing these virtues ourselves, in our normal life, the base of ethical behavior strengthens and their vibrations can be spread easily into the world, leading to its transformation from 'Iron Age' to 'Golden Age' once again.



January 20, 2017

**EXPOSURE DRAFT
ON
PROPOSED NEW SYLLABUS
FOR FOUNDATION PROGRAMME
OF
THE COMPANY SECRETARYSHIP COURSE**

The revision of syllabus is a continuous process towards capacity building, knowledge grinding and skills development of the students. The evolving corporate (paradigm and regulatory consequent reforms) and the advancement in technology necessitated the revision of syllabus to make it contemporary. It was in this backdrop that the Council of the Institute constituted Syllabus Review Board to evaluate the existing syllabus from the perspective of expectations of the corporate, regulators and other stakeholders and redraw the syllabus to make it more robust, and focused to bring it at par with the emerging trends in professional education. Before formulating the syllabus, the Board sought and considered the views and suggestions from Regional Councils, Chapters, and Oral Tuition faculty and subject experts and formulated the draft syllabus which was considered by the Council of the ICSI. The Council approved in principle the syllabus for Foundation Programme and decided to publish it as Exposure Draft soliciting views and suggestions from members, students and all other stakeholders. The Exposure Draft is available on the website of the Institute www.icsi.edu.

We request members, students, academics institutions, industry organisation and all other stakeholders to send their views, comments and suggestions on the Proposed New Syllabus for Foundation Programme of the Company Secretaryship Course on or before February 20, 2017 to Director, Professional Development, Perspective Planning & Studies at srb@icsi.edu

CS Dinesh C. Arora

Secretary

The Institute of Company Secretaries of India

DETAILED COURSE CONTENTS UNDER NEW SYLLABUS

**EXPOSURE DRAFT
NEW SYLLABUS (2017)
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)

1. 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

2. 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

3. Organizing

Concept, Features, Importance, Limitations; Organising process; Types of Organisation; Structure of Organisation; Centralisation and De-Centralisation; Delegation; Growth in Organisation

4. 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

5. 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

6. 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

7. Recent Trends in Management

Change Management; Crisis Management; Total Quality Management; Risk Management; Global Practices

PART B: BUSINESS ETHICS (10 MARKS)

8. Business Ethics

Overview of Ethics in Business; Elements; Ethical principles in Business- Indian and Ancient Indian Perspective

PART C: BUSINESS COMMUNICATION (25 MARKS)

9. 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

10. 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

11. 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

12. Interdepartmental Communication

Internal memos; messages through Electronic Media; Public Notices and Invitations; Representations to Trade Associations, Chambers of Commerce and Public Authorities

13. 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)

14. Entrepreneurship

Four Key elements of Entrepreneurship; Traits of an

Entrepreneur; Characteristics of an Entrepreneur; Who is an Entrepreneur; Why Entrepreneurship; Types of Entrepreneur

15. 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

16. 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

17. 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

18. 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 Behavior

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 Determination under 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

GST UPDATES

- The Eighth meeting of GST Council headed by the Finance Minister Arun Jaitley was held on January 3-4, 2017. GST Council met the representatives of six crucial sectors, including IT, telecom, banking and insurance to assess the implementation hurdles under GST regime
The council was of the following view and reached agreement on various issues, i.e.,
 - Broadly finalised the contours of proposed law
 - Most provisions of IGST were finalised
 - April rollout seemed difficult
 - Contentious issue of dual control was unresolved
 - Compensation demand of States was raised from Rs. 55000 crore to Rs 90000 crore owing to demonetisation effect
 - Coastal states raised issue over taxation rights over high seas
 - The legal drafts of the draft laws with gaps were agreed to be sent for legal vetting
- The Ninth meeting of GST Council was held on January 16, 2017 which inter alia, decided on following issues:
 - On the issue of dual control:
 - 90 per cent of assesseees with a GST turnover of Rs. 1.5 crore or less will be assessed, for the purposes of scrutiny and audit, by the States and 10 per cent by the Centre
 - Those above a turnover of Rs. 1.5 crore would be assessed in the ratio of 50:50 between the Centre and the States
 - It was considered that while the power to levy and collect IGST will lie with the Central Government, a special provision would cross-empower the States in the same ratio agreed upon for tax assesseees
 - On the issue of area of 12 nautical miles into the territorial waters, it was agreed that though it's a part of the Centre's territory, but as per convention, the States will be empowered to collect tax on any economic activity in such area
 - This consensus will be incorporated into the draft legislation, following which all the four draft laws — the Central GST, State GST, Inter-state GST, and the Compensation Law — would have to be tabled for approval before the GST Council during its next meeting on February 18,2017
 - Subsequently, the laws would have to be tabled for approval in the legislative bodies of the Centre and the States
- The GST Council decided to meet on February 18,2017 to approve of the drafts of IGST law and other supporting legislations needs in its tenth meeting
- Commerce and Industry Ministry has sought tax concessions for leather, plantation and service export sectors like tourism, health and hospitality besides products moving between SEZs in the proposed GST
- In a major relief to exporters, the Government has agreed to refund as much as 90% of their duty claims just within a week under the new GST regime while the remaining 10% will be subject to verification of the revenue department

GST IN NEWS

- ICRA has assessed that Maharashtra, Tamil Nadu, Karnataka, West Bengal and Gujarat are likely to gain significantly in service tax revenues under the GST regime
- Renewable energy tariffs could rise by up to 50 paise a unit

- under GST as the capital expenditure for the renewable energy sector could rise by 10-12 percent in the GST regime
- The power ministry has pitched for a 'deemed export' status or alternatively, for a 'zero-rated' status
- The textile and clothing sector has sought the lowest duty slab of 5% without exemptions for any segment of the value chain
- The Rs. 36,000-crore Indian biscuit industry has demanded complete waiver of GST on Low Price-High Nutrition (LPHN) biscuits priced under a maximum retail price of Rs. 100 a kg
- GST delayed, rollout now likely from July,2017
- Migration from Value Added Tax to GST begins in Karnataka
- Commerce Ministry seeks GST exemptions for Leather, Cement and Service Exports
- Relief for exporters, Narendra Modi Government says refunds to be given within 7 days
- GST receipt estimates not to be part of next Financial Year's budget estimates but a part of revised estimates
- Over 2 lakh businesses enrol for GST in Madhya Pradesh
- GST rate: Polyester makers seek higher imposts
- GST Network extends taxpayer enrolment date to end of month
- Government guarantee for GSTN's Rs 550-Crore loan from IDFC
- Power Ministry seeks relief for renewable energy from GST impact
- GST may hike Clean Energy costs; Power Ministry pushes for exemptions
- Exemption on life-saving drugs sought from GST

GST IN UNION BUDGET 2017

- No clear cut road map laid in terms of time line but implementation reassured
- Acknowledges Constitutional Amendment unanimously
- Acknowledges State Government's role in resolving issues in GSTC
- 9 meetings of GSTC till date
- Preparation of IT System for GST on schedule
- Reach out efforts for trade and industry to make them aware about GST to start from 1st April 2017
- CBEC for implementation of GST as per schedule without compromising on spirit of co-operation federations
- GST likely to bring more taxes to Centre and States because widening of tax base
- Not many changes in current central Excise and Service Tax regime as these will be replaced soon by GST.

List of GST Returns/Statements to be furnished by Tax Return Preparers

Form GST-TRP-1	Application for enrolment as Tax return preparer
Form GST-TRP-2	Enrolment certificate as Tax return preparer
Form GST-TRP-3	Show cause to as Tax return preparer
Form GST-TRP-4	Order of cancelling enrolment as Tax return preparer
Form GST-TRP-5	List of Tax return preparers
Form GST-TRP-6	Consent of taxable person to Tax return preparer
Form GST-TRP-7	Withdrawal of authorization to tax return preparer

Developments – January 2017

(New Governance Code comes into force in the Philippines)

The Philippines Securities and Exchange Commission (Philippines SEC) and the World Bank's International Finance Corporation have announced a new governance code for publicly listed companies in the country. The Code came into force at the start of 2017 and it aims to improve company competitiveness and attract foreign investment. It also plans to improve the functioning of boards, strengthen shareholder protection and promote full disclosure in financial and non-financial reporting.

The Code adopts a 'comply or explain' approach that combines voluntary compliance with mandatory disclosure to address 'perceived overregulation' of the Philippines SEC. All publicly listed companies are now required to submit a new manual on corporate governance to the Philippines SEC on or before May 31, 2017.

IFC noted that companies do not have to fully comply with the code but they must state in their annual corporate governance reports whether they comply with the code provisions, identify any area of non-compliance, and explain the reasons for non-compliance.

The code revision is part of IFC and the SEC's partnership to enhance the country's regulatory framework and investment climate.

According to IFC, numerous studies report that investors have greater confidence in companies with good governance and in markets that are backed by sound legal and regulatory regimes. IFC's support for the development of a corporate governance code in the Philippines is part of its efforts to promote effective corporate governance in partnership with the State Secretariat for Economic Affairs of Switzerland.

The Revised Code is available at <http://www.sec.gov.ph/corporate-governance/revised-code-of-corporate-governance/>

TWSE issues new corporate governance evaluation standards, TAIPEI, Taiwan

The Taiwan Stock Exchange (TWSE) has announced that a newly-revised 2017 Corporate Governance Evaluation would take effect for Jan. 1, 2017 to Dec. 31, 2017, with the evaluation results to be released by the end of April 2018.

On January 7, 2003, Taiwan's Executive Yuan established the "Corporate Governance Reform Task Force" as well

as proposed the "Policy Framework and Action Plan for Strengthening Corporate Governance". Since then, the government and private organizations have been actively promoting various policies to enhance corporate governance.

To respond to the rapid development of corporate governance reform in neighboring countries, accelerate the implementation of corporate governance among Taiwan-listed companies, assist companies with sound development, and boost market confidence, the Financial Supervisory Commission (FSC) launched the 5-year "Corporate Governance Roadmap" in December 2013. The evaluation began in 2014.

To continue to build corporate governance core values among listed companies and further improve the overall evaluation, six new indicators are added and ten are removed in 2017.

The indicators amended or added for 2017 includes-

- honestly disclosing opinions or resolutions of major proposals by independent directors or the audit committee in annual reports,
- setting up functional committees other than statutory requirements,
- disclosing the implementation of the board diversity policy in annual reports and on the company website
- disclosing examination criteria and procedures for nomination in supervisors elections
- shareholder meetings attended by a majority of the directors and at least one supervisor in person
- establishing a unit dedicated to promoting corporate governance

Additionally, a number of indicators related to basic compliance were deleted and some indicators with similar meaning were consolidated. The purpose of the Corporate Governance Evaluation is to guide companies to adopt best practices, and that those companies who had good implementation results would be identified as positive examples.

The Evaluation Methodology is available at <http://cgc.twse.com.tw/evaluationCorp/listEn>.

Feedback & Suggestions

Readers may give their feedback and suggestions on this page to Ms. Banu Dandona, Joint Director, ICSI (banu.dandona@icsi.edu)

Disclaimer:

The contents under 'Corporate Governance Corner' have been collated from different sources. Readers are advised to cross check from original sources.

BRAIN – TEASERS!

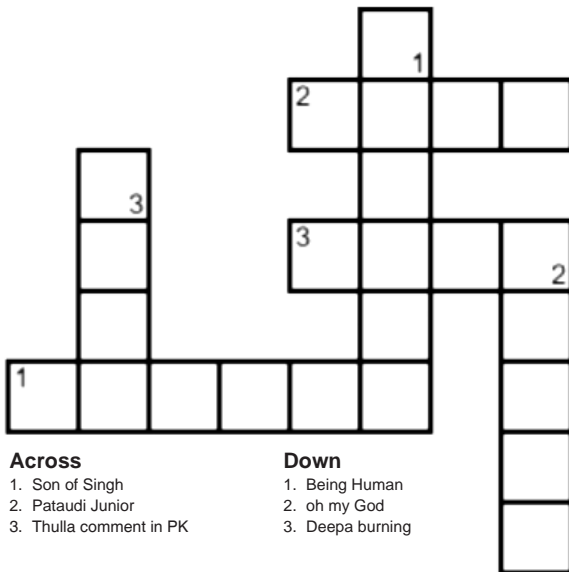
(Win Prizes)



To win prizes, a person has to send replies to both (i.e. Legal Jargons & Case Study). Three prizes – a first, a second and a third carrying Rs. 2000, Rs. 1500 and Rs. 1000 respectively will be awarded to the best entries in order of merit. The decision of the Institute will be final and binding and no query/clarification whatsoever will be entertained. The names of the winners will be published in one of the future issues of the Journal. Please send your replies to ak.sil@icsi.edu latest by 25th of February 2017 highlighting Replies to February 2017 Brain Teasers Column.

Brain Teasers February 2017

CELEBRITY IN LAW SUITS



Across

- 1. Son of Singh
- 2. Pataudi Junior
- 3. Thulla comment in PK

Down

- 1. Being Human
- 2. oh my God
- 3. Deepa burning

CASE STUDY

Q1. In a conflict of laws, namely Workmen Compensation Act 1923 and Employees State Insurance Act 1948, interpretation of Section 2(14) was questioned. Can a deceased employee's claim be dispelled under the 1923 Act. Justice Passayat and bench awarded in favour of the claimant. Please give your comments on the above.

CONGRATULATIONS

Brij Kishore Sharma, FCS, on his being appointed as an Independent Director on the Board of Rajasthan Urban Drinking Water Sewerage and Infrastructure Corporation Ltd. (RUDSICO) with effect from 20th January, 2017.

Raj Kumar Sharma, FCS, on his being appointed as Non-official Independent Director of Numaligarh Refinery Limited by Union Petroleum Ministry, Govt. of India for three years.

ELEVATION

Ravi Shanker Agrawal, FCS, on his being promoted to the post of General Manager cum Company Secretary of The Rajasthan Small Industries Corporation Ltd. w.e.f. 31.08.2016.

ATTENTION MEMBERS

The Institute has brought out a CD containing List of Members of the Institute as on 1st April, 2016. The CDs are available at the headquarters of the Institute for a cost of Rs. 250/- for members and Rs. 500/- for non-members. Request along with the payment may please be sent to the Membership section at email id rajeshwar.singh@icsi.edu.

For queries if any, please contact on telephone no: 011-45341063.

OBITUARIES

Chartered Secretary deeply regrets to record the sad demise of the following Members:

CS J S VORA, (22.08.1934 – 20.11.2013), a Fellow Member of the Institute from Mumbai.

CS A R RAMAMURTHI, (12.01.1937 – 13.12.2016), a Fellow Member of the Institute from New Delhi.

CS G THOMAS, (29.05.1948 – 13.07.2016), an Associate Member of the Institute from Bangalore.

CS DEVENDRA AMRITRAJ MEHTA, (15.08.1958 - 27.11.2015), an Associate Member of the Institute from Mumbai.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the Departed souls rest in peace.



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BoardEye fully supports the secretarial team ...far more comfortably than before, whether its planning meetings, conducting them or implementing effects of the meeting later.

~ Dr KR Chandratre

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... acquiring BoardEye should facilitate listed companies with busy boards to assist their directors in executing their duties to the company more effectively and efficiently.

~ Dr KR Chandratre

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CSBF

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- Recognised under Section 12A of the Income Tax Act, 1961
- Subscription/Contribution to Fund qualifies for the deduction under section 80G of the Income Tax Act, 1961
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- One can submit Form A and also the subscription amount of ₹10,000/- ONLINE through Institute's web portal: www.icsi.edu. Alternatively, he can submit Form A, along with a Demand Draft or Cheque for ₹10,000/- drawn in favour of 'Company Secretaries Benevolent Fund', at any of the Offices of the Institute/ Regional Offices/Chapters.

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- Upto ₹40,000 per child (upto two children) for education of minor children of a deceased member in deserving cases
- Upto ₹60,000 for medical expenses in deserving cases
- Limited benefits for Company Secretaries who are not members of the CSBF

Contact

For further information/clarification, please write at email id csbf@icsi.edu or contact Mr. Saurabh Bansal, Executive on telephone no.011-45341088.

For more details please visit www.icsi.edu/csbf