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THE JOURNAL FOR CORPORATE PROFESSIONALS



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## *Sub.: Celebration of PCS Day*

(June 15, 2016)

You may be kindly aware that on 15 June, 1988, the Company Secretaries in Practice were accorded recognition for Certifying the Annual Returns under the erstwhile Companies Act, 1956. This day became the first mile stone in the development of the practising side of the profession of Company Secretaries in India.

ICSI takes pleasure in celebrating this day as '**PCS Day**' throughout the country through its Regional Councils, Chapters and CCGRT. Various programmes covering deliberations on awareness on recognitions for PCS and emerging areas of practice will be organised on Wednesday, June 15, 2016 to mark the occasion. Members attending the programmes shall be eligible for grant of programme credit hours.

We request you to participate in the programme which will be organized by the respective Regional Councils / Chapters / CCGRT and make it more meaningful.

With self esteem and joy, let's celebrate this day.

**44<sup>th</sup>**

# ***National Convention of Company Secretaries***

***Theme***

***Powering Governance - Empowering Stakeholders***

***CS - The Governance Professionals***

***Days***

***Thursday-Friday-Saturday***

***Dates***

***November 17-18-19, 2016***

***Venue***

***Mahatma Mandir, Sector 13C  
Gandhinagar Gujarat***



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# 06

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- 01 >> Meeting of ICSI delegation with Union Minister for Finance, Corporate Affairs and I&B - Sitting from Left: Arun Jaitley (Hon'ble Union Minister for Finance, Corporate Affairs and I&B), CS Mamta Binanai and CS Sonia Baijal.
- 03 >> CS Mamta Binani seen presenting a bouquet to Kalraj Mishra ( Hon'ble Union Minister of Micro, Small and Medium Enterprises)..
- 05 >> ICSI President's meeting with Member of Parliament –Sitting from Left: Meenakshi Lekhi ( Member of Parliament) and CS Mamta Binani

- 02 >> Meeting of ICSI delegation with Union Minister for Railways – Standing from Left: CS Mamta Binani, Suresh Prabhu (Hon'ble Union Minister of Railways), CS Vineet K Chaudhary and CS Ranjeet Kumar Pandey.
- 04 >> Meeting of ICSI delegation with Minister for Labour and Employment (I/c) – from Left: Bandaru Dattatreya (Hon'ble Minister for Labour and Employment (I/c)), CS Mamta Binani and CS Vineet K Chaudhary.
- 06 >> WIRC – Indore Chapter - Meeting with Speaker of Lok Sabha – Group photo – Seen in the picture among others Sumitra Mahajan (Hon'ble Speaker, Lok Sabha), CS Kamlesh Joshi, CS Ashish Garg and CS Manoj Kumar Bhandari.



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- 07 >>> GRI Global Conference – Building trust in South Asia. Enforced or self-regulation? - Discussion - Standing from Left: Isuru Viranga Gunasekera (Head of Sustainability – John Keells Holdings), Namit Agarwal (Private Sector Advisor – OXFAM India), CS Mamta Binani, Tony Henshaw (Chief Sustainability Officer – Aditya Birla Group), Aditi Haldar (Director - GRI South Asia) and Arif Masud Mirza (Regional Head of Policy-MENASA – ACCA Pakistan).
- 09 >>> Group photo of South Asian delegation attending 5th GRI Global Conference.
- 11 >>> National Seminar on entrepreneurship, skill development and governance in MSMEs- CS (Dr.) Shyam Agrawal addressing. Others sitting from Left: CS Mahendra P. Khandelwal, CS Vineet K Chaudhary, CS Rao Rajendra Singh (Dy. Speaker, Rajasthan Legislative Assembly), CS Suresh Agarwal (President, FORTI), CS Sanjay Kumar Gupta (ROC & OL, Rajasthan) and CS Deepak Arora.
- 13 >>> NIRC – Regional Residential Conference (Host: Bareilly Chapter) on CS - Precision & Performance – Group photo - Standing from Left: CS Paramjeet Singh, CS Deepak Kukreja, CS Nesar Ahmad, CS Ankit Agarwal, CS (Dr.) Shyam Agrawal, Rajeev Ghai (Co-Chairman, PHD Chamber of Commerce), Harbhajan Singh Cheema (MLA, Kashipur), CS Ranjeet Pandey, CS Pradeep Debnath, Sarfaraz Ahmad Ansari (Managing Director, Marya Day Agro Foods Pvt. Ltd.), CS Nitesh Sinha, CS Manish Gupta, CS V P Gupta, Suneel Keswani (Corporate Trainer), CS S C Khaneja and CS Ankur Gupta.

- 08 >>> Group photo of GRI Governmental Advisory Group.
- 10 >>> Meeting with Minister Counsellor (Commercial) Sri Lanka High Commission – CS Mamta Binani seen interacting with P A Suredha Ponnampereuma (Minister Counsellor (Commercial) Sri Lanka High Commission) while CS Sonia Baijal looks on.
- 12 >>> Release of publication titled Rajasthan: Ease of Doing Business for MSME Sector – Standing from left: CS Vineet Chaudhary, CS (Dr.) Shyam Agrawal, CS Rao Rajendra Singh, CS Suresh Agarwal, CS Sanjay Kumar Gupta and CS Deepak Arora.
- 14 >>> NIRC - Seminar on Securities Law - Changing Landscape, Opportunities Galore – Sitting from Left: CS Pradeep Debnath, CS Ranjeet Pandey, Ashishkumar Chauhan (Managing Director & CEO, BSE Ltd.), CS Manish Gupta, Prasanta Mahapatra (GM, Corporate Finance Department, SEBI) and CS Rajiv Bajaj.



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- 15 >> NIRC - Women Empowerment Session on Nurturing Parenting - Sitting from Left: CS Monika Kohli, Dr. Ranjana Sehgal, CS Manish Gupta and Dr. Geeta Chopra.
- 16 >> ICSI - CCGRT - Signing of MoU between ICSI and NISM - Standing from Left: Dr. Rajesh Agrawal, Dr. Sandip Ghose (Director, NISM) and CS Kaushik Jhaveri.
- 17 >> EIRC - Full Day Seminar on Insight on Annual Report - A Practical Approach - Chief Guest R C Meena (RD(ER), Ministry of Corporate Affairs) being felicitated by CS Santosh Kumar Agrawala while CS Sandip Kumar Kejriwal, and CS Ashok Purohit look on.
- 18 >> EIRC - Full Day Seminar on Insight on Annual Report - A Practical Approach - Sitting from Right : CS Sandip Kr. Kejriwal, CS Anjan Kr. Ray, CS Savithri Parekh (Senior Vice President (Legal & Secretarial), Pidilite Industries Limited), CS Vinod Kothari, CA Rajeev Mundhra (Senior Manager, Deloitte Haskins & Sells) and CS Gautam Dugar.
- 19 >> EIRC - Study Circle Meeting on Voting at General Meeting standing from Left: CS Siddhartha Murarka, CS Taposh Roy (Company Secretary, Vesuvius India Limited, Speaker of the SCM) receiving a memento.
- 20 >> SIRC - Coimbatore Chapter - Live TV programme in Polimer Channel (a domestic Tamil channel) - Panel Discussion on ICSI Mooting the Idea of International Corporate Governance Day - ICGD - Sitting from Left: R.V. Sridharan (CFO, The Peria Karamalai Tea & Products Co.Ltd, Coimbatore), CS A.R. Ramasubramania Raja ( Moderator of the programme) and K. Ravi (Director, Roots Multi Clean Ltd. & CFO, Roots Group of Companies, Coimbatore).
- 21 >> SIRC - Half day seminar on goods and services Tax & updates on VAT -CS C Ramasubramaniam addressing. Others sitting from Left: K Gnanasekaran and CS Mohan Kumar A.
- 22 >> SIRC - Hyderabad Chapter - Embarking upon the Voyage of Research - First series on Research review symposium on Indian company law - CS Ahalada Rao V addressing. others standing from Left:CS Venkata Ramana R, CS Mahadev Tirunagari, CS Amit Gupta and CS Anshul Kumar Jain.
- 23 >> SIRC - Bengaluru Chapter -National Seminar on Companies Act, 2013: National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) Convergence of Corporate Jurisdiction - Standing from Left: CS Pradeep B Kulkarni, CS Gopalakrishna Hegde, CS D K Prahlada Rao and CS Hari Babu Thota.
- 24 >> Contribution to CM's Public Relief Fund - CS P Sivakumar and CS C Ramasubramaniam handing over the cheque to JS and Treasurer, Chief Minister's Public Relief Fund, Finance Deptt. (CMPRF), Govt. of Tamil Nadu.
- 25 >> Group photo of participants with CS Ahalada Rao V.





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- 26 >>> WIRC - Second Two Days Corporate Laws Conclave – Standing from Left: CS Swati Yash Bhatt, CS Devendra Deshpande, CS Kamlesh Joshi, CS S. Sudhakar (Vice President-Corporate Secretarial, Reliance Industries Ltd, Mumbai) and CS Makarand Joshi.
- 28 >>> WIRC – Ahmedabad Chapter – National Seminar on Companies Act, 2013: NCLT & NCLAT Convergence of Corporate Jurisdiction –Sitting on the dais from Left: CS Tushar Shah, CS U K Chaudhary, CS Ashish Doshi and CS Chetan Patel.
- 30 >>> WIRC – Rajkot Chapter –Two day residential conclave on CS branding: through value enhancing approach – Sitting from Left: CS Paras Viramgama, CS Anshul Kumar Jain, CS Keyur Bakshi, CS Purvi Dave, CS Shashikala Rao and CS Piyush Jethva.
- 32 >>> WIRC – Vadodara Chapter - Seminar on a glance over advocacy skills before NCLT/NCLAT, recent amendments in FEMA provisions and techniques for effective drafting of arbitration clause in commercial agreements – Standing from Left: CS Hemant Valand, CS S. Samdani, CS Mayur Buha, CS Hemant Nandaniya and Adv. Anandaday Mishra.

- 27 >>> WIRC - Second Two Days Corporate Laws Conclave - A view of the participants.
- 29 >>> WIRC – Bhayander Chapter - Full Day seminar on Appearance before NCLT and Companies Amendment Bill 2016 – Standing from Left: CS Rakesh Gupta, CS Manoj Mimani, CS Narayan Shankar, CS Praveen Soni and CS Sunil Agarwal.
- 31 >>> WIRC – Pune Chapter - Full Day Programme on Companies Amendment Bill, 2016 and FEMA Updates –On the dais from Left: CS Hrishikesh S Wagh, CS Sunil Nanal and CS Vinayak Khanvalkar.
- 33 >>> EIRC – North Eastern Chapter –Seminar on SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 – On the dais from Left: CS Pravin Chhajer, Ashok Kumar Singh (Manager Listing compliance, BSE and Speaker), CS Biman Debnath, CS Anjan Talukdar, CS Amit Pareek, CS Vivek Sharma and CS L P Kolla (ROC, NE Region and Chief Guest, addressing.)



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- 34 >> ICSI CSBF Month Celebration – Release of the CSBF brochure – Standing from Left: CS A K Dixit, CS Satwinder Singh, CS V P Gupta, CS H S Grover, CS Vineet K Chaudhary, CS D P Gupta, CS Mamta Binani, CS G P Madaan, CS R P Tulsian, CS Paramjeet Singh, CS K L Jaisingh and CS (Dr.) S Kumar.
- 35 >> NIRC – Modinagar Chapter – Seminar on NCLT and recent developments in the Companies Act, 2013 – Group photo – Standing among others CS Vineet K Chaudhary, CS (Dr.) Sanjeev Kumar, CS P K Mittal, CS Saurabh Kalia and CS Mohit Singhal.
- 36 >> EIRC - Bhubaneswar Chapter – ICSI President's address to members and students – Group photo – CS Mamta Binani and CS A K Mishra seen with the members and students of the Chapter.
- 37 >> NIRC – Ludhiana Chapter – Programme on Critical issues of Companies Act, 2013 and Art of advocacy – Sitting from Left: CS Satwinder Singh, CS NPS Chawla, and CS Rajeev Bhambri.
- 38 >> SIRC – Amravati Chapter – One day seminar on Companies Act, 2013 & NCLT – Sitting from Left: CS K Srinivasa Rao, CS R Venkata Ramana, CS R Ramakrishana Gupta, CS Nagaraj Kumar and CS V Ahalada Rao.
- 39 >> ICSI Ascentia, 2016 - Launching of Special drive to register Companies/PCS/Law firms/Universities/other entities with ICSI for imparting 'Training' to CS students - Seen in the picture CS Mamta Binani, CS Alka Kapoor and Vijay Kumar Jhalani (Govt. Nominee on the Council of ICSI).
- 40 >> Address by Gopal Krishna Agarwal (Govt. Nominee on the Council of ICSI) at ICSI Noida office while observing Swachwata Pakhwara. Others sitting from Left: CS Alok K Kuchhal, CS Ravi Bhushan, CS Vineet K Chaudhary and Ankur Yadav.
- 41 >> ICSI observed Swachwata Pakhwara – A view of the cleanliness drive observed by the ICSI (HQ) employees.
- 42 >> ICSI observed Swachwata Pakhwara – Group photo – Standing among others CS Vineet K Chaudhary and CS Prakash K Pandya.

## ARTICLES

17

Overview and Impact of the Insolvency and Bankruptcy Code, 2016 >>> P-19

**Pavan Kumar Vijay**

Enactment of the Insolvency and Bankruptcy Code, 2016 is a landmark reform in the direction of ease of doing business. It will significantly improve World Bank ranking of India which presently is 136 out of 189. The objective of the Code is to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner.

Foreign Company >>> P-27

**Alok Kumar Kuchhal**

Foreign companies, which are planning to setup business operations in India or for investment in Indian businesses, are required to comply with FEMA for exchange related and RBI compliances, Companies Act 2013 to define and govern their business structure, in general. Besides, they are also supposed to comply with various other compliances under applicable laws. Companies Act 2013 has widened the definition of Foreign Company by including in its ambit companies which are not physically present in India, but are operating through the virtual world. The Article is an effort to consolidate and present the important legal and procedural provisions of Companies Act, 2013 and FEMA for setting up, regular compliances and closure of business structures of Foreign Companies.

Corporate Governance Key to Company's Success >>> P-38

**Charu Vinayak**

Corporate Governance tend to create corporate transparency and openness. Corporate Governance has gained attention globally. Many efforts are taken in the field of Corporate Governance over decades from 1999 to 2014 and further more changes and improvements are proposed .It enables a company to maximize the long term value of the Company. The Companies are to mandatorily comply with the norms of Companies Act 2013 along with the governance requirement framed by SEBI. The compliance is likely to become more onerous for listed companies with a consequent effect on the cost of compliance. Notwithstanding the implications and challenges, organizations need to leverage this development as an opportunity to strengthen the governance framework and deliver incremental gains through enhanced investor confidence. In addition to the statutory laws of the relevant jurisdiction, corporations are also to comply with the common law in some countries and various laws and regulations affecting business practices like US Foreign Corrupt Practices Act (FCPA), UK Bribery Act 2010, etc.

One Person Company and the Principle of Corporate Personality: A Review of Recent English Decisions >>> P-43

**Dr. K. R. Chandratre**

One Person Company (OPC) is the discovery of the Companies Act 2013. A question that is sometimes asked is whether an OPC is equivalent to a sole proprietorship and is not susceptible to the principles of distinct corporate personality of a body corporate and limited liability being defied by courts thereby exposing the shareholder of the OPC to the OPC's liabilities by treating the

assets and liabilities of the shareholder as the company and vice versa. It would, therefore, be enlightening to review the law in this regard. There have in the recent past occasions for the UK judiciary to deal with this question and in almost all such cases the above question has been answered in the negative. The courts also refused to lift the corporate veil. This article seeks to throw light on the concepts of OPC vis-à-vis corporate personality.

Refusal to Transfer Shares – Whether Permissible? >>> P-49

**Pradeep K Mittal**

In this Article, an attempt has been made to explain various facets of Section 108 of the Companies Act, 1956 (now Section 56 of the Companies Act, 2013). Further, the Article also deals with the remedy available to a person in case there is refusal to transfer shares - though wrongfully. The Article deals with the number of important judgments of High Courts and that of Company Law Board.

Understanding Leverage >>> P-56

**S. Manjesh Roy**

Starting with the most basic, this write-up explores the usage and impact of leverage in finance in the ascending order of complexity. Using illustrations, it explores the varied manifestation of leverage viz. direct, indirect, including double, multi layered, embedded leverage, etc. in sophisticated financial products. Capital adequacy norm to regulate leverage so as to preempt systemic crisis is re-proposed.

## RESEARCH CORNER

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Forecasting Methodology for NPAs of Indian Banks and Ways to Tackle the Menace >>> P-61

**Prof. Gaurav Vallabh, Digvijay Singh, Himanshu Singh Raghuvanshi**

Banking sector has been the backbone of Indian economy and has had a pivotal role to play in the development process. With the ever increasing need of involvement of banks in the economic growth process, in the recent times the issue of Non-Performing Assets (NPAs) has assumed mammoth proportions. The recent developments in the form of more stringent Reserve Bank of India (RBI) guidelines and a greater push to declare stressed assets as NPAs has resulted in a drop in profits for all the banks across the spectrum as they have to create provisions for bad loans. In this paper, we discuss the various methodologies which can be adopted to forecast the NPAs in the future for better policy making and implementing steps to overcome the issue of rising NPAs. We have taken the data for State Bank of India (SBI) as reference because as a credible public sector bank, SBI is mammoth in size and its data is not affected by minor fluctuations. We analyse the various forecasting methods namely the Multiple Linear Regression (MLR) method, the Holt method and the Holt-Winter method and finally affirm after taking all factors into account that MLR is the best method to predict the NPAs for Indian banks. We also discuss the various reasons for the rising NPAs in recent times and suggest ways to tackle them. The concept of Asset Restructuring Companies (ARCs) has also been discussed in detail and the reasons why they haven't been successful in the Indian context has also been discussed at length.

Corporate Dividend Policy in India: An Analysis of Trends across Industries >>> P-68

**Pooja Miglani**

During the recent years Indian economy has witnessed a drastic change. The financial managers are taking various decisions very judiciously. One of the most crucial aspects faced by managers is of

dividend decision. The companies belonging to different industries may adopt an aggressive dividend policy or a conservative dividend policy. This paper studies the trends of dividend policy of 39 companies belonging to different industries in India over a time period of five years from 2010-11 to 2014-15. The study depicts that the companies belonging to the same industry are adopting different dividend policies. The three industries consumer durables, FMCG and automobiles are following a consistent dividend policy. The degree of consistency is highest for consumer durables industry. On the other hand capital goods, automobile, power and metal industries have followed an inconsistent dividend policy.

ICSI - CCGRT Announces Unique All India Research Paper Competition on Special Courts (Indian Companies Act 2013) ➤ P-75

Invitation for submission of detailed celluloid Research Themes on Corporate Governance – CG and International Corporate Governance Day - ICGD ➤ P-77

CCGRT Jointly with Hyderabad Chapter Embarking Upon the Voyage of Research ➤ P-78

CS Qualification for Appointment as Teaching Faculty in Universities and Colleges in the Area of Management / Business Administration ➤ P-80

## LEGAL WORLD

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▶ LMJ: 08:06:2016 In ascertaining whether liability to pay Income-tax on dividend arose, a resolution of the company whereby payments made to the shareholders as dividend are to be treated as loans cannot retrospectively alter the character of the payment and thereby exempt it from liability which has already attached thereto.[SC] ▶ LW: 34:06:2016 The mere fact that the company has been ordered to be wound up cannot be a ground to direct the official liquidator to handover possession of the land to the owners inasmuch as the company in liquidation continues to maintain its corporate existence until it stands dissolved upon completion of the liquidation proceedings in the manner contemplated by the Companies Act. [SC] ▶ LW: 35:06:2016 There is neither any order of appropriation during the pendency of the appeal nor any attachment on the pre-deposit. Therefore, the deposit made by the first respondent is liable to be returned to the first respondent. [SC] ▶ LW: 36:06:2016 Competition Commission of India dismisses the complaint filed by association of share registrars & transfer agents against NSDL's proposed entry into the share registrars & transfer agent segment through its subsidiary. ▶ LW: 37:06:2016 Competition Commission of India dismisses the complaint filed by real estate brokers association against internet real estate brokering portals. ▶ LW: 38:06:2016 It is too well settled by now that where the parties choose a juridical seat of Arbitration outside India and provide that the law which governs Arbitration will be a law other than Indian law, part I of the Act would not have any application and, therefore, the award debtor would not be entitled to challenge the award by raising objections under Section 34 before a Court in India. [SC] ▶ LW: 39:06:2016 We set aside the judgment of the High Court and allow these appeals, declaring that the Impugned Regulation is ultra vires the TRAI Act and violative of the appellants' fundamental rights under Articles 14 and 19(1)(g)

of the Constitution.[SC] ▶ LW: 40:06:2016 Thus after the order for printing booklets stood cancelled on failure to supply within the stipulated period, the contract came to an end, there was no reason for the printers to print the booklets. [SC] ▶ LW: 41:06:2016 Where the goods are entirely transferred to a sister unit, it is reasonable to adopt the value shown in the invoice on the basis of which Cenvat Credit was taken by the assessee i.e. the invoice of the supplier of the pellets to the assessee.[SC]

## FROM THE GOVERNMENT

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▶ Constitution of NCLT ▶ Constitution of NCLAT ▶ Constitution of NCLT Benches ▶ Date of transfer of cases pending before CLB to NCLT ▶ The Companies (Authorised to Register)Amendment Rules, 2016 ▶ Relaxation of additional fees and extension of time for filing of e-Forms by the Companies under Companies Act, 2013 and for filing of Annual Return (Form 11 ) by the LLPs under the Limited Liability Partnership Act,2008. ▶ Date of Comming into Force of Certain Section of the Companies Act, 2013 ▶ The Insolvency and Bankruptcy Code, 2016 ▶ Companies (Corporate Social Responsibility Policy) Amendment Rules, 2016 ▶ Date of coming certain sections Act, 2013 ▶ Designated Special Courts for the purposes of trial of offences punishable under the Companies Act, 2013 ▶ Relaxation of additional fees and extension of last date of filing of various e-Forms under the Companies Act - reg- ▶ Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013 ▶ Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013 ▶ Companies (Registration Offices and Fees) Amendment Rules, 2016 ▶ Delegation of Powers to Regional Directors to appoint Inspectors ▶ Securities and Exchange Board of India (Depositories and Participants) (Third Amendment) Regulations, 2016 ▶ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 ▶ Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2016 ▶ Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2016 ▶ Securities and Exchange Board of India(Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 ▶ Securities and Exchange Board of India(Issue and Listing of Non-Convertible Redeemable Preference Shares) (Amendment) Regulations, 2016

## OTHER HIGHLIGHTS

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- ▶ Members Admitted / Restored
- ▶ Certificate of Practice Issued / Cancelled
- ▶ Licentiate ICSI Admitted
- ▶ Company Secretaries Benevolent Fund
- ▶ Our Members
- ▶ Research Corner
- ▶ CG Corner
- ▶ NCLT Corner
- ▶ Ethics & Code of Conduct Corner
- ▶ Ethics & Sustainability Corner
- ▶ Brain Teasers



**Life is like a camera. Just focus on what's important, capture the good times, develop from the negatives, and if things don't turn out – take another shot**



### Esteemed Professional Colleagues

#### Greetings from ICSI

This time, I would initiate sharing a pleasant observation concerning Corporate Governance in Asia. Our continent witnessing a towering furtherance in the sphere of Corporate Governance over the past two years as a result of tightening of rules by Asian regulators and security exchanges to deliver a favourable transformation in global economic scenario in general and investment scenario in particular by giving a fling to boost investor's confidence.

Market regulators in Asia including Hong Kong, Japan, Singapore, South Korea, Taiwan and Thailand are becoming more stringent on defying firms and paving the way for stewardship codes to galvanize good governance by these companies. To cite a few, Hong Kong and Singapore, two of the Asia's largest financial centres, have brick-walled listing and takeover requirements and have accelerated enforcement after incidents of erratic price movements which scintillated fear of manipulation in these markets. Singapore Exchange Ltd. (SGX), which was nagged at for its failure to tackle Penny Stocks Scandal in 2013, has come forward for scrutiny of companies on its market and is scrutinizing their compliance with the state's corporate governance code. Likewise, regulators in South Korea, Taiwan and Thailand are also sketching down similar codes. But, I must mention, many markets in Asia have a long road to travel before them to match the benchmarks in corporate governance standards set by markets such as London or New York. India has also come a long way. In India too, along with regulators, we, the Company Secretaries have to take the lead to ensure that good governance is followed in our Boards not only in letter but in spirit too. We, indeed have to act as real 'Sutradhars' of our Boards...!! Somebody has rightly said, 'Let

us not wait until conditions are perfect to begin. Beginning makes conditions perfect'. Let me now humbly put forth the initiatives and little milestones of the Institute during the month of May:

#### Meeting with Honourable Ministers

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

- Shri Arun Jaitley, Hon'ble Minister of Finance, Corporate Affairs, I&B
- Shri Bandaru Dattatreya, Hon'ble Minister of Labour and Employment
- Shri Kalraj Mishra, Hon'ble Minister of Micro, Small and Medium Enterprises
- Shri Suresh Prabhu, Hon'ble Minister of Railways
- Smt. Meenakshi Lekhi, Hon'ble Member of Parliament.

#### Representations

The Institute made following representations:

- To the Ministry of Road Transport and Highways seeking recognition for PCS under the Draft Motor Vehicles (All India Authorization for Tourist Bus Permit) Rules, 2016 for certification of Form 3 – Quarterly Returns to be filed by an All India Tourist Bus Permit Holder.
- To the Department of Food and Public Distribution seeking recognition for PCS under the Draft Warehousing (Development and Regulation) Repository and Participants Rules, 2016

and Draft Warehousing (Development and Regulations) Registration of Warehouses Rules, 2016.

- To the Ministry of Corporate Affairs seeking amendments/enacting new law with respect to Societies Registration Act, 1860.
- To the Ministry of Urban Development requesting for providing an opportunity to support the Government in the drafting of Rules under the Real Estate (Regulation and Development) Act, 2016.
- To the Ministry of Railways, requesting for giving opportunity to ICSI to provide inputs towards preparing SOPs and Standards for their meetings.
- To the Director-General of Income Tax (Systems) for seeking recognition of PCS for certification of Online allotment of Permanent Account Number under section 139A of the Income Tax Act, 1961.
- To the Telecom Regulatory Authority of India seeking recognition for PCS under the Register of Interconnection Agreements (Broadcasting and Cable Services) Regulations, 2016.

### **National Company Law Tribunal**

The Institute has been organising a series of National Seminars on National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT), for further building capacity of the members, which may come in the form of transitional challenges, i.e., transfer of cases from Company Law Board, High Court, BIFR to NCLT, new powers conferred on NCLT, manner of dealing with cases, drafting of applications/petitions, court crafts, including moot court etc.

ICSI also plans to conduct moot court sessions through webinars in the month of June dealing with the cases being dealt by Company Law Board presently. The Institute has so far organised 6 National Seminars at Chennai, Chandigarh, Bangalore, Kolkata, Guwahati and Ahmedabad. I request my professional colleagues to make full use of these capacity building programmes.

### **The Insolvency and Bankruptcy Code, 2016**

As you are kindly aware, the Insolvency and Bankruptcy Code, 2016 has been passed by both houses of the Parliament. This Code provides for myriad opportunities for the professionals to practice areas of individual insolvency, insolvency of partnership firms, insolvency of companies and LLPs. As NCLT would be adjudicating authority for corporate insolvency and insolvency of LLPs and Debt Recovery Tribunal would be adjudicating authority for individual insolvency and insolvency of partnership firms, the Institute plans to conduct capacity building programmes on this Code as well.

### **Suggestions sought by Ministry of Corporate Affairs on e-forms under Companies Act, 2013**

The Ministry of Corporate Affairs (MCA) constituted a Technical Committee to review the e-forms notified under Companies Act, 2013. MCA has invited the suggestions/inputs on e-forms under the Companies Act, 2013. The Institute has invited comments/suggestions from the esteemed members.

### **Meeting with Ministry of Corporate Affairs (MCA)**

A delegation of the Institute met the said Ministry with regard to the MCA Portal.

### **Suggestions invited on proposed Secretarial Standards**

The Secretarial Standards Board (SSB) of the Institute is formulating/revising Secretarial Standards on Dividend, Board Report and Registers & Records in tune with the Companies Act, 2013 and other applicable laws. To further enhance the applicability of these standards, the Institute has invited suggestions with respect to the issues faced or identified areas in Companies Act, 2013 and Rules.

### **RBI Training and Workshop**

ICSI representatives met with RBI (Reserve Bank of India) officials at Mumbai on May 30, 2016, to discuss the opportunity of conducting joint Trainings and Workshops for RBI employees.

### **ICSI Facilitates Least Developed Countries (LDCs) for Developing and Strengthening the Company Secretary Profession**

In line with the vision of promoting good corporate governance, the ICSI is committed to provide technical and academic support towards development of profession of Company Secretaries globally, especially in the Least Developed Countries (LDCs) and emerging economies. We are initiating dialogue with different jurisdictions to join hands with ICSI in developing the profession of Company Secretary and facilitating good corporate governance.

### **Launch of CS Acceleration Centre**

ICSI is ready to launch 'CS Acceleration Centre' (CSAC) under the banner of the ambitious project of Government of India 'Start Up India Stand Up India'. CSAC is a training and academic initiative of the ICSI to groom the young professionals. It aims to provide incubation and acceleration facilities in the form of physical infrastructure, provision of mentorship support, access to networks, access to market etc. and provide a platform for developing business and networking.

### **ICSI 11th International Professional Development Fellowship Programme**

ICSI has scheduled its 11th ICSI International Professional Development Fellowship Programme during the period starting from June 26, 2016 to July 4, 2016 in Greece covering Athens, Mykonos and Santorini.

### **5th GRI Global Conference**

The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world. The Institute represented at the 5th GRI Global Conference on "Empowering Sustainable Decisions" held in Amsterdam on May 18-20, 2016 and addressed the participants in one of the sessions. There was a participation of more than 70 countries and

delegation of more than 1200 participants in the Conference. The Institute also represented at GRI Governmental Advisory Group, which served as a platform for representing Governments and Organisations, to exchange updates about the latest developments in the area of sustainable development and reporting in their own countries. Here, ICSI also released an e-book on Sustainability & CSR.

### **National Seminar on Entrepreneurship, Skill Development and Governance in MSMEs at Jaipur**

The vibrant and dynamic Indian MSME sector is the backbone of the national economy during last five decades with a growth rate of over 10%. MSMEs not only play crucial role in providing greater employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances. The Institute organized 2nd National Seminar on Entrepreneurship, Skill Development and Governance in MSMEs with Federation of Rajasthan Trade & Industry as an associate partner at Hotel Hilton, Jaipur on May 28, 2016. Shri Rao Rajendra Singh, Hon'ble Deputy Speaker, Rajasthan Legislative Assembly, graced the occasion and appreciated the contribution of ICSI in this regard.

### **National Conferences and Summits**

The Institute regularly participates as institutional partner in the programs of different Chambers of Commerce from time to time. It had one in Corporate Compliance Management and the other on Mergers and Acquisitions. Similarly programs on LODR has been done in association with BSE Ltd.

### **Professional iTellect- Series of Webinars**

As shared with your goodselves in my last communication, as part of building capacity for its members and students in new and happening areas, a series of webcasts 'Professional iTellect' has been started to further enrich the knowledge of our dear members and students. A series of webinars on Indirect Taxes got recently concluded. Webinars on Industrial Audit and Real Estate Act was also held. There is an overwhelming response to such subjects.

### **Drive for Placement of Management Trainees in the name of 'Ascentia'**

Placement of Management Trainees was taken up on priority and was given a focussed approach. There was always a need to have a mechanism to match the demand and supply of this precious workforce. The Institute launched a month long drive, developed informative brochures, dedicated a specific space on its portal and started an on-line facility by which the basic details of the students willing to join management training has been put up on the site and facility of search mechanisms and filters has been created so as to facilitate the corporates and PCS firms and other entities in this regard.

This month long effort was also aimed at registering as many companies/PCS/ Law Firms/ other entities as possible for imparting training and placement to the students pursuing Company Secretary Course. I am pleased to share with you that the ICSI has got an encouraging response for this inventiveness and these efforts turned out to be cyclopean success as the Institute got in

personal touch with scores of members who in turn are coming up with copious job as well as trainee requirements for the young members/students during the campaign. Several companies appreciated the efforts made by the Institute to provide them with the facility of filtering their requirements for short listing the candidates.

### **Placement Initiatives**

Institute has launched a placement gateway. Through this, members as well as corporates may directly access the list of requirements and access database containing opportunities as received from Pan India.

### **Series of Webcasts for Guidance of students**

In order to provide subject specific guidance to the students and resolve their queries, the Institute organised series of webcasts from May 19, 2016 to May 25, 2016 specifically for the students appearing in June, 2016 Examinations, which also served as revision session for the students like Financial, Treasury and Forex Management, Economic and Commercial Laws, Company Law and Direct Tax & Capital Markets and Securities Laws.

### **"Precious You"**

In the series of webcasts under the "Precious You" drive, the institute organized most recent webcast on May 18, 2016. I spearhead this myself. The webcast primarily focused on examination preparation for students taking upcoming examination in June, 2016. The webcast guided the students on various examination related aspects including methodical planning for the examination, proficiency in written and communication skills. These webcasts are also being viewed by members.

### **Release of Practice Manuals**

With a view to make students conversant with the application of fundamental concepts and build their competency in practical aspects, the Institute released two more Practice Manuals on the subjects (i) Cost and Management Accounting; (ii) Advanced Tax laws and Practice. These practice manuals contain a pool of solved questions and are available in both soft and hard copies.

### **CSBF Month – May 2016**

In order to encourage more and more members of the Institute under the security umbrella of CSBF, the Institute observed May 2016 as 'CSBF Month' throughout the country. All the regional offices/chapters of ICSI were sensitised and were requested to set-up camps for enrolment and dissemination of information. The Institute also came out with informative brochures on the subject.

### **ICSI Outreach**

Taking further, the initiatives under ICSI Outreach Program, ICSI signed a MoU with Bhawanipur Education Society College, Kolkata and National Institute of Securities & Management (NISM) to hold joint workshops, seminars, continuing education and training programmes, exchange of journals, course materials, case studies and to conduct joint research projects etc. I am sure, these associations will turn out to be salubrious in the long run for the members and the students.

## Other Initiatives for the benefit of members

- The Institute is updating the List of Members, publication of which is a statutory requirement.
- The Institute has initiated alignment of members' data as per their PAN details for facilitating their DSC registration on the MCA portal. This is a continuous activity.
- The Institute is actively preparing for organization of ICSI Convocations lined up in the months of June and July.

## Swachata Pakhwada

'A clean India would be the best tribute India could pay to Mahatma Gandhi on his 150th Birth Anniversary in 2019' said Honourable Prime Minister, Shri Narendra Modi as he launched the Swach Bharat Mission. To contribute to this mega initiative of national importance, the Institute organized 'Swachhta Pakhwada' from May 16, 2016 to May 31, 2016. A drive towards swachata was implemented at ICSI Head Quarter, Noida office, ICSI-CCGRT, Regional Offices and Chapters to make their desk spaces and immediate surroundings cleaner. Particularly, there was a mass campaign to weed out the dead records as per the weeding out policy of the Institute. For a drive to clean the locality, South Delhi Municipal Corporation (SDMC) came forward to join hands with ICSI.

## Epilogue

I would like to share a short story titled 'Can We Increase Our Value?'

**Michael Jordan**, the legendary basketball player was born in 1963, in the slums of Brooklyn, New York. He had four siblings and his father's earnings were not enough to support whole family. Exposed to mindless violence and heavy discrimination in the slums, Jordan saw for himself only a hopeless future. His father saw in Michael, a lost soul and decided to do something. He gave Michael, who was 13 years old, a piece of used clothing and asked: "What do you think the value of this outfit would be?" Jordan replied, "Maybe one dollar." His father asked, "Can you sell it for two dollars? If you can sell it, it would mean that you are a big help to your family."

Jordan nodded his head, "I'll try, but no guarantee that I'll be successful." Jordan carefully washed the cloth clean. Because they didn't have an iron, to smoothen the cloth, he levelled it with a clothes brush on a flat board, and then kept it in the sun to dry. The next day, he brought the cloth to a crowded underground station. After offering it for more than six hours, Jordan finally managed to sell it for \$2. He took the two dollar bill and ran home.

More than ten days later, his father again gave him a piece of used clothing, "Can you think of a way you can sell this for 20 dollars?"

Aghast, Jordan said, "How is it possible? This outfit can only fetch two dollars at the most." His father replied, "Why don't you try it first? There might be a way." After breaking his head for a few hours, finally, Jordan got an idea. He asked for cousin's help to paint a picture of Donald Duck and Mickey Mouse on the garment. He stood outside a school where rich children studied. Soon a lady, who was there to pick her child, bought that outfit for his master. She loved it so much and she gave a five dollars tip too. 25 dollars was a huge amount for Jordan, equivalent to one month's salary of his father.

When he got home, his father gave him yet another piece of used clothing, "Will you be able to resell it at a price of 200 dollars?" Jordan's eyes lit up.

This time, Jordan accepted the cloth without slightest doubt. Two months later, a popular movie actress from the movie "Charlie's Angels", Farah Fawcett came to New York for her Movie promos. After the press conference, Jordan made his way through the security forces to reach the side of Farah Fawcett and requested her autograph on the piece of clothing. When Fawcett saw this innocent child asking for her autograph, she gladly signed it.

Jordan was shouting very excitedly, "This is a jersey signed by Miss Farah Fawcett, the selling price is 200 dollars!" He auctioned off the clothes, to a businessman for a price of 1,200 dollars! Upon returning home, his father broke into tears and said, "I am amazed that you did it my child! You're really great!" That night, Jordan slept alongside his father. His father said, "Son, in your experience selling these three pieces of clothing, what did you learn about success?"

Jordan replied, "Where there's a will, there's a way."

His father nodded his head, and then shook his head, "What you say is not entirely wrong! But that was not my intention. **I just wanted to show you that a piece of used clothing which is worth only a dollar can also be increased in value, then how about us - living and thinking humans? We may be darker and poorer, but what if we CAN increase our VALUE.**"

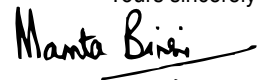
Let's start digging for our huge untapped potential and let us all further increase our value, each day, bit by bit, with discipline and passion!

Happy Reading!!

Best wishes

June 06, 2016  
New Delhi

Yours sincerely



(CS MAMTA BINANI)

president@icsi.edu



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# ARTICLES



- OVERVIEW AND IMPACT OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016
- FOREIGN COMPANY
- CORPORATE GOVERNANCE KEY TO COMPANY'S SUCCESS
- ONE PERSON COMPANY AND THE PRINCIPLE OF CORPORATE PERSONALITY: A REVIEW OF RECENT ENGLISH DECISIONS
- REFUSAL TO TRANSFER SHARES – WHETHER PERMISSIBLE?
- UNDERSTANDING LEVERAGE



## **ICSI celebrates Capital Markets Week**

### **June 18-25, 2016**

The Institute of Company Secretaries of India (ICSI) has been actively engaged in promoting the interest of investors and the orderly development of the capital market in India. As part of its continuous initiative towards investor education and good governance in Capital Markets, the ICSI observes Capital Markets Week every year. This year, we are observing Capital Markets Week during June 18-25, 2016 throughout the country. The Theme, Sub-themes and mega programmes to be organized during the Capital Markets Week are as follows:

#### **Theme**

### **Transcending Horizons - Capital Market Way**

#### **Sub-theme(s)**

- ❖ Reforms in Securities Market- Converging Securities Laws for better Governance
- ❖ Start Up and Accelerate -Empowering India's MSMEs Sector through Institutional Trading Platform (ITP) & SME Exchange
- ❖ Building Good Governance and, sustainability in capital markets – Covering Governance platform, Environmental Protection, Social Development, CSR, Green Bond
- ❖ Start up Stand Up - Crowd Funding, Infrastructure and real estate building, public financing, PSU capitalism, Municipal bond
- ❖ Compliance Management under SEBI Listing Regulations, 2015- Reposing Investor Confidence
- ❖ Skill development through Financial Inclusion and Literacy (Including Human resource development)
- ❖ Reposing investor confidence- Covering measures giving opportunity to dissenting shareholders for exit
- ❖ Company Secretary- Professional Facilitator in Capital Markets
- ❖ Implementation of GST and its effect on Stock Markets

#### **Mega Programmes**

Kolkata	Delhi	Chennai	Mumbai	Bangalore
Hyderabad	Ahmedabad	Bhubaneswar	Jaipur	Kanpur
	Agra	Goa	Bhopal	

In addition to organization of mega programmes at above major cities, a number of activities will be undertaken during the week such as panel discussions, lectures, interactive meetings with capital market regulators/stock exchanges and investor awareness programmes by the respective Regional Councils and Chapters.

For details and updates regarding dates, time, venue and faculty of the mega programmes and other events during the Capital Markets Week, please visit [www.icsi.edu](http://www.icsi.edu) or contact respective office(s) of ICSI

#### **Programme Credit Hours**

- ◆ 4 PCH would be awarded to members for attending Mega Programmes.
- ◆ 8 PDP would be awarded to students for attending Mega Programmes.
- ◆ PCH for other programmes would be awarded as per the guidelines of the Institute.

***All are cordially invited to attend and participate in the Capital Markets Week activities.***

**CS Makarand Lele**  
Council Member, ICSI &  
Chairman, Financial Services Committee

**CS Mamta Binani**  
President  
ICSI

# Overview and Impact of the Insolvency and Bankruptcy Code, 2016



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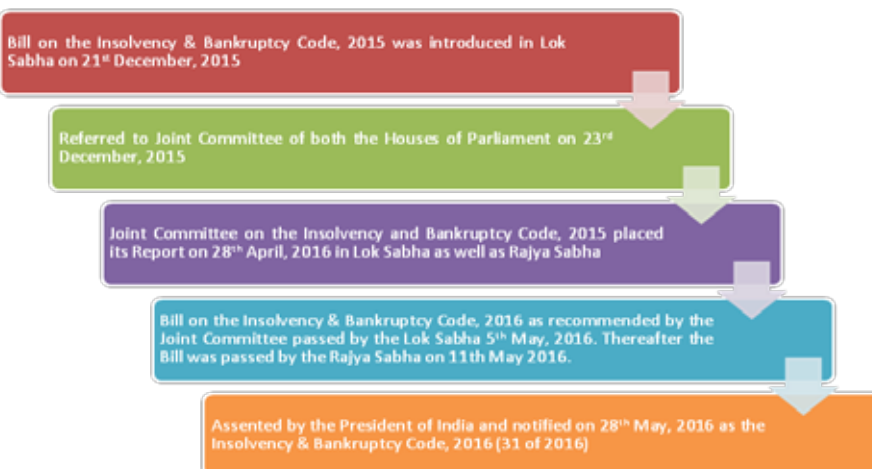
## BACKGROUND

There is no single law in India that deals with insolvency and bankruptcy. In terms of the present legal framework, provisions relating to insolvency and bankruptcy for companies can be found in the Sick Industrial Companies (Special Provisions) Act, 1985, the Recovery of Debt Due to Banks and Financial Institutions Act, 1993, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Companies Act, 2013. Liquidation of companies is handled by the High Courts. Individual Bankruptcy and Insolvency is dealt with by the civil Courts. The existing framework for insolvency and bankruptcy is inadequate,

immediate need to provide an effective legal framework for timely resolution of insolvency and bankruptcy which would support development of credit markets and encourage entrepreneurship as also to improve Ease of Doing Business, and facilitate more investments. Ease of doing business is not only about convenient entry into the market but also providing easy exit. Enactment of the Insolvency and Bankruptcy Code, 2016 is a landmark reform in the direction of ease of doing business. It will significantly improve World Bank ranking of India which presently is 136 out of 189. The objective of the Insolvency and Bankruptcy Code, 2016 is to consolidate and amend the laws relating to reorganization and insolvency resolution

Enactment of the Insolvency and Bankruptcy Code, 2016 is a landmark reform in the direction of ease of doing business. It will significantly improve World Bank ranking of India which presently is 136 out of 189. The objective of the Code is to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner.

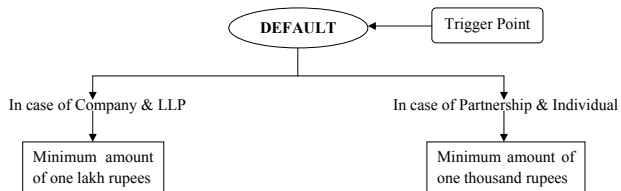
ineffective and results in undue delays of corporate persons, partnership firms in resolution. There is therefore, an and individuals in a time bound manner.



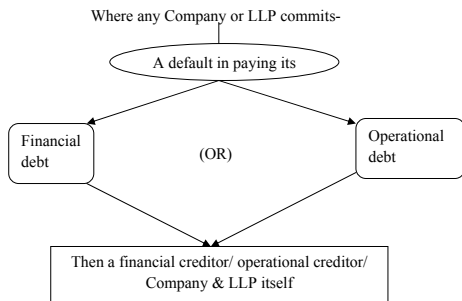
\*Past President, the Institute of Company Secretaries of India.

<b>OBJECTIVES OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016</b>			
An Act to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.			
<b>FOUR PARTS</b>			
PART-I	PART-II	PART-III	PART-IV
Preliminary	Insolvency Resolution and Liquidation for Corporate Persons	Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms	Regulation of Insolvency Professionals, Agencies and Information Utilities
Sections 1 to 3	Sections 4 to 77	Sections 78 to 187	Sections 188 to 255
Applicable to the whole of India.	Applicable to the whole of India.	Applicable to the whole of India except the State of Jammu and Kashmir.	Applicable to the whole of India.
<b>ELEVEN SCHEDULES</b>			
Schedule-I	Amendment to the Indian Partnership Act, 1932.		
Schedule-II	Amendment to the Central Excise Act, 1944.		
Schedule-III	Amendment to the Income Tax Act, 1961.		
Schedule-IV	Amendment to the Customs Act, 1962.		
Schedule-V	Amendment to the Recovery of Debts due to Banks and Financial Institutions Act, 1993.		
Schedule-VI	Amendment to the Finance Act, 1994.		
Schedule-VII	Amendment to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.		
Schedule-VIII	Amendment to the Sick Industrial Companies (Special Provisions) Repeal Act, 2003.		
Schedule-IX	Amendment to the Payment and Settlement Systems Act, 2007.		
Schedule-X	Amendment to the Limited Liability Partnership Act, 2008.		
Schedule-XI	Amendment to the Companies Act, 2013.		
<b>DEFINITIONS</b>			
Section 3	Section 5	Section 79	
37 definitions	28 definitions	22 definitions	
<b>APPLICABLE TO</b>			
Any company incorporated under the Companies Act.			
Any LLP incorporated under the LLP Act, 2008.			
Any other body, as notified by the Central Government.			
Partnership firms.			
Individuals.			

INVOKING THE PROVISIONS OF THIS CODE



The minimum amount of one lakh rupees and one thousand rupees can be increased up to one crore rupees and one lakh rupees respectively by the Central Government.



May file an application, for initiating corporate insolvency resolution process with the Adjudicating Authority.

Financial creditors are those whose relationship with the entity is a pure financial contract, such as a loan or a debt security- loan/ debt contracts.	Operational creditors are those whose liability from the entity comes from a transaction on operations- trade creditors, employees, utilities.
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The National Company Law Tribunal will be the adjudicating authority to deal with insolvency matters of Company & LLP and the Debt Recovery Tribunal will be adjudicating authority to deal with insolvency matters of individual and partnership firm.

The Adjudicating Authority shall, within a period of 14 days of the receipt of the application, by an order:-	
Admit the application	Reject the application
If it is complete	If it is incomplete
The Adjudicating Authority shall, before rejecting an application, give a notice to the applicant to rectify the defects in his application within 7 days from the date of receipt of such notice from the Adjudicating Authority.	

TIME-LIMIT FOR COMPLETION OF INSOLVENCY RESOLUTION PROCESS



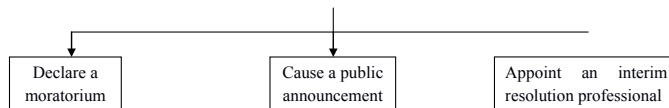
Insolvency resolution process starts from the date of admission of the application which is called 'insolvency commencement date' and the process must be completed within 180 days of its commencement.

One time extension, by further period not exceeding 90 days. Committee of creditors should have, by a resolution passed at its meeting by 75% of voting shares, instructed the resolution professional to seek extension of time. The Adjudicating Authority is satisfied that subject matter of the case is such that corporate

OVERVIEW AND IMPACT OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016  
insolvency resolution process cannot be completed within 180 days.

DECLARATION BY THE ADJUDICATING AUTHORITY

The Adjudicating Authority, after admission of the application shall, by an order-



MORATORIUM

The Adjudicating Authority shall by order prohibit the following, namely:-

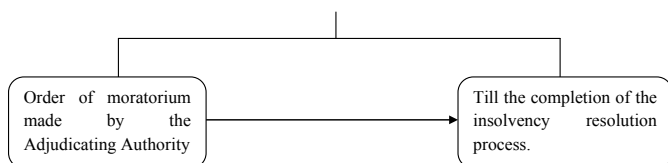
1. The institution/ continuation/ proceedings of suits against the company/ LLP including execution of any judgement, decree or order in any court of law.
2. Transferring, encumbering, alienating or disposing of by the company/ LLP of its assets/ legal right/ beneficial interest.
3. Any action under the SARFAESI Act, 2002.
4. Recovery of any property by an owner or lessor where such property is occupied by or in the possession of the company/ LLP.

NOTE- Supply of essential goods or services to the company/ LLP shall not be terminated or suspended during moratorium period.





Moratorium period



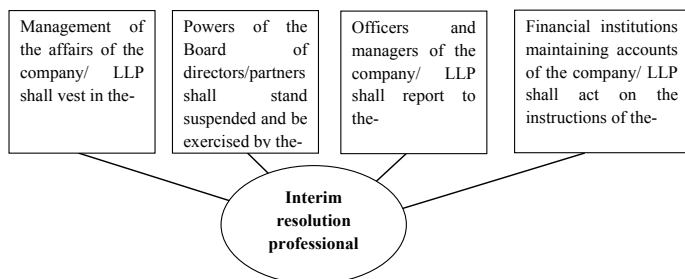
## PUBLIC ANNOUNCEMENT

The public announcement shall contain the following information, namely:-

- Name and address of the defaulted company/ LLP.
- Name of the Registrar with which the company/ LLP is incorporated or registered.
- Last date for submission of claims.
- Details of interim resolution professional.
- Penalties for false or misleading claims.
- Date on which the insolvency resolution process shall close (i.e. 180 days from the date of the admission of the application).

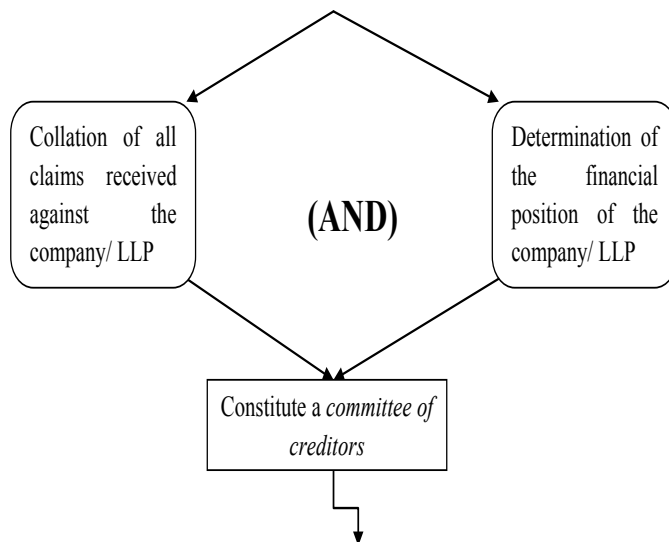
## APPOINTMENT OF AN INTERIM RESOLUTION PROFESSIONAL-

The Adjudicating Authority shall appoint an interim resolution professional within 14 days from the admission of the application. The term of the interim resolution professional shall not exceed 30 days from the date of his appointment.



## COMMITTEE OF CREDITORS

The interim resolution professional shall after-



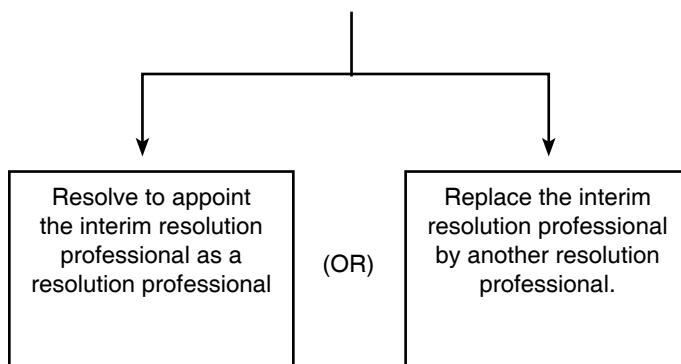
This committee shall comprise all financial creditors of the company/ LLP.

## DECISIONS BY THE COMMITTEE OF CREDITORS

All decisions of the committee shall be taken by a vote of not less than 75% of voting share of the financial creditors.

## APPOINTMENT OF RESOLUTION PROFESSIONAL

The committee of creditors may, in their first meeting, either-



- The resolution professional shall conduct the entire insolvency resolution process and manage the operations of the company during the corporate insolvency resolution process period.
- The resolution professional shall exercise all such powers and duties as are vested on the interim resolution professional.
- All meetings of the committee of creditors shall be conducted by the resolution professional.

## DUTIES OF RESOLUTION PROFESSIONAL

Meetings of the committee of creditors	Documents	Rights
<ul style="list-style-type: none"> <li>• Convene and attend all meetings.</li> <li>• Present all resolution plans at the meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain an updated list of claims.</li> <li>• Prepare the information memorandum.</li> </ul>	<ul style="list-style-type: none"> <li>• Take immediate custody and control of all the assets including business records of the company/ LLP.</li> <li>• Represent and act on behalf of the company/ LLP with third parties.</li> </ul>



## RESOLUTION PLAN

- The resolution professional shall prepare an information memorandum for formulating a resolution plan.
- The resolution professional shall provide to the resolution applicant access to all relevant information in physical and electronic mode.
- A resolution applicant may submit a resolution plan to the resolution professional prepared on the basis of the information memorandum.
- The resolution professional shall examine each resolution plan and present to the committee of creditors for its approval.
- The resolution professional shall submit the resolution plan

OVERVIEW AND IMPACT OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 as approved by the committee of creditors to the Adjudicating Authority.

- The adjudicating authority may by order approve the resolution plan and the moratorium period ends here.
- The resolution plan will be binding on the company/ LLP, its employees, members, creditors, guarantors and other stakeholders.
- If the resolution plan is not approved, or ready, within 180 days or adjudicating authority rejects the resolution plan, it will pass a liquidation order. The resolution professional will act as a liquidator and all the powers of the Board of directors will vest with the liquidator.

## FAST TRACK INSOLVENCY RESOLUTION PROCESS

An application for fast track corporate insolvency resolution process may be made in respect of the following company/ LLP, namely:-

- A company/ LLP with assets and income below a level as may be notified by the Central Government.
- A company/ LLP with such class of creditors or such amount of debt as may be notified by the Central Government.
- Such other category of body as may be notified by the Central Government.



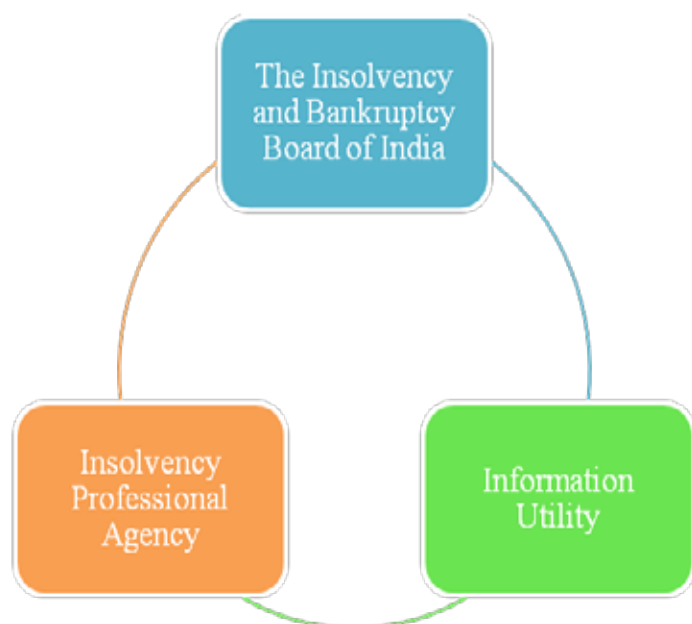
In case of fast track matters, the insolvency resolution process shall be completed within a period of a 90 days limit with a single extension of up to 45 days, if needed.

## INSOLVENCY AND BANKRUPTCY FUND

The Code creates an Insolvency and Bankruptcy Fund. The Fund will receive voluntary contributions from any person. In case of insolvency proceedings being initiated against the contributor, he will be allowed to withdraw his contribution for making payments to workmen, protecting his assets, etc. These funds will not accrue any interest on contribution, just acting like locker in last resort.

The Code contemplates creation of a class of professionals who will be specialised in dealing with insolvency and bankruptcy and will be accessible to the persons who need them. These professionals will be enrolled with Insolvency Professional Agency which will ensure an efficient, effective and professional handling of repayment of debt and also registered with the Insolvency and Bankruptcy Board of India.

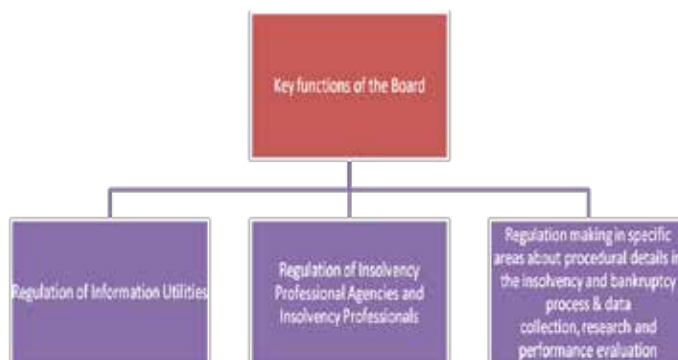
## NEW INSTITUTIONS



## INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (BOARD)

The Board shall consist of the following members who shall be appointed by the Central Government, namely:-

- A Chairperson.
- Three members not below the rank of joint Secretary or equivalent, one of each to represent the Ministry of Finance, the Ministry of Corporate Affairs and Ministry of Law, ex-officio.
- One member to be nominated by the Reserve Bank of India, ex-officio.
- Five other members to be nominated by the Central Government, of whom at least three shall be the whole-time members.



## INSOLVENCY PROFESSIONAL AGENCY

These agencies are required to register with the Insolvency and Bankruptcy Board of India and the Board shall have regard to the following principles while registering the insolvency professional agencies, namely:-

- Promote the professional development of and regulation of insolvency professionals.
- Promote good professional and ethical conduct amongst insolvency professionals.
- Protect the interests of debtors, creditors etc.
- Promote the services of competent insolvency professionals to cater to the needs of debtors, creditors etc.



## INFORMATION UTILITY

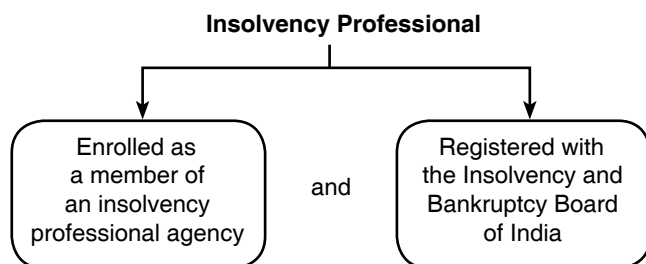
This code is introducing a new entity or a new system known as 'Information Utilities'. These agencies will collect, collate, authenticate and disseminate financial information to facilitate insolvency, liquidation and bankruptcy. The Information utility would thus hold an array of information about all firms at all times and make available undisputed and complete information immediately. Every information utility shall create and store financial information in a universally accessible format and provide access to the financial information stored by it to any person who intends to access such information. These information utilities also required to register with the Insolvency and Bankruptcy Board of India.



‘ An Indian entity on an average has to spend 9% of its estate whereas in countries like Finland, Japan and Korea the cost is only 3.5% of its estate. The new law has endeavoured to provide one critical building block of this process, with a modern insolvency and bankruptcy code, and the design of associated institutional infrastructure which reduces delays and transaction costs. ’

## NEW PROFESSIONALS → INSOLVENCY PROFESSIONAL

The Code contemplates creation of a class of professionals who will be specialised in dealing with insolvency and bankruptcy and will be accessible to the persons who need them. These professionals will be enrolled with Insolvency Professional Agency which will ensure an efficient, effective and professional handling of repayment of debt and also registered with the Insolvency and Bankruptcy Board of India. The Board will specify the categories of professionals or persons possessing such qualifications and experience in the field of finance, law, management, insolvency or such other field, as it deems fit, which can be appointed as Insolvency Professionals.



Every Insolvency Professional shall abide by the following code of conduct:-

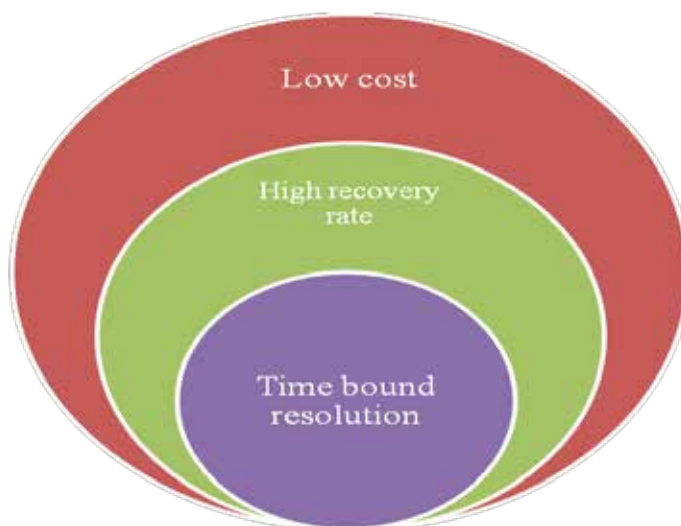
- To take reasonable care and diligence while performing his duties.
- To comply with all requirements and terms and conditions specified in the bye-laws of the insolvency professional agency of which he is a member.
- To allow the insolvency professional agency to inspect his records.
- To submit a copy of the records of every proceeding before the Adjudicating Authority to the Board as well as to the insolvency professional agency of which he is a member, and
- To perform his function in such manner and subject to such conditions as may be specified.

Insolvency Professionals, will conduct the insolvency

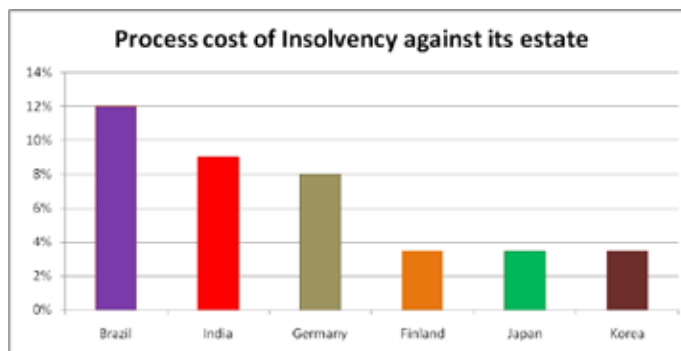
OVERVIEW AND IMPACT OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 resolution process, take over the management of a company, assist creditors in the collection of relevant information, and manage the liquidation process. Duties of the Insolvency Professional are as follows:-

- Collect and collate claims submitted by creditors to him.
- Monitor the assets of the entity.
- Collect and collate information about assets, finances and operations of the entity.
- Constitute a committee of creditors.
- Take over the management of the affairs of the entity.

## BENEFITS OF THE NEW CODE



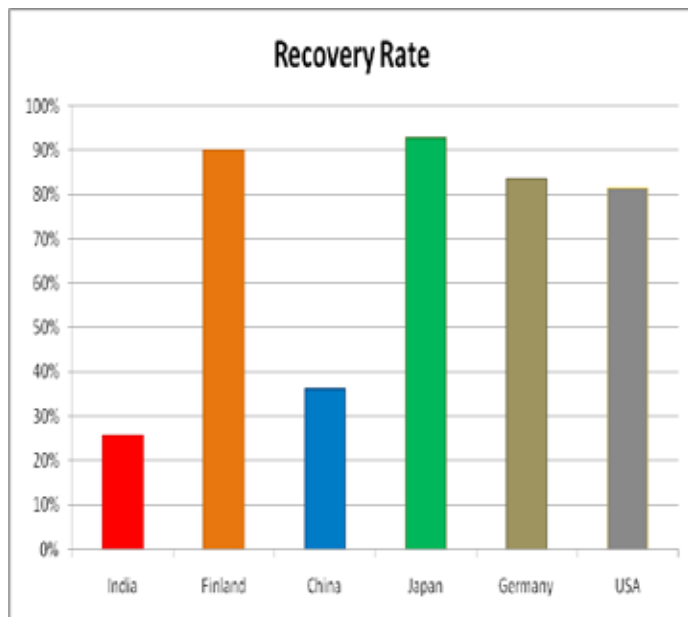
## COST



## PROCESS COST OF THE INSOLVENCY IN INDIA

An Indian entity on an average has to spend 9% of its estate whereas in countries like Finland, Japan and Korea the cost is only 3.5% of its estate. The new law has endeavoured to provide one critical building block of this process, with a modern insolvency and bankruptcy code, and the design of associated institutional infrastructure which reduces delays and transaction costs.

## RECOVERY RATE



Presently, Indian lenders are able to recover only 25.7% as a result of insolvency or liquidation of the entity compared with Finland where the lenders get 90.1%; in Japan the lenders get 92.9%, German lenders get 83.7%, U.S.A lenders get 81.5% and China lenders get 36.2%. The new law comes at a time when lenders are dealing with a record pile of bad debt, for which the government has also sought to amend existing laws to make recoveries smoother.

## RESOLUTION TIME

World Bank: Time to resolve Insolvency	
Country	(In years)
India	4.3
United States	1.5
United Kingdom	1
Malaysia	1
Singapore	0.8
Japan	0.6

World Bank, data updated till 2015, shows that the time to resolve insolvency (number of years from the filing for insolvency suit in court until the resolution) is 4.3 years in India compared with just eight months in Singapore, one year in Malaysia as well as the United Kingdom, and one and half years in the US. Through the new law, the government is trying to put in place a speedy process for early identification of financial stress and resolve the strain if the business is found viable. It has stipulated a time-bound revival.

The Insolvency and Bankruptcy Code, 2016- Key benefits
Time bound settlement of Insolvency.
Banks and Asset reconstruction companies immediate gainers.
Comprehensive coverage- Companies, LLP, Individuals and more can be added.
Database of Serial Defaulters.
Protect workers.
Lift lender comfort.

The Insolvency and Bankruptcy Board of India will keep watch.
Locked-up assets will be freed.
Faster turnaround of Businesses.
Creation of Bankruptcy Regulator.
New class of Insolvency Professionals.
Significantly improve 'Ease of Doing Business'

## CONCLUSION

India is in the process of laying a strong foundation for a mature market economy. This involves well drafted modern laws, that replace the laws of the preceding 100 years, and high performance organisations which enforce these new laws. Implementation of the new Code will increase GDP growth in India by fostering the emergence of a modern credit market, and particularly the corporate bond market. GDP growth will accelerate when more credit is available to new firms including firms which lack tangible capital. While many other things need to be done in achieving a sound system of finance and firms, this is one critical building block of that edifice.

### Source:-

1. The Report of the Bankruptcy Law Reforms Committee.
2. Report of the Joint Committee on the Insolvency and Bankruptcy Code, 2015.
3. World Bank data on 'Ease of Doing Business'. CS

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# Foreign Company



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## INTRODUCTION

Foreign citizens or Companies can make investments in shares or debentures of an Indian Company, either through the automatic route or the Government route. Under the automatic route, the non-resident investor or the Indian Company does not require any approval from Government of India for the investment. Under the Government Route, prior approval of the Government of India is

Under section 6 of FEMA, 1999, the Reserve Bank may, by regulation, prohibit, restrict, or regulate establishment in India of a Branch, office or other place of business by a person resident outside India, for carrying on any activity relating to such branch, office or other place of business.

As per section 2(42) of the Companies Act, 2013:-

**A sound Foreign exchange reserve is of utmost necessity for the economic soundness of a country. Successive Indian Governments have, over the years, been taking several important measures to build a strong exchange reserve by easing restrictions on investments by non residents and foreign companies.**

required. Proposals for foreign investment under Government route are considered by FIPB (Foreign Investment Promotion Board).

The Government of India has put in place a policy framework on Foreign Direct Investment (FDI). This framework is embodied in the Circular on Consolidated FDI Policy. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Press Notes/ Press Releases. The procedural instructions are issued by the Reserve Bank of India vide A.P. Dir. (series)Circulars. The regulatory framework, over a period of time, thus, consists of Acts, Regulations, Press Notes, Press Releases, Clarifications, etc.

## STATUS OF 'FOREIGN COMPANY'

An office, branch or agency in India owned or controlled by a person resident outside India is a "person resident in India". [vide section 2(v) of FEMA, 1999].

"Foreign Company" means any Company or Body Corporate incorporated outside India which:-

- i. Has a place of business in India whether by itself or through an agent, physically or through electronic mode; and
- ii. Conducts any business activity in India in any other manner.

The Companies Act, 2013 has the potential to impact a large number of Foreign Companies that may be doing business in India through electronic mode. The registration requirement of companies doing business in India through 'electronic mode' has been the subject matter of discussions and debates. Rule 2(1) (h) of the Companies (Specification and Definitions Details) Rules, 2014 defines 'electronic mode.

"Electronic Mode" means carrying out

\* Immediate Past Chairman, Noida Chapter.

## FOREIGN COMPANY

electronically based, whether main server is installed in India or not, including but not limited to –

- i. Business to business and business to consumer transactions, data interchange and other digital supply transactions;
- ii. Offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. Financial Settlements, web based marketing, advisory and transactional services database services and products, supply chain management;
- iv. Online services such as telemarketing, telecommuting, tele medicine, education and information research; and
- v. All related data communication services, whether conducted by e-mail, mobile devices, social media, cloud computing, document management, voice or data transmission or otherwise.

## SLIGHTLY DIFFERENT MEANING OF FOREIGN COMPANY

For the purposes of sub-section (2) of section 234 of the Companies Act, 2013, the expression “foreign Company” means any company or body corporate incorporated outside India whether having a place of business in India or not.

The provisions of sub-section (2) of section 234 of the said Act mainly talks about merging of a Foreign Company with Indian Company with the prior approval of the Reserve Bank of India or *vice versa*.

## IMPACT OF CHANGE IN DEFINITION OF FOREIGN COMPANIES

Earlier, the definition of Foreign Company under the Companies Act, 1956, Section 591 was “Company incorporated outside India and having a place of business in India.”

The New Act has drastically expanded the definition of Foreign Companies to include those foreign companies as well that are doing business in India through electronic mode. As discussed earlier, Rule 2 (c) defines ‘electronic mode’, which definition is wide enough to cover virtually every transaction carried through electronic mode including through e-mail, mobile devices, social media, cloud computing, document management, voice or data transmission or otherwise. Such a wide coverage on transactions done through electronic modes is, therefore, likely to have a great impact on various foreign companies involved in transactions such as consultancy services, financial services, e-commerce etc. with their customers in India that would be required to establish a permanent place of work in India through registration, in order to continue to operate in the country.

Currently, there are a number of foreign based websites that operate directly or indirectly in India and may be said to have a place of business in India through electronic mode such as Amazon.com, Rakuten.com etc., where customers located in India

can purchase products and get the shipment in India. Moreover, ebooks, softwares, or subscription to e-magazines, dailies or subscription of other member’s only websites could be purchased online from many websites that need no physical shipment to India. The new Act specifically provides that in order to ascertain the place of business in India through electronic mode, the main server is not required to be installed in India.

A bare perusal of the provisions of the new Act (esp. section 380 and section 2 (42) along with prescribed Rules) suggests that even a single transaction conducted in India by a foreign company would be sufficient to infer that such foreign company has established a place of business in India. Such an interpretation would lead to undesirable consequences as any foreign company e.g. a consultancy company based outside India would require registration in India even if it undertakes only one single transaction in a whole year. However, as absurd as it may appear, the bare interpretation of the New Act leads to this conclusion.

From above, it is clear that foreign companies must comply with the provisions of the Companies Act, 2013 in respect to the business as if it were a company incorporated in India.

## WHAT IS FOREIGN COMPANY AS PER INCOME TAX RULES

As per Section 2(23A) of the Income Tax Act, 1961, Foreign Company is a company which is not a domestic company. Thus, all those companies which do not qualify the conditions to be considered domestic company shall be considered foreign companies. Domestic company is the company which is formed, registered and incorporated under Companies Act, 2013. So basically, any company registered outside India in any other foreign company is treated as foreign company.

Provisions of the Income-tax Act, 1961 applicable to foreign companies are sections 44BBB, 44D, 115A, 195 etc.

A company carrying on business in India is amenable to the jurisdiction of the Indian Courts.

The requirement of “carrying on business in India” is satisfied if a company’s business is carried on at a fixed and definite place in India for a sufficiently and reasonably long period of time. The mere presence of a representative of a foreign company is not sufficient if his only authority is to solicit orders from customers, but not to make contracts on behalf of the company. [P. J. Johnson v. Astrofiel Armandorn, 1990 69 Comp Cas 619 (Ker).]

A ship has no fixed place of residence anywhere except at the place of its registration. The foreign corporation owning the ship does not reside in the place visited by the ship unless the test of residence is satisfied.

## PLACE OF RESIDENCE AND DOMICILE

A Corporation has no physical residence. Nevertheless, it resides in the place where it carries on its “real business”. Its real business is carried on where the central management and control abides. While a company is domiciled where it is incorporated, it is resident at the place of its real business. These two places may not necessarily be the same. A Company is sometimes said to be

For a foreign Investor in India it is very important to choose a right kind of business or corporate entity which best suits its purposes and takes care of liability issues and tax planning issues. Foreign Companies planning to do business in India should pay special attention to Entry Strategies in India for Foreign Investors and corporate structuring to save taxes to the best extent allowed by laws and international tax treaties.

resident in two places in the sense that it keeps a house and does business in more than one place and its actual management and control is thus divided.

The test of 'residence in India' cannot be satisfied unless the company has a fixed place of business in India is not sufficient if his only authority is to solicit orders from customers but not make contracts on behalf of the Company. [P. J. Johnson v. Astrofiel Armandorn, 1990 69 Comp Cas 619 (Ker).]

## AUTHENTICATION OF DOCUMENTS

If the foreign company is incorporated in any part of the Commonwealth, the copy of the document shall be certified by an official of the Government to whose custody the original of the documents is committed or by a Notary in that part of the Commonwealth or by an officer of the foreign company, on oath before a person having authority to administer oath in that part of the Commonwealth.

If the foreign company is incorporated in a country outside the Commonwealth, the copy shall be certified by an official of the Government to whose custody the original is committed or by a Notary of such country or by an officer of the company.

## PROCEDURE FOR A FOREIGN COMPANY ESTABLISHING A PLACE OF BUSINESS IN INDIA

Though under the Companies Act, 2013 there is no formality required for a foreign company establishing a place of business in this country, except the filing of the documents required by this section, RBI Master Circular on Establishment of Liaison / Branch / Project Offices in India by Foreign Entities dated July 01, 2015 requires permission of the Reserve Bank for a foreign company carrying on or establishing any place of business for carrying on any activity of a trading, commercial or industrial nature. The object is to know the possible effects of the foreign company's

business on the country's economy and foreign exchange position.

## TYPES OF BUSINESS ENTITIES IN INDIA

In India, the following types of business entities are available:

1. Private Limited Company
2. Public Limited Company
3. Unlimited Company
4. Limited Liability Partnership (LLP)
5. Partnership
6. Sole Proprietorship
7. Liaison Office / Representative Office
8. Project Office
9. Branch Office
10. Joint Venture Company
11. Subsidiary Company

It must be noted that a Joint Venture Company is not a separate type of legal entity; it could be a Private Limited Company, a Public Limited Company, or an Unlimited Company. Similarly a wholly owned Subsidiary of a foreign company in India could be either a Private Limited Company, a Public Limited Company, an Unlimited Company, or a Branch Office.

For a foreign Investor in India it is very important to choose a right kind of business or corporate entity which best suits its purposes and takes care of liability issues and tax planning issues. Foreign Companies planning to do business in India should pay special attention to Entry Strategies in India for Foreign Investors and corporate structuring to save taxes to the best extent allowed by laws and international tax treaties.

It is also mandatory for foreign investors or foreign shareholders, both individuals and corporate shareholders, to seek Government Approvals for Investing in India. In some special cases Foreign Investment Promotion Board(FIPB) Approval for Foreign Investment in India is required. In other cases Reserve Bank of India(RBI) Approvals for Foreign Investment in India are required. The sectors where RBI Approval for foreign investors is available



## FOREIGN COMPANY

under automatic route can be found at FDI in India Sector wise Guide.

A Company in India can have foreign directors provided some conditions are fulfilled. The directors of an Indian company, both Indian and foreigner directors, are required to obtain Director Identification Number ( DIN) and Digital Signature Certificate (DSC).

There are some restrictions regarding issuing sweat equity for a company incorporated in India.

## ENTRY OPTIONS

A Foreign Company looking to set up operations in India can consider the following options:

## FOREIGN COMPANIES

- a. As an Incorporated Entity
  - i. Joint Venture
  - ii. Wholly Owned Subsidiary Company
  - iii. Limited Liability Partnership
- b. As an un-incorporated entity
  - i. Branch Office
  - ii. Project Office
  - iii. Liaison Office

## JOINT VENTURE WITH AN INDIAN PARTNER

Although a wholly-owned subsidiary has proven to be the preferred option, foreign companies have also begun operations in India by forming strategic alliances with Indian partners. The trend is to choose a partner in the same area of activity, or who brings synergy to the foreign investor's plans for India. Sometimes, JVs are also necessitated due to restrictions on foreign ownership in certain sectors.

Foreign Companies can set up their operations in India by forging strategic alliances with Indian partners.

Joint Venture may entail the following advantages for a foreign investor:

1. Established distribution/ marketing set up of the Indian partner
2. Available financial resource of the Indian partners
3. Established contacts of the Indian partners which help smoothen the process of setting up of operations

Therefore one can say that as per Section 4(7) of the Companies Act 1956, Private company incorporated in India would be deemed Public Company if it is a subsidiary of a Public company incorporated outside India except those Private company whose entire share capital is held by a Public company incorporated outside India whether alone or together with one or more other bodies corporate incorporated outside India. Foreign Companies used this provision to operate in India through subsidiaries which are private companies as per Section 4(7) of the Companies Act 1956.

Companies Act 2013 does not have provision similar to Section 4(7) of the Companies Act 1956. As per proviso to Section 2(71) of the Companies Act 2013, a company which is a subsidiary of a company, not being a private company, shall be deemed to be a public company for the purposes of the Companies Act 2013 even where such subsidiary company continues to be private company in its articles.

As per proviso to Section 2(71) of the Companies Act 2013 a Subsidiary Company will be a deemed Public Company if its holding company is not a Private Company even where such subsidiary company continues to be a private company by its articles.

Therefore subsidiary company may remain private company by its own choice as far as internal matters are concerned e.g. it does not invite public to subscribe for any securities of the company but in the eyes of law it will be a deemed public company .

## CLARIFICATION ISSUED BY MINISTRY OF CORPORATE AFFAIRS

In terms of the clarification issued by Ministry of Corporate Affairs, an existing company being subsidiary of the company incorporated outside India registered under Companies Act 1956, either as private company or public company by virtue of the Section 4(7) of the Companies Act 2013 will continue as private company or public company as the case may be without any change in incorporation status of such company. The said clarification also states that there is no bar in the Companies Act 2013 for a company incorporated outside India to incorporate subsidiary in India either as public company or a private company.

## WHOLLY OWNED SUBSIDIARY COMPANY

A foreign Company can set up a wholly owned subsidiary company in India to carry out its activities. Such a subsidiary is treated as Indian Resident and an Indian Company for all Indian regulations (including Income Tax, FEMA 1999 and the Companies Act, 2013), despite being 100% foreign – owned with at least two shareholders (for a Private Limited Company) and seven shareholders (for a Public Limited Company).

Foreign companies can also to set up wholly-owned subsidiary in sectors where 100% foreign direct investment is permitted under the FDI policy.

For registration and incorporation, an application has to be filed with Registrar of Companies (ROC). Once a company has been duly registered and incorporated as an Indian company, it is subject to Indian laws and regulations as applicable to other domestic Indian companies.

## LIMITED LIABILITY PARTNERSHIPS

An LLP is a new form of business structure in India. It combines the advantages of a company, such as being a separate legal entity having perpetual succession, with the benefits of organizational flexibility associated with the partnership. At least two partners are required to form an LLP. These partners have limited Liability for the LLP.

With less stringent compliance requirements an LLP is comparatively easier to manage than a Company. Furthermore, an LLP is not subject to mandatory compliance requirements applicable to a company under the Companies Act, 2013.

## ESTABLISHMENT OF BRANCH/LIAISON/PROJECT OFFICES IN INDIA BY FOREIGN ENTITIES

### Branch office

In terms of the FEM (Establishment in India of Branch or Office or other Place of Business) Regulations, 2000 'Branch Office', in relation to a company, means any establishment described as such by the company. [vide section 2(14) of the Companies Act, 2013].

#### Set Up

- i. Foreign companies engaged in manufacturing and trading activities abroad are allowed to set up Branch Offices in India for specified purposes.
- ii. Body Corporate, Firm or Association of Individuals incorporated outside India Except Partnership /Proprietary Concerns.
- iii. BO of Bank: DBOD of RBI approval including extension
- iv. BO in SEZ: No RBI Permission, only those sectors where 100% FDI permitted.

### Establishment and Approval

- i. Branch Offices could be established with the approval of RBI.
- ii. No approval required from RBI for a company to establish a branch/unit in SEZs to undertake manufacturing and service activities if
  - a. such units are functioning in those sectors where 100 per cent FDI is permitted;
  - b. such units function on a stand-alone basis.
- iii. The Branch / Liaison offices established with the Reserve Bank's approval will be allotted a Unique Identification Number (UIN).

### Entry Routes

- i. Reserve Bank Route: If the principal activity of foreign entity falls under a sector where 100% FDI allowed under Automatic Route (AR).
- ii. Government Route: If the principal activity of foreign entity falls in the sector where 100% FDI not allowed under Automatic Route.
- iii. NGOs/ NPOs/ Government Bodies/ Departments are considered by the Reserve Bank in consultation with the Ministry of Finance, Government of India. etc.

### Permitted Activities [Schedule I]

- i. Export/import of goods.

- ii. Rendering professional or consultancy services.
- iii. Carrying out research work, in areas in which the parent company is engaged.
- iv. Promoting technical or financial collaborations between Indian companies and parent or overseas group company.
- v. Representing the parent company in India and acting as buying/ selling agent in India.
- vi. Rendering services in Information Technology and development of software in India.
- vii. Rendering technical support to the products supplied by parent/group companies.
- viii. Foreign airline/shipping Company.
- ix. Profits earned by the Branch Offices are freely remittable from India, subject to payment of applicable taxes.

Normally, the Branch Office should be engaged in the activity in which the Parent Company is engaged.

### NON-PERMISSIBLE ACTIVITIES

1. Retail trading activities of any nature is not allowed or a Branch Office in India.
2. A Branch Office is not allowed to carry out manufacturing or processing activities in India, directly or indirectly.

### BRANCHES OF FOREIGN BANKS

Foreign banks do not require separate approval under FEMA, for opening branch office in India. Such banks are, however, required to obtain necessary approval under the provisions of the Banking Regulation Act, 1949, from Department of Banking Regulation, Reserve Bank.

### WINDING-UP OF BRANCH OFFICE

In the event of winding-up of business and for remittance of winding-up proceeds, the branch shall approach an AD Category I bank with the documents as mentioned under "Closure of Liaison / Branch Office" except the copy of the letter granting approval by the Reserve Bank.

### LIAISON OFFICE

A Liaison Office (also known as Representative Office) can undertake only liaison activities, i.e. it can act as a channel of communication between Head Office abroad and parties in India. It is not allowed to undertake any business activity in India and cannot earn any income in India. Expenses of such offices are to be met entirely through inward remittances of foreign exchange from the Head Office outside India. The role of such offices is, therefore, limited to collecting information about possible market opportunities and providing information about the company and its products to the prospective Indian customers. Permission to set up such offices is initially granted for a period of 3 years and this may be extended from time to time by an AD Category I bank.

## ROLE

- i. The role of the liaison office is limited to collecting information about possible market opportunities and providing information about the company and its products to prospective Indian customers and acting as a communication channel between the parent company and Indian Companies.
- ii. Nepal can set up LO only.
- iii. LO of Insurance/Bank: IRDA/DBOD of RBI approval including extension.

## APPROVAL

Approval for establishing a liaison office in India is granted by RBI.

Requests for establishing additional BO / LOs may be submitted through fresh FNC form, duly signed by the authorized signatory of the foreign entity in the home country to the Reserve Bank of India as explained above. However, the documents mentioned in form FNC need not be resubmitted, if there are no changes to the documents already submitted earlier.

1. If the number of Offices exceeds 4 (i.e. one BO / LO in each zone viz; East, West, North and South), the applicant has to justify the need for additional office/s.
2. The applicant may identify one of its Offices in India as the Nodal Office, which will coordinate the activities of all Offices in India.

## DIFFERENT ROUTES

- i. **RBI Route:** If the principal activity of foreign entity falls under sector where 100% FDI allowed under Automatic Route(AR).
- ii. **Government Route:** If the principal activity of foreign entity falls in the sector where 100% FDI not allowed under AR, NGOs, NPOs etc.

## PERMITTED ACTIVITIES [SCHEDULE II]

- i. Representing in India the parent company / group companies.
- ii. Promoting export / import from / to India.
- iii. Promoting technical/ financial collaborations between parent / group companies and companies in India.
- iv. Acting as a communication channel between the parent company and Indian companies.

It can promote export/import from/to India and also facilitate technical/financial collaboration between parent company/Group companies and companies in India.

## NON-PERMISSIBLE ACTIVITIES

1. Liaison office not permitted to undertake any business activities, Sale/ Purchase, commercial / trading/industrial activity.

2. It cannot earn any income in India.

## REMITTANCE OF SURPLUS ON PROFITS

Branch Offices are permitted to remit outside India profit of the branch net of applicable Indian taxes, on production of the following documents to the satisfaction of the Authorised Dealer through whom the remittance is effected:-

- a. A Certified copy of the audited Balance Sheet and Profit and Loss account for the relevant year
- b. A Chartered Accountant's certificate certifying
  - i. the manner of arriving at the remittable profit
  - ii. that the entire remittable profit has been earned by undertaking the permitted activities
  - iii. that the profit does not include any profit on revaluation of the assets of the branch

## PROJECT OFFICE

Foreign companies planning to execute specific projects in India can set-up temporary project and site offices for this purpose. The RBI has granted general permission to foreign companies to establish project offices in India, provided they have secured a contract from an Indian company to execute a project in India.

As per Regulation 3, a Branch / Project/ Liaison Office can be set up only with the prior permission of RBI subject to specified conditions.

## ENTRY ROUTES

Setting up of Project Offices by foreign Non-Government Organisations / Non - Profit Organisations / Foreign Government Bodies/Departments, by whatever name called, are under the Government Route. Accordingly, such entities are required to apply to the Reserve Bank for prior permission to establish an office in India, whether Project Office or otherwise

## PERMITTED ACTIVITIES

- i. General permission to foreign entities to establish Project / Site Offices (temporary in nature).
- ii. General permission also for remitting surplus funds after completion of project on production of the following documents:
  - Certified copy of the final audited project accounts;
  - A Chartered Accountant's certificate showing the manner of arriving at the remittable surplus;
  - Income tax assessment order or other documentary evidence showing payment of income-tax and other applicable taxes, or a chartered accountant's certificate stating that sufficient funds have been set aside for meeting all Indian Tax liabilities;
  - Auditor's certificate stating that no statutory liabilities in respect of the Project are outstanding.



## NON-PERMISSIBLE ACTIVITIES

Such offices cannot undertake or carry on any activity other than the activity relating and incidental to execution of the project.

## CONDITIONS

1. The project is funded directly by inward remittance from abroad; or is funded by a bilateral or multilateral International Financing Agency
2. The project has been cleared by an appropriate authority
3. A company or entity in India awarding the contract has been granted Term Loan by a Public Financial Institution or bank in India for the project.
4. However, if the above criteria are not met, or if the parent entity is established in Pakistan, Bangladesh Sri Lanka, Afghanistan, Iran or China, such applications have to be forwarded to Central Office of the Foreign Exchange Department of the Reserve Bank for approval

## BRANCH & LIAISON OFFICE

### PROCEDURE

1. The application has to be made in Form FNC -1 and submitted along with the following documents:
  - Copies of last Five years (For LO 3 Years) audited Balance Sheet, Profit & Loss Account of the PC.
  - Profit Track Record.
  - For BO — Five Years.
  - For LO — Three Years
  - Net Worth
    - For BO — not less than USD 100,000 or its equivalent.
    - For LO — not less than USD 50,000 or its equivalent.
  - Translated English version of the Company's Certificate of Incorporation/Registration, Memorandum & Articles of Association
  - English version of the Copy of the Board resolution for opening office in India.
  - Reasons for opening office in India like business transacted, details of customers, vendors etc.
  - Company's profile with brief history, product details, group companies etc.
  - Special Power of Attorney in favor of a local representative duly notarized
  - For obtaining approval from RBI and to register with the Registrar of Companies, the following documents are required for opening a BO/LO in India:
    - A copy of Board Resolution for opening BO/LO in India. (Notary and consulate by Indian embassy)
    - A copy of Certificate of incorporation of your company abroad
    - A copy of Memorandum of the company.
    - List of Directors/Key Persons of the company
    - List of Branches in other countries if any
    - Brief profile of the business activity
    - Proposed address of the BO/LO in India.

- All the documents are required in duplicate
- Certain specific information that needs to be furnished in this application include –
  - Global history of operations of the company.
  - Proposal of activities and interest areas in India.
  - Reasons for opening office.
  - For exchange issues.
- The BO/LO set up by the foreign companies in India are allowed to carry out the payment issues outside India under the regulations of RBI.
- They do not need to maintain any reserves in India.
- In cases of possessing income or profits in India, the BO/LO can send back profits directly to their Head Office, which is located in the foreign country, and they do not need any prior approval from RBI for that.

## CLOSURE

The company has to approach the respective Regional Office of the Reserve Bank with the following documents:-

- Copy of the Reserve Bank's permission for establishing the Office in India.
- Auditor's certificate.
  - (i) Indicating the manner in which remittable amount has been arrived and supported by a statement of assets and liabilities of the applicant, and indicating the manner of disposal of assets.
  - (ii) Confirming that all liabilities in India including arrears of gratuity and other benefits to employees etc. of the branch/office have either fully met or adequately provided for;
  - (iii) Confirming that no income accruing from sources outside India (including proceeds of exports) has remained un-repatriated to India;
- No-objection or Tax clearance certificate from Income tax authority for the remittance; and
- Confirmation from the applicant that no legal proceedings in any Court in India are pending and there is no legal impediment to the remittance.

Once RBI's Regional Office grants approval AD Category-I Banks can allow remittance of surplus. At the time of closure of Branch Offices, the entities have to approach the Central Office of the Reserve Bank for approval, with the same set of documents as mentioned above.

- Without prior permission of the Reserve Bank, no person being a citizen of/ registered in Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iran, China, Hong Kong or Macau can establish in India, a BO/ LO/ PO or any other place of business.
- Proprietary concerns set up abroad are not allowed to establish BO/ LO/ PO in India.
- BO/PO(not LO) can acquire Immovable Property for their own use or to carry out permitted activities but not for leasing or renting out the property. However, entities from Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iran, Nepal, Bhutan, China, Hong Kong and Macau are not allowed to acquire

## FOREIGN COMPANY

- immovable property in India even for a BO. These entities are allowed to lease such property for a period not exceeding five years.
- BO/ LO/ PO are allowed to open non-interest bearing INR current accounts in India.
  - Permission to establish offices, in India by foreign Non-Government Organisations /Non-Profit Organisations /Foreign Government Bodies/Departments, by whatever name called, are under the Government Route.
  - BO can remit profit out of India through AD on submitting documents.
  - Transfer of Assets of BO/LO/PO to another LO/BO or Subsidiary require AD Bank/RBI prior approval (as the case may be).
  - Term deposit out of temporary surplus funds for 6 months can be allowed by AD – Utilization in India within 3 months.

## APPLICATION OF COMPANIES ACT TO FOREIGN COMPANIES –SECTION 379

- Whereas equal to or more than 50% of the paid up share capital (whether equity or preference) of a Foreign Company is held whether singly or in the aggregate by :
  - One or more citizens of India
  - One or more companies or bodies corporate incorporated in India
- Such foreign company shall need to comply with the provisions of Chapter 22 (Companies Incorporated outside India) of Companies Act, 2013.
- In addition of above also need to comply with the provisions of Companies Act, 2013 as may be prescribed with regard to business carried on by it in India as if it were incorporated in India.

Section 379 of Act of 2013 though similar to Section 591 of the Act of 1956, there are several striking and far reaching difference.

## COMPLIANCES AT THE TIME OF REGISTRATION

- Foreign company shall deliver following documents within 30 days from the date of establishment of place of business in India for registration with Registrar in form FC-1
  1. Certified copy of the charter, statutes/ memorandum / articles of the company in English language.
  2. The full address of the registered or principal office.
  3. A detailed list of the directors and secretary of the company.
  4. The name(s) and address (s) of one or more persons resident in India – who will act as Authorized Representative of the Company.
- Such application shall be supported with an attested copy of approval from Reserve Bank of India (RBI) under FEMA Act

or Regulations and also from other regulators, if required.

- The full address of the office in India.
- Particulars of opening and closing of a place of business in India on earlier occasion or occasions;
- Declaration that none of the directors of the company or the authorized representative in India has ever been convicted or debarred from formation of companies and management in India or abroad; and
- Any other information as may be prescribed.

Any document which any foreign company is required to deliver to Registrar shall be delivered to Registrar having jurisdiction over New Delhi and fees for registration of documents is Rs. 6000

## COMPLIANCES - POST REGISTRATION

The accounts of foreign companies are to be delivered to the Registrar within 6 months from the end of the financial year and it shall include:

- Balance Sheet and Profit & Loss Account as per Schedule III of the Act
- Documents to be annexed as per the provisions of Chapter IX (Accounts of Companies) of the Act, 2013
- Statement of related party transactions
- Statement of Repatriation of Profit
- Statement of transfer of fund between place of business of foreign company in India and other related party of foreign company outside India
- List of places of business in form FC-3 established by the foreign company in India as on the date of balance sheet

## DOCUMENTS, ETC TO BE DELIVERED TO REGISTRAR BY FOREIGN COMPANIES (SECTION-380)

Every Foreign company is required to submit these documents to the Registrar for registration, within 30 days of the establishment of its place of business in India:

1. Certified copy of the charter, statutes or memorandum and articles, of the company or other instrument constituting or defining the constitution of the company and, if the instrument is not in the English language, a certified translation thereof in the English language;
2. Full address of the registered or principal office of the company.
3. List of the directors and secretary of the company containing such particulars as prescribed under Rule 3.
4. Name and address or the names and addresses of one or more persons resident in India authorised to accept on behalf of the company service of process and any notices or other documents required to be served on the company.
5. Full address of the office of the company in India which is

deemed to be its principal place of business in India.

6. Particulars of opening and closing of a place of business in India on earlier occasion or occasions.
7. Declaration that none of the directors of the company or the authorized representative in India has ever been convicted or debarred from formation of companies and management in India or abroad.
8. Other Documents as may be prescribed.

Rule 3(3) of the Companies (Registration of Foreign Companies) Rules, 2014 requires application in Form FC-1 to be supported with an attested copy of approval from the Reserve Bank of India under Foreign Exchange Management Act and the rules and regulations thereunder or a declaration from the authorised representative of such Foreign Company that no such approval is required.

Rule 3(4) provides that in case of any alteration in the aforesaid documents the Foreign Company is required to submit a return in Form FC-2 containing the particulars of alteration as per the prescribed format with the Registrar of Companies, within 30 days of any such alteration.

## ACCOUNTS OF FOREIGN COMPANY [SECTION-381]

The Foreign Companies in each calendar year are required to prepare a balance sheet and profit and loss account in such form, containing such particulars and shall also annex the documents as prescribed under Rule 4 along with the balance sheet and profit & loss account. All these documents shall be filed with Registrar of Companies along with a copy of list of all the places where business has been established in India as on the date of the balance Sheet in Form FC-3.

If any of such document is not in English Language, a certified translation of these documents in English Language shall be attached.

Rule 5 provides that every foreign company shall get its accounts, pertaining to the Indian business operations prepared in accordance with the requirements of section 381 and rule 4, audited by a practicing Chartered Accountant in India or a firm or limited liability partnership of practicing chartered accountants.

The provisions of Chapter X i.e. Audit and Auditors and rules made there under, as far as applicable, shall apply, *mutatis mutandis*, to the foreign company.

## DISPLAY OF NAME OF FOREIGN COMPANY [SECTION-382]

Every Foreign Company shall-

1. Exhibit the name of the Company and the Country in which it is incorporated, in letters easily legible in English characters, and also in the characters of the language or one of the language in general use in the locality in which the office or place is situate.
2. Outside of every office or place where it carries on business in India.
3. All business letters, bill-heads, notices, and official publications of the Company.  
  
If the liability of members of the Company is limited, cause notice of that fact-
4. To be stated in every such prospectus issued, in all business letters, bill heads, official publications, in legible English characters.
5. To be exhibited on the outside of every office or place where it carries on business.

## SERVICE ON FOREIGN COMPANY [SECTION-383]

Any document required to be served on a Foreign Company shall be deemed to be sufficiently served, if addressed to any person whose name and address have been delivered to registrar under Section 380 and left at, or sent by post to, the address which has been so delivered to the Registrar or by electronic mode.

**Following provisions of the Act are applicable to foreign Companies also: [Section-384]**

- Debentures - The provisions of Section 71 shall apply *mutatis mutandis* to a foreign company.
- Annual Return -The provisions of Section 92 shall subject to such exceptions, modification and adaptations as may be



## FOREIGN COMPANY

made therein by rules made under this Act, apply to a foreign company as they apply to a company incorporated in India.

Also, Rule 7 provides that every foreign company shall prepare and file, within a period of sixty days from the last day of its financial year, to the Registrar annual return in Form FC.4 along with such fee as provided in the Companies (Registration Offices and Fees) Rules, 2014 containing the particulars as they stood on the close of the financial year.

- Books of Accounts - The provisions of Section 128 shall apply to a foreign company to the extent of requiring it to keep at its principal place of business in India, the books of account referred to in that section, with respect to monies received and spent, sales and purchases made, and assets and liabilities, in the course of or in relation to its business in India.

**World Accounts/Global Accounts** – Three Copies of balance sheet and profit and loss account, including documents relating to every subsidiary of the foreign company, as submitted by it to the prescribed authority in the country of its incorporation under the provisions of the law in that country, shall be filed with the Registrars.

**Indian Business Accounts** - Three copies of balance sheet and profit and loss accounts of Indian Business Accounts of a foreign company duly audited by a Practising Chartered Accountants in India, in the form prescribed in Companies Act 2013 shall be filed with the Registrar s within six months from the close of the financial year.

- Registration of Charges - The provisions of Chapter VI shall apply *mutatis mutandis* to charges on properties which are created or acquired by any foreign company. As per Section 384 read with Section 77 of the Companies Act 2013 charges on properties which are created or acquired by any Foreign Companies whether situated in or outside India shall be registered with Registrar. Under Companies Act 2013 properties need not be situated in India. Foreign Companies

shall register charges on properties which are created or acquired by Foreign Companies whether situated in or outside India with Registrar.

- Inspection - The provisions of Chapter XIV shall apply *mutatis mutandis* to the Indian business of a foreign company as they apply to a company incorporated in India.

## DOCUMENTS REQUIRED TO BE FILED WITH REGISTRAR WHEN FOREIGN COMPANY CEASES TO HAVE A PLACE OF BUSINESS IN INDIA (RULE -8)

- If any foreign company cease to have a place of business in India it shall require to file a notice of the fact to Registrar .
- As from the date on which notice is so given the obligation of the company to deliver documents with Registrar shall cease.

## PUNISHMENT FOR CONTRAVENTION [SECTION-392]

Without prejudice to the provisions of section 391, if a foreign company contravenes the provisions of this Chapter, the foreign company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and in the case of a continuing offence, with an additional fine which may extend to fifty thousand rupees for every day after the first during which the contravention continues and every officer of the foreign company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees, or with both.

## COMPANIES FAILURE TO COMPLY WITH PROVISIONS OF THIS CHAPTER NOT TO AFFECT VALIDITY OF CONTRACTS [SECTION-393]

- Any failure by a company to comply with the provisions of this Chapter shall not affect the validity of any contract, dealing or transaction entered into by the Company or its liability to be sued in respect thereof .
- The Company shall not be entitled to bring any suit, claim any set-off, make any counter-claim or institute any legal proceeding in respect of any such contract, dealing or transaction, until the company has complied with the provisions of this Act applicable to it.
- Applicable provisions with respect to Penalties and Prosecutions

## COMPLIANCES UNDER FOREIGN EXCHANGE MANAGEMENT ACT (FEMA) 1999

- An offshore business which has a direct Indian operation in India (and is not operating through an agent) will be treated



‘ The provisions of the Old Act and the New Act seem similar, but on a careful reading one would understand the change in the scope of coverage of such foreign companies. With the New Act, the need for physical presence has been done away with, as entities with no physical presence yet having any virtual presence would also now come under the net. ’

as one of Liaison Office (LO), Branch Office (BO) or Project Office (PO), for Reserve Bank of India (RBI) under provisions of the FEMA

- After establishment, all new entities setting up LO/BO/PO shall submit a report containing information, as per format provided in Annex 3 within five working days of the LO/BO becoming functional to the Director General of Police (DGP) of the state concerned in which LO/BO has established its office
- Branch Offices / Liaison Offices have to file Annual Activity Certificates (AAC) (Annex 4) from Chartered Accountants, at the end of March 31, along with the audited Balance Sheet on or before September 30 of that year. AAC certifies that the company is undertaking only those activities which are permitted by the Reserve bank
- At the time of winding up of Branch/Liaison/ Project Office the company has to approach the designated AD Category – I bank with the documents prescribed
- Annual return on Foreign Liabilities and Assets has been notified under FEMA 1999 and it is required to be submitted by all the India resident companies which have received FDI and/ or made overseas investment in any of the previous year(s), including current year by July 15 every year. Non-filing of the return before due date will be treated as a violation of FEMA and penalty clause may be invoked for violation of FEMA.

## COMPLIANCE ISSUES FOR INDIAN COMPANIES INCORPORATED ABROAD

The new Companies Act has widened the regulations for foreign companies controlled by Indian corporate, putting the latter under increased pressure of compliances.

- Foreign companies / companies incorporated outside India had always had some provisions of the Companies Act, 1956 (Old Act) applicable to them under part XI of the Old Act.
- Such foreign companies which would have established a place of business in India before or after the commencement of the Old Act had to comply with some of the provisions of Old Act which included submitting with the registrar charter documents of the place of business in India, its address, details

of directors etc for registration, accounts of the Indian entity, details of charges made on property in India and so on.

## CHANGED POSITION UNDER ACT, 2013

- The new Act, 2013, expanded its scope of such foreign companies and has increased the compliance requirements as well
- Chapter XXII of the New Act, Section 379 onwards provides for provisions of the Act as applicable to such foreign companies in which Indian individuals or body corporates jointly/ severally hold not less than 50% of the paid-up share capital either in the form of equity or preference and have a place of business in India

The provisions of the Old Act and the New Act seem similar, but on a careful reading one would understand the change in the scope of coverage of such foreign companies. With the New Act, the need for physical presence has been done away with, as entities with no physical presence yet having any virtual presence would also now come under the net.

## WINDING UP - SECTION 376 OF THE COMPANIES ACT 2013

Where body corporate incorporated outside India which has been carrying on business in India, ceases to carry on business in India, it may be wound up as an unregistered company under Part II of Chapter XXI of the Companies Act 2013, notwithstanding that the body corporate has been dissolved or otherwise ceased to exist as such under or by virtue of the laws of the country under which it was incorporated.

Therefore, Foreign Company cannot be wound up voluntarily under the Companies Act 2013.

As per Section 375 of the Companies Act 2013, Foreign Company may be wound up on the following grounds:

- If the company is dissolved, or has ceased to carry on business, or is carrying on business only for the purpose of winding up its affair.
- If the company is unable to pay its debts;
- If the tribunal is of the opinion that it is just or equitable that the company should be wound up.

Source: Companies Act, 2013 and rules made thereunder, Foreign Exchange Management Act, 1999 & rules made thereunder and RBI Master Circular & Guidelines.

Disclaimer: This article contains interpretation of the Act, Rules and personal views of the author are based on such interpretation. Readers are advised either to cross check the views of the author with the Act or seek the expert's views if they want to rely on the contents of this article.

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# Corporate Governance Key to Company's Success



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## INTRODUCTION

Governance refers to "all processes of governing, whether undertaken by a government, market or network, whether over a family, tribe, formal or informal organization or territory and whether through laws, norms, power or language" Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed.

Organization for economic Cooperation and development (OECD) defines Corporate Governance as

"Corporate Governance is the system by which business corporations are directed and controlled. The Corporate Governance

Companies objectives are set and the means of attaining those objectives and monitoring performance".

During recent times "Corporate Governance" has gained attention globally. The reason behind focus is due to increase in corporate frauds and scams which leads to corporate failures. So to save the corporate sector from failures there need a mechanism termed as "Corporate Governance"

In India, various initiatives have been taken in the past by

- The Ministry of Corporate Affairs
- SEBI

For the promotion of fairness,

In the present dynamic global Market environment where there is a vast scope for corporate failures, it is essential to follow global corporate governance disclosure standards which are well accepted bench marks for all corporate worlds. The corporate must follow well enriched and universally accepted corporate governance standards and disclosure practices effectively and efficiently. Therefore, all the countries should make a serious effort for designing appropriate corporate governance mechanisms and disclosure practices. It is hoped that these measures would certainly go a long way in reshaping the corporate world which will reflect on strengthening the corporate performance, shareholders confidence, wealth maximization and consumer protection as well.

structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the Board, managers, shareholders and other stakeholders and spells out the rules and procedures for making decisions in corporate affairs. By doing this, it also provide the structure through which the

transparency between the company and its stake holders. the corporate Governance structure also specify the proper distribution of authority and responsibility among various participants of the corporations. To enforce the Companies to make all necessary legal Compliances. The Companies should

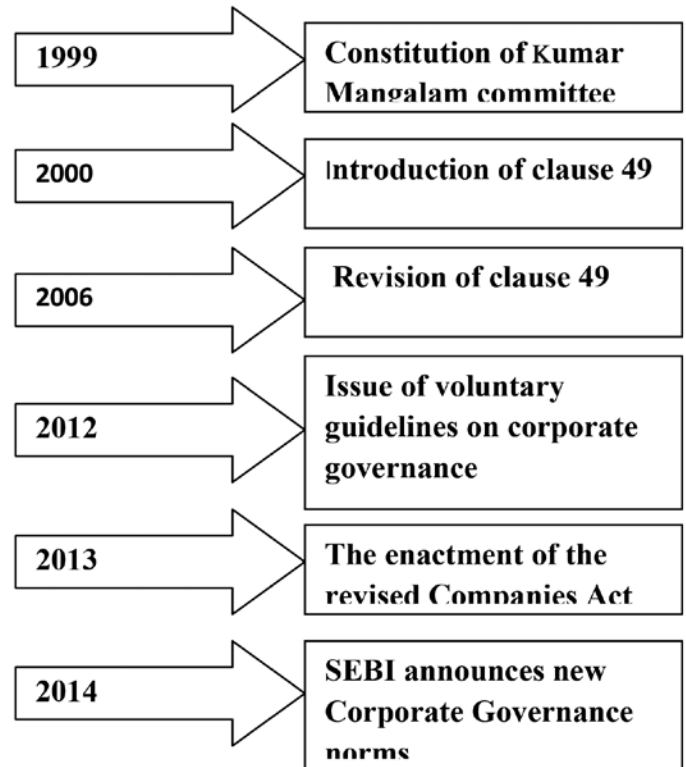
adopt appropriate risk management measures. The authorities specifies various ethics programs and code of ethics for efficient development of the corporate sector and economy as well.

Over the past 15 years, there have been many reforms in the corporate governance framework - starting from constitution of the Kumar Mangalam Committee (1999), introduction of Clause 49 in the listing agreement (2000), revision in Clause 49 on recommendations of the Narayana Murthy Committee (2006), issue of voluntary guidelines on corporate governance (2009), issue of guiding principles on corporate governance (2012) based on recommendation of the Adi Godrej Committee, enactment of the revised Companies Act (2013) and finally the new corporate governance norms by SEBI (2014).

Although, the Companies Act 2013 specifies the requirements of governance applicable to all class of companies, a recent press release by SEBI indicates a move towards aligning the requirement for listed companies with that of the Companies Act and simultaneously raises the bar on governance standards for listed companies.

They has clearly indicated a move towards increased transparency on conducting Board Matters and several changes in the roles and responsibilities of the board, board committees and independent directors. This move also indicates the intent of the regulators to align with the global standards on corporate governance adopted in mature economies (such as the UK Companies Act, UK Bribery Act, US Foreign corruption practices Act and US SOX Act).

### Corporate governance: key milestones



### Key changes proposed by SEBI



#### Board of directors and its committees

- ▶ Mandatory stakeholders relationship and nomination and remuneration committee with an independent chairman
- ▶ At least one woman director on the board
- ▶ Expanded role of audit committee, mandatory performance evaluation, succession planning for the board and KMP



#### Independent directors

- ▶ Nominee director not to be considered as independent director
- ▶ Prohibition on stock options
- ▶ Mandatory performance evaluation
- ▶ Separate meetings of independent directors
- ▶ Number of companies restricted to 7 (3 if serving as whole time director)
- ▶ Maximum tenure restricted to 2 terms of 5 years



#### Other governance aspects

- ▶ Prior approval of all material related party transactions from audit committee
- ▶ Definition of relative covering Companies Act and accounting standards
- ▶ Compulsory whistle-blowing mechanism
- ▶ Disclosure of remuneration policy
- ▶ Specifying principles of corporate governance
- ▶ Risk management

The Companies are compulsory to comply with the norms Companies Act 2013 along with the governance requirement framed by SEBI, the compliance is likely to become more onerous for listed companies with a consequent effect on the cost of compliance. Notwithstanding the implications and challenges, organizations need to leverage this development as an opportunity to strengthen the governance framework and deliver incremental gains through enhanced investor confidence.

In addition to the statutory laws of the relevant jurisdiction, corporations are subject to comply with the common law in some countries, and various laws and regulations affecting business practices namely:

**The U.S. passed the Foreign Corrupt Practices Act (FCPA) in 1977**, with subsequent modifications. This law made it illegal to bribe government officials and required corporations to maintain adequate accounting controls. It is enforced by the U.S. Department of Justice and the Securities and Exchange Commission (SEC). Substantial civil and criminal penalties have been levied on corporations and executives convicted of bribery.

**The UK passed the Bribery Act in 2010.** This law made it illegal to bribe either government or private citizens or make facilitating payments (i.e., payment to a government official to perform their routine duties more quickly). It also required corporations to establish controls to prevent bribery.

## SARBANES-OXLEY ACT

The Sarbanes-Oxley Act of 2002 was enacted due to increase in the series of high-profile corporate scandals. It established a series of requirements that affect corporate governance in the U.S. and influenced similar laws in many other countries. The law required, along with many other elements, that:

**The Public Company Accounting Oversight Board (PCAOB)** be established to regulate the auditing profession, which had been self-regulated prior to the law. Auditors are responsible for reviewing the financial statements of corporations and issuing an opinion as to their reliability. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attest to the financial statements.



## INTERNATIONAL CORPORATE GOVERNANCE LAWS

### 1. US FOREIGN CORRUPT PRACTICES ACT

The FCPA applies to any person who has any connection to the United States and engages in foreign corrupt practices. The Act also applies to any act by foreign corporations trading securities in the U.S., U.S. businesses, American nationals, citizens, and residents acting in furtherance of a foreign corrupt practice.

### THE ACT APPLY TO

- Issuer (is a corporation (public or private) that has issued securities that have been registered in the United States or who is required to file periodic reports with the Securities and Exchange Commission (SEC))
- **Domestic concerns** (is any individual who is a citizen, national, or resident of the United States, or any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States)
- Or a foreign national or business

#### The FCPA contains two types of provisions:

1. **Anti-bribery provisions**, (which prohibit corrupt payments to foreign officials, parties or candidates to assist in obtaining or retaining business or securing any improper advantage)
2. **Record-keeping and Internal controls** provisions, which impose certain obligations on all companies whose securities are registered in the United States or which are required to file reports with the SEC, regardless of whether or not the companies.

#### 1. Anti-bribery provisions

The FCPA's anti-bribery provisions apply broadly to three categories of persons or entities: 'issuers', 'domestic concerns' and certain persons and entities under 'territorial jurisdiction'.

### THESE PROVISIONS PROHIBIT

- (1) US persons and companies (domestic concerns),
- (2) Companies organised under US laws,
- (3) Companies that have their principal place of business in the US,
- (4) Companies listed on stock exchanges in the US or
- (5) Companies required to file periodic reports with the SEC (issuers), and
- (6) Certain foreign persons and businesses acting while in the territory of the US (territorial jurisdiction) from making corrupt payments to foreign officials to obtain or retain business.

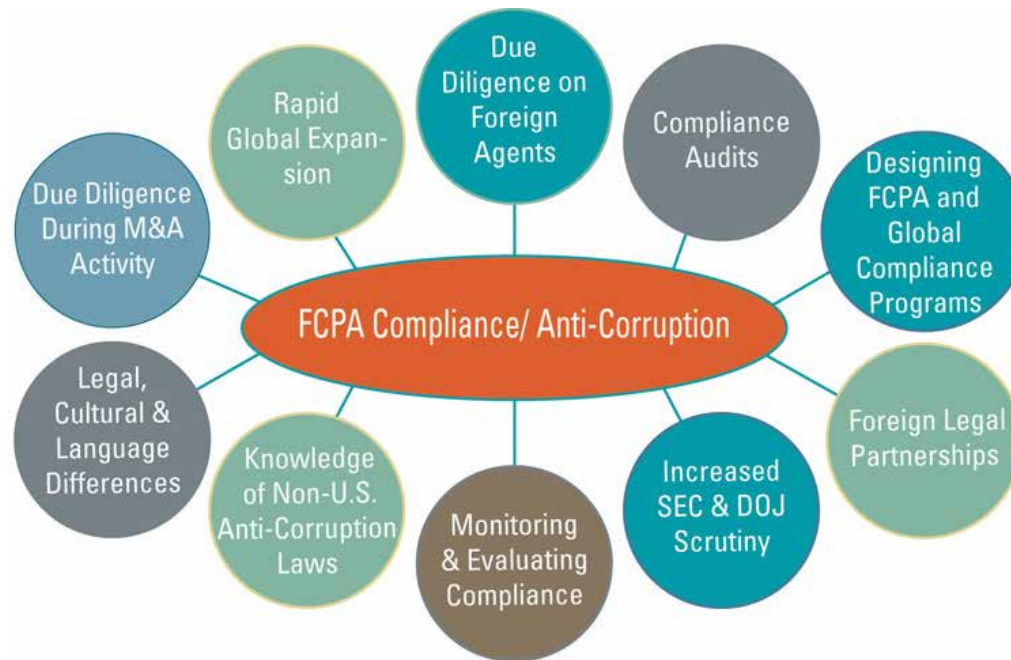
#### Record-keeping and Internal controls:-

The FCPA Act provides that the Issuer should

- Maintain proper books of accounts in accordance with all accounting principles or rules framed in this regard.



- Set up a system of internal control which is sufficient to provide reasonable assurances that transactions are properly authorized, recorded, and accounted for by the issuer .



**Prohibition and defences:** The FCPA prohibits those subject to the FCPA from giving or promising to give anything of value to:

- any foreign official for purposes of influencing any act or decision of such official or inducing such official to influence any act or decision of a foreign government or instrumentality to obtain or retain business or for purposes of obtaining any improper advantage;
- any foreign political party or party official or any candidate for foreign political office for purposes of influencing any act or decision of such party, official or candidate or inducing such party, official or candidate to influence any act or decision of a foreign government or instrumentality to obtain or retain business or for the purposes of obtaining any improper advantage; and
- any person while knowing or having reason to know that such money or thing of value will be offered or given to any foreign official, foreign political party, party official or candidate for foreign political office for purposes of influencing any act or decision or inducing such foreign official, political party, party official or candidate to influence any act or decision of a foreign government or instrumentality to obtain or retain business or for the purposes of obtaining any improper advantage.

The FCPA provides two affirmative defenses for U.S. companies accused of making prohibited payments.

- First, a U.S. company may make a payment, gift, offer or promise of anything

of value to a foreign official, a political party or a candidate's country provided such action is expressly permitted under the written laws of that country.

- Secondly, a U.S. company may make a payment, gift, offer or promise of anything of value that constitutes a reasonable and bona fide expenditure directly related to the promotion of products and services or the execution of a contract with a foreign country or agency.

**Penalties:** The penalties for violation of the FCPA are severe for both companies and individuals. There are two sets of penalty provisions:

1. The anti-bribery provisions and
2. The record keeping and internal control provisions.

Both provisions may impose civil and criminal penalties. Parent entities can be held responsible

for their entities and the Penalties can include fines and bouncing of profits that a company might have realized from its unlawful conduct. FCPA is particularly more challenging for companies operating in corruption-prone countries, such as India.

The India fallout for US Corruption is not only restricted to the cost of an internal investigation, which can be expensive but also large fines and criminal prosecution for Indian Partners, the risks lie in it having to pay compensation on the quantum of fine in case it has indemnified the US Corporation, as is often the case in foreign-local joint ventures.

Thus, any penalty of a heavy quantum can put Indian Companies in the dock, especially if their litigation insurance claim is rejected on grounds that there was willful bribing through intermediaries. It may also limit the Indian Companies in case of any future fund-raising in the US.



**Name of the companies against action listed by FCPA in the year 2014, 2015, 2016**

2016	2015	2014
<b>QUALCOMM</b>	<b>BRISTOL-MYERS SQUIBB</b>	<b>AVON PRODUCTS INC.</b>
The San Diego-based company agreed to pay \$7.5 million to settle charges that it violated the FCPA when it hired relatives of Chinese officials deciding whether to select company's products. (3/1/16)	SEC charged the New York-based pharmaceutical company with violating the FCPA when employees of its China-based joint venture made improper payments to obtain sales. Bristol-Myers Squibb agreed to pay more than \$14 million to settle charges. (10/5/15)	SEC charged the global beauty products company with violating the FCPA by failing to put controls in place to detect and prevent payments and gifts to Chinese government officials from a subsidiary. Avon agreed to pay \$135 million to settle the SEC charges and a parallel criminal case. (12/17/14)
<b>VIMPELCOM</b>	<b>HITACHI</b>	<b>BRUKER CORPORATION</b>
The Dutch-based telecommunications provider agreed to a \$795 million global settlement to resolve its violations of the FCPA to win business in Uzbekistan. (2/18/16)	SEC charged the Tokyo-based conglomerate with violating the FCPA by inaccurately recording improper payments to South Africa's ruling political party in connection with contracts to build power plants. Hitachi agreed to pay \$19 million to settle charges. (9/28/15)	SEC charged the Billerica, Mass.-based global manufacturer of scientific instruments with violating the FCPA by providing non-business related travel and improper payments to various Chinese government officials in an effort to win business. The company agreed to pay \$2.4 million to settle the charges. (12/15/14)
<b>PTC</b>	<b>BNY MELLON</b>	<b>BIO-RAD LABORATORIES</b>
The Massachusetts-based tech company and its Chinese subsidiaries agreed to pay more than \$28 million to settle FCPA cases involving bribery of Chinese government officials to win business. (2/16/16)	SEC charged the global investment company with violating the FCPA by providing valuable student internships to family members of foreign government officials affiliated with a Middle Eastern sovereign wealth fund. BNY Mellon agreed to pay \$14.8 million to settle charges. (8/18/15)	SEC charged the California-based clinical diagnostic and life science research company with violating the FCPA when its subsidiaries made improper payments to foreign officials in Russia, Vietnam, and Thailand in order to win business. (11/3/14)
<b>SCICLONE PHARMACEUTICALS</b>	<b>MEAD JOHNSON NUTRITION</b>	<b>LAYNE CHRISTENSEN COMPANY</b>
The California-based pharmaceutical firm agreed to pay \$12 million to settle SEC charges that it violated the FCPA when international subsidiaries increased sales by making improper payments to health care professionals employed at state health institutions in China. (2/4/16)	SEC charged the infant formula manufacturer with violating the FCPA when its Chinese subsidiary made improper payments to health care professionals to recommend the company's product to new and expectant mothers. Mead Johnson Nutrition agreed to pay \$12 million to settle the case. (7/28/15)	SEC charged the Texas-based water management, construction, and drilling company with violating the FCPA by making improper payments to foreign officials in several African countries in order to obtain beneficial treatment and reduce its tax liability. (10/27/14)
<b>IGNACIO CUETO PLAZA</b>	<b>GOODYEAR TIRE&amp;RUBBER COMPANY</b>	<b>SMITH&amp;WESSON</b>
The airline executive agreed to pay a \$75,000 penalty to settle SEC charges that he violated the FCPA when he authorized improper payments to a third-party consultant who he knew could route portions of the money to union officials in the midst of a labor dispute. (2/4/16)	SEC charged Goodyear with violating the FCPA when its subsidiaries paid bribes to land tire sales in Kenya and Angola. The company agreed to pay \$16 million to settle the charges. (2/24/15)	SEC charged the Springfield, Mass.-based firearms manufacturer with violating the FCPA when employees and representatives authorized and made improper payments to foreign officials while trying to win contracts to supply products to military and law enforcement overseas. (7/28/14)
<b>SAP SE</b>	<b>FLIR SYSTEMS</b>	<b>HEWLETT-PACKARD</b>
The software manufacturer agreed to give up \$3.7 million in sales profits to settle SEC charges that it violated the FCPA when its deficient internal controls enabled an executive to pay bribes to procure business in Panama. (2/1/16)	SEC charged Oregon-based FLIR Systems with violating the FCPA by financing a "world tour" of personal travel for Middle East government officials who played key roles in decisions to purchase FLIR products. FLIR, which earned more than \$7 million in profits from such sales, agreed to pay \$9.5 million to settle the charges. (4/8/15)	SEC charged the Palo Alto, Calif.-based technology company with violating the FCPA when subsidiaries in three countries made improper payments to government officials to obtain or retain lucrative public contracts. H-P agreed to pay \$108 million to settle the SEC charges and a parallel criminal case. (4/9/14)

## CONCLUSION

The Major challenges in India in respect of implementation of Corporate Governance were unaddressed. There were conflicts between the Dominant shareholders and minority shareholders. Besides the promoters are dominant shareholders of Indian firms followed by institutional investors. In reality, Corporate Governance has insignificant impact on firm's performance. It is market conditions that impact the Corporate Governance. In the present dynamic global Market environment where there is a vast scope for corporate failures, appropriate measures should be adopted. In this context it is essential to follow global corporate governance disclosure standards which are well accepted bench marks for all corporate worlds. All the corporate companies must follow well enriched and universally accepted corporate governance standards and disclosure practices effectively and efficiently. Therefore, all the countries should make a serious effort for designing appropriate corporate governance mechanisms and disclosure practices. It is hoped that these measures would certainly go a long way in reshaping the corporate world. Ultimately it will reflect on strengthening the corporate performance, shareholders confidence, and wealth maximization and consumer protection as well.

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# One Person Company and the Principle of Corporate Personality: A Review of Recent English Decisions



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## INTRODUCTION

One Person Company (OPC) is the discovery of the Companies Act 2013 ('the Act'), though this type of company is not new in the world. In particular, the UK Companies legislation has had it for many years now. Section 123 of the UK Companies Act 2006 contains special provisions in this regard (see Annex at the end of this article) A question that is sometimes asked is whether an OPC is equivalent to a sole proprietorship and is susceptible to the principles of distinct corporate personality of a body corporate and limited liability being defied by courts thereby exposing the shareholder of the OPC to the OPC's liabilities by treating the assets and liabilities of the shareholder

Section 2(62) of Act defines the expression 'One Person Company' as 'a company which has only one person as a member'.

According to section 3(1), a company may be formed for any lawful purpose by, among others, one person, where the company to be formed is to be OPC, that is to say, a private company, by subscribing their names or his name to a memorandum and complying with the requirements of this Act in respect of registration.

Section 3(2) of the Act recognises the three kinds of company that can be formed under the Act, namely (a) a company limited by shares; or (b) a company limited by guarantee; or (c) an unlimited company. When an OPC is formed as a

OPC is a company incorporated under the Companies Act; and although its entire share capital is held by one person, that does not detract from the legal status of the OPC as an incorporated body having a distinct corporate entity and corporate personality.. The company's assets are the company's assets and not the assets of the person who owns all the shares of the company.

as the company. The employees in the insiders area shall not communicate any Unpublished Price Sensitive Information to any one in public area and vice versa. It would, therefore, be enlightening to review the law in this regard.

company limited by shares, the liability of the person who is its sole shareholder is limited similar to in any other company limited by shares and the company has only one shareholder does not make any difference in this regard.

## STATUTORY FRAMEWORK

Section 2(20) of the Act defines 'company' as a company incorporated under this Act or under any previous company law. Since OPC is a 'company incorporated under this Act', it has the same legal status as any other company as a body corporate having legal entity and personality of its own distinct from that of its owners, i.e. its shareholders.

Section 3 contains the following further requirement regarding formation of OPC:

- The memorandum of OPC shall indicate the name of another person, with his prior written consent in the prescribed form, who shall, in the event of the subscriber's death or his incapacity to contract become the member of the company and the written consent of such person shall also be filed with the Registrar at the

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time of incorporation of the OPC along with its memorandum and articles.

- Such other person may withdraw his consent in such manner as may be prescribed.
- The member of OPC may at any time change the name of such other person by giving notice in such manner as may be prescribed.
- It shall be the duty of the member of OPC to intimate the company the change, if any, in the name of the other person nominated by him by indicating in the memorandum or otherwise within such time and in such manner as may be prescribed, and the company shall intimate the Registrar any such change within such time and in such manner as may be prescribed.

According to section 7(2) the Registrar, on the basis of documents and information filed under sub-section (1), shall register all the documents and information referred to in that sub-section in the register and issue a certificate of incorporation in the prescribed form to the effect that the proposed company is incorporated under this Act.

Section 7(3) declares that on and from the date mentioned in the certificate of incorporation issued under sub-section (2), the Registrar shall allot to the company a corporate identity number, which shall be a distinct identity for the company and which shall also be included in the certificate.

The words 'the company .... shall be a distinct identity' in the above provision are crucial inasmuch as they contemplate, recognise and enact the principle of independent corporate personality of a company incorporated under the Act as a body corporate.

Section 9 of the Act, which is pertinent to the discussion in hand, states the effect of registration of a company and states that from the date of incorporation mentioned in the certificate of incorporation, such subscribers to the memorandum and all other persons, as may, from time to time, become members of the company, shall be a body corporate by the name contained in the memorandum, capable of exercising all the functions of an incorporated company under this Act and having perpetual succession with power to acquire, hold and dispose of property, both movable and immovable, tangible and intangible, to contract and to sue and be sued, by the said name.

One of the effects of registration of a company is 'power to acquire, hold and dispose of property, both movable and immovable, tangible and intangible'. The words 'power to acquire, hold ... property' contemplate that a company (including an OPC) has the power (or legal capacity) to purchase or acquire in any other manner any property in its own name and to be the owner of such property.

i.e. when it comes into existence. A company comes into existence by registration at the office of the Registrar of Companies. The decision in *Salomon v. A Salomon & Co. Ltd.*<sup>1</sup> and a series of decisions following it have established that on incorporation a company becomes a separate entity distinct from its members. The courts have, however, on occasion, not applied the Salomon principle and ignored the corporate personality to look behind the corporate veil, and held that the corporate veil is a mere mask, a sham or a facade. Thus, the act of disregarding the corporate personality by piercing or lifting the corporate veil is making inroads upon the "Saloman principle" of distinct legal entity of an incorporated company. Besides the courts, it is the Parliament that by statutory measure sometimes makes inroads on the principle of corporate personality. "Four inroads have been made by the law on the principle of the separate legal personality of companies. By far the most extensive of these has been made by legislation imposing taxation. The Government, naturally enough, does not willingly suffer schemes for the avoidance of taxation which depend for their success on the employment of the principle of separate legal personality, and in fact legislation has gone so far that in certain circumstances taxation can be heavier if companies are employed by the taxpayer in an attempt to minimise his tax liability than if he uses other means to give effect to his wishes. The other inroads on the principle of separate corporate personality have been made by two sections of the Companies Act, 1948, by judicial disregard of the principle where the protection of public interest is of paramount importance, or where the company has been formed to evade obligations imposed by the law, and by the courts implying in certain cases that a company is an agent or trustee for its members".<sup>2</sup>

The true legal position in regard to the character of a corporation or a company which owes its incorporation to a statutory authority, is not in doubt or dispute. The corporation in law is equal to a natural person and has a legal entity of its own. The entity of the



## THE ATTRIBUTE OF CORPORATE PERSONALITY

A company acquires the corporate personality on its incorporation,

1 (1897) AC 22.  
2 Pennington's Company Law, 6th edition, page 38 cited in *LIC of India v Escorts Ltd.* (1986) 59 Comp Cas 548 (SC).

‘ The corporate veil may be lifted where a statute itself contemplates lifting the veil, or fraud or improper conduct is intended to be prevented, or a taxing statute or a beneficent statute is sought to be evaded or where associated companies are inextricably connected as to be, in reality, part of one concern. It is neither necessary nor desirable to enumerate the classes of cases where lifting the veil is permissible, since that must necessarily depend on the relevant statutory or other provisions, the object sought to be achieved, the impugned conduct, the involvement of the element of the public interest, the effect on parties who may be affected, etc. ’

corporation is absolutely and entirely separate from that of its shareholders; it bears its own name and has a seal of its own; its assets are separate and distinct from those of its members; it can sue and be sued exclusively for its own purpose; its creditors cannot obtain satisfaction from the assets of its members; the liability of the members or shareholders is limited to the capital invested by them, similarly, the creditors or the members have no right to the assets of the corporation. This position has been well-established ever since the decision in the case of *Salomon v. Salomon and Co.* was pronounced in 1897; and, indeed, it has always been the well-recognised principle of common law. However, in course of time, the doctrine that the corporation or a company has a legal and separate entity of its own has been subjected to certain exceptions by the application of the fiction that the veil of the corporation can be lifted and its face examined in substance. The doctrine of the lifting of the veil thus marks a change in the attitude that law had originally adopted towards the concept of the separate entity or personality of the corporation. As a result of the impact of the complexity of economic factors, judicial decisions have sometimes recognised exceptions to the rule about the juristic personality of the corporation. It may be that in course of time these exceptions may grow in number and to meet the requirements of different economic problems, the theory about the personality of the corporation may be confined more and more.<sup>3</sup>

Thus, while it is firmly established ever since *Salomon v. A Salomon and Co. Ltd.*<sup>4</sup> was decided that a company has an independent and legal personality distinct from the individuals who are its members, it has since been held that the corporate veil may be lifted, the corporate personality may be ignored and the individual members recognised for who they are in certain exceptional circumstances.<sup>5</sup> Generally and broadly speaking, we may say that the corporate

veil may be lifted where a statute itself contemplates lifting the veil, or fraud or improper conduct is intended to be prevented, or a taxing statute or a beneficent statute is sought to be evaded or where associated companies are inextricably connected as to be, in reality, part of one concern. It is neither necessary nor desirable to enumerate the classes of cases where lifting the veil is permissible, since that must necessarily depend on the relevant statutory or other provisions, the object sought to be achieved, the impugned conduct, the involvement of the element of the public interest, the effect on parties who may be affected, etc.<sup>6</sup>

In *Macaura v Northern Assurance Co Ltd* [1925] AC 619, the House of Lords held that the sole owner and controller of a company did not even have an insurable interest in property of the company, although economically he was liable to suffer by its destruction. Lord Buckmaster, at pp 626-627 said:

"No shareholder has any right to any item of property owned by the company, for he has no legal or equitable interest therein. He is entitled to a share in the profits while the company continues to carry on business and a share in the distribution of the surplus assets when the company is wound up."

It is long established that a company limited by shares and incorporated under the Companies Acts from time to time in force in England since 1862 is a separate (albeit artificially created) legal person. As such, it beneficially owns all its assets unless otherwise expressly declared. That is so even if it is wholly owned and controlled by one person; and even though that person, as its sole incorporator, may bind the company in any matter which is *intra vires* the company. Nor is such a company by virtue of its sole ownership and control the agent of its owner and controller. All this is made clear by the House of Lords in its decision in *Salomon v. Salomon & Co* [1897] AC 22. This indeed is perhaps the feature of company law which primarily distinguished it from its antecedents in partnership law. Some view the doctrine as having provided the engine for entrepreneurial risk-taking and economic growth; others have regarded the decision as a calamity; it matters not: it is the law. [*Group Seven Ltd v Allied Investment Corporation Ltd* [2014] 1 WLR 735 (Ch D)]

## COMPANY'S PROPERTY IS ITS OWN; NOT THE SHAREHOLDERS'

A company being a juristic person, can acquire, own, enjoy and alienate property in its own name. No shareholder can make any claim upon the property of the company so long as the company is a going concern. The shareholders are not the owners (or joint owners) of the company's property. The company itself is the owner. The property is owned in the name of the company and not in the personal name of a director or a shareholder. A shareholder has merely an interest in the company arising under the Articles of Association of the company, measured by a sum of money for the purpose of liability, and by a share in the profit. He has merely the right to participate in the profits of the company subject to the contract contained in the Articles of Association. Therefore, property of the company is not the property of the individual member.

A shareholder is called an owner of the company. But a

3 *Tata Engineering & Locomotive Co. Ltd. v State of Bihar* (1964) 34 Comp Cas 458 (SC); AIR 1965 SC 40.

4 (1897) AC 22 (HL).

5 *LIC of India v Escorts Ltd.* (supra).

6 *LIC of India v Escorts Ltd.* (1986) 59 Comp Cas 548 (SC).

‘ The decision in Salomon plainly represents a substantial obstacle in the way of an argument that the veil of incorporation can be pierced. Further, the importance of maintaining clarity and simplicity in this area of law means that, if the doctrine is to exist, the circumstances in which it can apply must be limited and as clear as possible. ’

shareholder's position is different from that of a partner in a partnership firm. A partner of a partnership firm is a part or a joint owner of the firm or its property because a partnership firm has no independent personality or entity distinct from partners. A shareholder has undoubtedly an interest in the company; this interest is represented by the share(s) he holds. If the majority of shareholders side with him, he can have a resolution passed which would be binding on the company and lastly, he can institute proceedings for winding up of the company which may result in a distribution of net assets of the company among the shareholders. But this does not mean that a shareholder is an owner of the company or its property in true sense of the term 'owner'. A shareholder has an interest in a company, which is represented by his shareholding.

A shareholder acquires a right to participate in the profits of the company but it is not possible to accept the contention that the share holder acquires any interest in the assets of the company. A shareholder does not have any right to the properties of the company. There is nothing in the Companies Act to warrant the assumption that a shareholder who holds shares by itself acquires any interest in the property of the company who is a juridical person entirely distinct from the shareholder. The true position of a shareholder is that on buying shares, the investor becomes entitled to participate in the profits of the company in which he holds the shares if and when the company declares dividends subject to the Articles of Association. The property of the company cannot be considered to be the property of its members.<sup>7</sup>

The distinction between a company and its shareholders should be clearly marked, observed and maintained. The business is in fact and in law the property of a separate legal entity, a limited company. It cannot be held that the business is the property of the person who owns all the shares in the company and that the company is carrying on the business as agent for that other person. The rights and obligations of the company are different from the rights and obligations of the shareholders. The company in holding its property and carrying on its business is not the agent of the shareholders.

The holding of the whole of the shares of a company by one individual does not of itself alter the nature of his relationship to the company. His control, due to the holding of all of the company's shares, does not make him and the company in any sense identical. The directors of the company do not become his agents. Their duties are still controlled by the rules and constitution of the

<sup>7</sup> GL Asia Mauritius II Cayman Limited v Pinfold Overseas Limited 2013 (4) ABR 1063 (Bom).

company itself. Nor is this consideration one of theoretical law only.

## GROUNDBREAKING DECISION OF UK SUPREME COURT

Prest v. Prest [2013] 3 WLR 1; [2013] 4 ALL ER 673 (SC) was a case concerning a one-man company (like an OPC in India), where the husband of a woman owned and controlled several companies. In a matrimonial dispute, the wife claimed a share in the properties of the companies. The wife alleged that the husband had used the companies to hold legal title to properties which belonged beneficially to him. However the husband failed to comply with orders for the full and frank disclosure of his financial position and the companies were joined as parties to the proceedings. The judge rejected the wife's submission that the husband had been guilty of any impropriety in relation to the companies such as would entitle the court to pierce the corporate veil. However, he held that since the husband had complete control of the companies he would be able to deal as he wished with their assets, and that it followed that he was the beneficial owner of such assets and thus "entitled" to them within the meaning, of section 24(i)(a) of the Matrimonial Causes Act 1973,<sup>8</sup> giving the court jurisdiction to make a transfer order in respect of them. Accordingly the judge ordered the husband to transfer or cause to be transferred to the wife six properties and an interest in a seventh which were held in the name of two of the husband's companies.

The Supreme Court held that Salomon v. A Salomon and Co Ltd [1897] AC 22, in which a unanimous House of Lords reached a clear and principled decision, which has stood unimpeached for over a century. The effect of the decision is encapsulated at pp 30-31, where Lord Halsbury LC said that a "legally incorporated" company "must be treated like any other independent person with its rights and liabilities appropriate to itself ..., whatever may have been the ideas or schemes of those who brought it into existence". Whether that is characterised as a common law rule or a consequence of the companies legislation (or an amalgam of both), it is a very well established principle of long standing and high authority. Writing extra-judicially, Lord Templeman referred to the principle in Salomon as the "unyielding rock" on which company law is constructed, and on which "complicated arguments" might ultimately become "shipwrecked"- Forty Years On (1990) 11 Co Law 10. The decision in Salomon plainly represents a substantial obstacle in the way of an argument that the veil of incorporation can be pierced. Further, the importance of maintaining clarity and simplicity in this area of law means that, if the doctrine is to exist, the circumstances in which it can apply must be limited and as clear as possible.

## WHETHER OPC'S PROPERTY IS SOLE SHAREHOLDER'S PROPERTY

In Group Seven Ltd v Allied Investment Corp Ltd [2014] 1 WLR 735 (Ch D), the claimant brought an action against the defendants, in support of which it obtained a freezing order prohibiting the third defendant (an individual) from disposing of or dealing with his assets. The order contained a clause which stated that for the

<sup>8</sup> It provides that the court may order that "a party to the marriage shall transfer to the other party... such property as may be so specified, being property to which the first-mentioned party is entitled, either in possession or reversion".

purposes of the order the third defendant's assets included any asset which he had "the power, directly or indirectly to dispose of or deal with as if it were his own". The third defendant's assets included a debt owed to a company of which he was the sole director and shareholder. The third defendant, acting on behalf of that company, subsequently compromised its claim for recovery of that debt. The claimant applied to commit him to prison for contempt of court on the basis that the chose in action which the benefit of the debt comprised was to be treated as an asset of the third defendant, and that in compromising the claim he had, in breach of the order, "disposed of" or "dealt with" that asset.

The court refused the application and held that although a sole shareholder's shareholding might provide the key whereby to unlock the company's assets, the principle of corporate personality precluded treating those assets as substantially the same as the shareholding; that, if there were demonstrated to be a real likelihood that the court would ultimately lift or pierce the corporate veil so as to make the assets in a company wholly owned and controlled by the person to whom a freezing order was directed available for the purposes of enforcing the judgment, that might warrant an express extension of the scope of the freezing order to capture dealings in the company's assets but it did not justify giving a more expansive meaning to the words used in the order than that which they could, fairly bear; that, therefore, construed objectively the standard form of freezing order did not, ordinarily and without more, extend to restrain dealings in assets of a body corporate wholly owned and controlled by the person to whom the order was directed; and that, accordingly, when executing the compromise agreement on behalf of the company the third defendant had not ^ disposed of or dealt with any of his assets and, therefore, had not breached the freezing injunction.

The following observations of the judge highlight the importance of and the need to maintain and honour the principle of distinct corporate personality of the company:

"It is long established that a company limited by shares and incorporated under the Companies Acts from time to time in force in England since 1862 is a separate (albeit artificially created) legal person. As such, it beneficially owns all its assets unless otherwise expressly declared. That is so even if it is wholly owned and controlled by one person; and even though that person, as its sole incorporator, may bind the company in any matter which is *intra vires* the company. Nor is such a company by virtue of its sole ownership and control the agent of its owner and controller. All this is made clear by the House of Lords in its decision in *Salomon v. Salomon & Co* [1897] AC 22. This indeed is perhaps the feature of company law which primarily distinguished it from its antecedents in partnership law. Some view the doctrine as having provided the engine for entrepreneurial risk-taking and economic growth; others have regarded the decision as a calamity; it matters not: it is the law, in England at least. ....

The benefits of incorporation with limited liability are considerable. They are undoubtedly open to abuse; and not infrequently they are indeed abused. As a response, the Courts in England have occasionally been persuaded that to prevent established abuse, they should strip away or lift the "veil of incorporation" and look to the person behind the artificial legal creation. This is, however, rare in England (though it is a little more common in various jurisdictions in the United States of America with similar principles

of corporate law). Further, even if the court is persuaded to lift the "veil", that is not a negation of the principle that a company is a separate legal entity: it is a limited jurisdiction to prevent abuse, very sparingly exercised; and even if the Court in such exceptional circumstances is persuaded to treat the assets of a limited company as answerable for some default or breach of its owner(s) those assets remain in the separate beneficial ownership of the company."

In *Lakatamia Shipping Co Ltd v Su & Others* [2015] 1 WLR 291 (CA), again there was a question as to the interpretation freezing order that prohibiting an individual from disposing of, dealing or diminishing the value of any of his assets. Paragraph 3 of the order provided, inter alia: "For the purpose of this order, the defendants' assets include any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The defendants are to be regarded as having such power if a third party holds or controls the asset in accordance with their direct or indirect instructions." The judge held that the order applied to all of the defendants' assets whether or not they were in their own names and whether they were solely or jointly owned; that the defendants' assets included any asset which they had the power, directly or indirectly, to dispose of or to deal with as if it were their own; and that the defendants were to be regarded as having had such power if a third party held or controlled the asset in accordance with their direct or indirect instructions so that the injunction had the direct effect of freezing the assets of the three non-defendant companies. He accordingly ordered the first defendant to give the claimant notice of any proposed dealings with certain assets of the non-defendant companies. However, on the defendants' appeal the Court of Appeal held that the assets of a company the shares in which were entirely owned by a defendant were not "assets" of the defendant for the purposes of paragraph 3 of the freezing 'order. But the court held that since the freezing order restrained the first defendant from "diminishing" the value of any of his assets, which included his shareholding in such a company, the court would restrain him from procuring the company to make a disposition of its assets which was likely to result in such a diminution, and accordingly, although the judge had erred in his reasoning by stating that the assets of companies controlled by the first defendant were the defendant's assets and were thus directly affected by the freezing order, he had been right to conclude that the freezing order covered dispositions relating to the assets of the three non-defendant companies and had been justified in imposing the notice requirements.

## LIFTING OF CORPORATE VEIL

In this regard, an important question is likely to arise as to whether merely because one individual is the sole owner of all the shares of an OPC and also its only director, the corporate veil would get automatically lifted when a question of liability arises despite that the OPC is a limited liability company. It appears that the answer to this question must be in the negative. It is to be noted that, In India and in England, the doctrine of corporate veil lifting is an exception and not a rule, the rule being the corporate personality of a company, and it is this separate corporate personality and its property are the basis on which third parties are entitled to deal with the company. The principle of limited liability of shareholders of a company is the feature that a company is endowed with as a result of its distinct corporate personality.

The corporate veil is lifted by courts where there is evidence showing the company was used to commit a fraud or wrong that injured the party seeking to pierce the veil, or to prevent "fraud or improper conduct".<sup>9</sup> Corporate veil is also lifted where the company is used as a device or facade to conceal the true facts, thereby avoiding or concealing any liability of individual in control of company. In *Juggilal Kamlatpat v. CIT*<sup>10</sup>, the Supreme Court has held that the court is entitled to lift the mask of corporate entity if the conception is used for tax evasion or to circumvent tax obligation or to perpetuate fraud. It is true that from a juristic point of view the company is a legal personality entirely distinct from its members and the company is capable of enjoying rights and being subjected to duties, which are not the same as those enjoyed or borne by its members. But in certain exceptional cases the Court is entitled to lift the veil of corporate entity and to pay regard to the economic realities behind the legal facade.

This issue has been elaborately dealt with in *Prest v Prest* (supra). Lord Sumption explained the doctrine thus:

"Piercing the corporate veil" is an expression rather indiscriminately used to describe a number of different things. Properly speaking, it means disregarding the separate personality of the company. There is a range of situations in which the law attributes the acts or property of a company to those who control it, without disregarding its separate legal personality. The controller may be personally liable, generally in addition to the company, for something that he has done as its agent or as a joint actor. Property legally vested in a company may belong beneficially to the controller, if the arrangements in relation to the property are such as to make the company its controller's nominee or trustee for that purpose. For specific statutory purposes, a company's legal responsibility may be engaged by the acts or business of an associated company. Examples are the provisions of the Companies Acts governing group accounts or the rules governing infringements of competition law by "firms", which may include groups of companies conducting the relevant business as an economic unit. Equitable remedies, such as an injunction or specific performance may be available to compel the controller whose personal legal responsibility is engaged to exercise his control in a particular way. But when we speak of piercing the corporate veil, we are not (or should not be) speaking of any of these situations, but only of those cases which are true exceptions to the rule in *Salomon v A Salomon and Co Ltd* [1897] AC 22, i.e. where a person who owns and controls a company is said in certain circumstances to be identified with it in law by virtue of that ownership and control."

And concluded:

I conclude that there is a limited principle of English law which applies when a person is under an existing legal obligation or liability or subject to an existing legal restriction which he deliberately evades or whose enforcement he deliberately frustrates by interposing a company under his control. The court may then pierce the corporate veil for the purpose, and only for the purpose, of depriving the company or its controller of the advantage that they would otherwise have obtained by the company's separate legal personality. The principle is properly described as a limited one, because in almost every case where the test is satisfied, the facts will in practice disclose a legal relationship between the company and its controller which will make it unnecessary to pierce the

corporate veil. .... I consider that if it is not necessary to pierce the corporate veil, it is not appropriate to do so, because on that footing there is no public policy imperative which justifies that course. .... For all of these reasons, the principle has been recognised far more often than it has been applied. But the recognition of a small residual category of cases where the abuse of the corporate veil to evade or frustrate the law can be addressed only by disregarding the legal personality of the company is, I believe, consistent with authority and with long-standing principles of legal policy."

## CONCLUSION

As noted before, an OPC is a "company" incorporated under the Companies Act; and although its entire share capital is held by one person, that does not detract from the legal status of the OPC as an incorporated body having a distinct corporate entity and corporate personality. It is a body corporate by the name contained in the memorandum, capable of exercising all the functions of an incorporated company under this Act and having perpetual succession with power to acquire, hold and dispose of property, both movable and immovable, tangible and intangible, to contract and to sue and be sued, by the said name. Accordingly, the company's assets are the company's assets and not the assets of the person who owns all the shares of the company.

## ANNEX

### Section 123 of the UK Companies Act 2006

#### 123 Single member companies

- (1) If a limited company is formed under this Act with only one member there shall be entered in the company's register of members, with the name and address of the sole member, a statement that the company has only one member.
- (2) If the number of members of a limited company falls to one, or if an unlimited company with only one member becomes a limited company on re-registration, there shall upon the occurrence of that event be entered in the company's register of members, with the name and address of the sole member—
  - (a) a statement that the company has only one member, and
  - (b) the date on which the company became a company having only one member.
- (3) If the membership of a limited company increases from one to two or more members, there shall upon the occurrence of that event be entered in the company's register of members, with the name and address of the person who was formerly the sole member—
  - (a) a statement that the company has ceased to have only one member, and (b) the date on which that event occurred.
- (4) If a company makes default in complying with this section, an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

<sup>9</sup> Life Ins. Corp. of India v. Escorts Ltd., A.I.R. 1986 S.C. 1370, 1418.  
<sup>10</sup> AIR 1969 SC 932.



# Refusal to Transfer Shares – Whether Permissible?



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Before going into the topic of the article, a short synopsis of NCLT/NCLAT which is a Single Window Institution of Corporate Justice is given. It is a consolidation of corporate jurisdiction. NCLT/NCLAT will reduce delays in corporate laws proceedings as well as multiplicity of litigations involved in such proceedings.

The problem arises at the level of execution and implementation front because of the fact that inefficient standards and corporate restructuring framework has many pitfalls arising out of bureaucracy and corruption. Several Commissions and High-Level Committees had suggested formation of NCLT/NCLATs in order

In this Article, an attempt has been made to explain and elucidate the provisions relating to “refusal to transfer of shares” – more particularly in the light of the provisions of (i) Companies Act, 2013, provisions of ii) Securities Contract (Regulation) Act, 1956 and Depositories Act, 1996.

## GROUND FOR REFUSAL

The grounds /reasons on which a Public Company can refuse to register transfer of shares have not been specifically enumerated under the Companies Act. However the provision of Section 111A (2) of the Companies Act, 1956 allowed

In this Article, an attempt has been made to explain and elucidate the provisions relating to “refusal to transfer of shares” – more particularly in the light of the provisions of the Companies Act, 2013, Securities Contract (Regulation) Act, 1956 and the Depositories Act, 1996.

to reduce litigations before various authorities such as:

- CLB under Companies Act
- BIFR/AAIFR under Sick Industrial Companies (Special Provisions) Act, 1985
- High Court which have jurisdiction and powers relating to Corporate Restructuring, Arrangement, Amalgamation and Winding-up etc.

There will be atleast 16 Benches of NCLT, thereby providing justice at the doorstep. NCLT is be a statutory body and would enjoy all the powers being conferred under Companies Act, 2013. NCLT will have judicial and technical experts who will handle all matters presently being handled by CLB with much wider jurisdiction in terms of scope of the subjects.

the Board of Directors to refuse to register transfer of shares “for sufficient cause”. [Gujarat Machinery Manufactures Ltd. v. Nile Ltd.(2001) 105 Comp.Cas 817 (CLB).] It is now well-settled that the words ‘sufficient cause’ should not be given a restricted meaning. The company is fully entitled to examine as to whether formalities required, such as signatures, stamp etc., have been fulfilled and that transfer would not involve violation of any other provision of the Companies Act, SEBI Act, or Regulations issued by SEBI, SICA or any other law for the time being in force. The company, however, cannot act arbitrarily and will have to justify its action if questioned by the Company Law Board. It may be noted that under the scheme of Section 108A to 108D of the Companies Act, 1956 dealing with Transfer and Transmission of Securities, the Central Government while granting or

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## REFUSAL TO TRANSFER SHARES – WHETHER PERMISSIBLE?

declining to grant the approval for acquisition of shares, required to examine various factors such as :

- the impact of the acquisition on the management of the company;
- whether such an impact is desirable, the existing legal obligation of the company;
- whether such transfer itself would place the company in a situation to make a breach of certain existing contractual obligations of the company, thereby exposing the company to an action in law etc.

The company can thus also refuse to register transfer of shares on these grounds.

## APPEAL AGAINST REFUSAL OF REGISTRATION OF TRANSFER/ TRANSMISSION AND FOR RECTIFICATION OF REGISTER OF MEMBERS

Section 58 of the Companies Act, 2013 is reproduced as under:

- (1) If a private company limited by shares refuses, whether in pursuance of any power of the company under its articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a member in the company, it shall within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the company, send notice of the refusal to the transferor and the transferee or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.
- (2) Without prejudice to sub-section (1), the securities or other interest of any member in a public company shall be freely transferable:
 

Provided that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract.
- (3) The transferee may appeal to the Tribunal against the refusal within a period of thirty days from the date of receipt of the notice or in case no notice has been sent by the company, within a period of sixty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, was delivered to the company.
- (4) If a public company without sufficient cause refuses to register the transfer of securities within a period of thirty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, is delivered to the company, the transferee may, within a period of sixty days of such refusal or where no intimation has been received from the company, within ninety days of the delivery of the instrument of transfer or intimation of transmission, appeal to the Tribunal.
- (5) The Tribunal, while dealing with an appeal made under sub-section (3) or sub-section(4), may, after hearing the parties, either dismiss the appeal, or by order—

- (a) direct that the transfer or transmission shall be registered

by the company and the company shall comply with such order within a period of ten days of the receipt of the order; or

- (b) direct rectification of the register and also direct the company to pay damages, if any, sustained by any party aggrieved.
- (6) If a person contravenes the order of the Tribunal under this section, he shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Section 58 deals with the Appeals against the refusal for registration of transfer or transmission of securities

- If a private company refuses the registration of securities the transferee may appeal to NCLT against the refusal in Form NCT-1 within a period of thirty days from the date of receipt of the notice or in case no notice has been sent by the company, within a period of sixty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, was delivered to the company.

If a public company without sufficient cause refuses to register the transfer of securities within a period of thirty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, is delivered to the company, the transferee may, within a period of sixty days of such refusal or where no intimation has been received from the company, within ninety days of the delivery of the instrument of transfer or intimation of transmission, appeal to NCLT in Form NCT-1.

Pursuant to Rule 73 of Companies NCLT Rules, 2015, the appeal made to the Tribunal by way of a petition in Form NCT- 1 shall be accompanied by the documents as mentioned below:

### Where the company is the petitioner

- Copy of the memorandum and articles of association



- Latest audited balance sheet and profit and loss account, auditor's report and director's report.
- Authenticated copy of the extract of the Register of Members.
- Copy of the resolution of the Board or Committee of Directors (where applicable)
- Any other relevant documents.
- Affidavit verifying the petition. (Format as given in Form NCT-6)
- Bank draft evidencing payment of application fee.
- Memorandum of appearance with copy of the Board Resolution or the executed Vakalatnama, as the case may be. (Format as given in Form NCT-12)
- Two extra copies of the petition.

#### Where the petition is made by any other person

- Documentary evidence in support of the statements made in the petition including the copy of the letter written by the petitioner to the company for purpose of registering the transfer of, or the transmission of the right to, any share, or interest in, or debentures as also a copy of the letter of refusal of the company.
- Copies of the documents returned by the company.
- Any other relevant document.
- Affidavit verifying the petition. (Format as given in Form NCT-6)
- Bank draft evidencing payment of application fee.
- Memorandum of appearance with copy of the Board's Resolution or the executed Vakalatnama, as the case may be. (Format as given in Form NCT-12)
- Two extra copies of the petition
- A copy of such appeal shall be served on the concerned company at its registered office immediately after filing of the petition with the Tribunal.
- Advertisement detailing petition-

As per Rule 5 of the Companies Draft NCLT Rules, 2015 the petitioner shall advertise the petition in Form NCT-3A at least 14 days before the date of hearing at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the proposed company is situated, and circulating in that district, and at least once in English language in an English newspaper circulating in that district.

#### Every such advertisement shall state:

- (a) the date on which the application, petition/ reference was presented,
- (b) the name and address of the applicant petitioner and his authorized representative, if any;
- (c) the nature and substance of application, petition/ reference;
- (d) the date fixed for hearing;
- (e) a statement to the effect that any person whose interest is

likely to be affected by the proposed petition or who intends either to oppose or support the petition/ reference at the hearing shall send a notice of his intention to the petitioner or his authorized representative so as to reach him not later than two days previous to the day fixed for hearing.

Where the advertisement is being given by the company, then the same shall also be placed on the website of the company, if any.

An affidavit shall be filed to the Tribunal with such proof of advertisement or of the service, as may be available in, not less than 3 days before the date fixed for hearing, stating whether the petition has been advertised in accordance with draft rule 5 and whether the notices, if any, have been duly served upon the persons required to be served:

Where the requirements of this rule or the direction of the Tribunal, as regards the advertisement and service of petition, are not complied with, the Tribunal may either dismiss the petition or give such further directions as it thinks fit.

The Tribunal may, if it thinks fit, and upon an application being made by the party, may dispense with any advertisement required to be published under this rule.

## NOTICE TO OPPOSITE PARTY

Draft Rule 7 states that the Tribunal shall issue notice in Form NCT-5 to the respondent to show cause against the application or petition on a date of hearing specified. Such notice in Form No. NCT-5 shall be accompanied by a copy of the application with supporting documents.

If the respondent does not appear on the date specified in the notice in Form NCT-5 or appears and admits, the Tribunal, after affording reasonable opportunity to the Respondent, shall forthwith proceed *ex-parte* to dispose of the application.

Where any objection of any person whose interest is likely to be affected by the proposed petition has been received by the petitioner, it shall serve a copy thereof to the Registrar of Companies and Regional Director on or before the date of hearing.



## FILING OF AFFIDAVIT

Every affidavit as to evidence to be filed before the Tribunal shall be in Form NCT-7.

The Tribunal may, while dealing with a petition at its discretion, make-

- (a) order or any interim order, including any orders as to injunction or
- (b) stay, as it may deem fit and just;
- (c) such orders as to costs as it thinks fit; and
- (d) incidental or consequential orders regarding payment of dividend or the allotment of bonus or rights shares.

- The decision of the Tribunal on any such petition shall be final.
- On appeal made under Section 58(3) or Section 58(4) or Section 59, NCLT may, after hearing the parties, either dismiss the appeal, or by order—

- (a) direct that the transfer or transmission shall be registered by the company and the company shall comply with such order within a period of ten days of the receipt of the order; or
- (b) direct rectification of the register and also direct the company to pay damages, if any, sustained by any party aggrieved

Section 59 deals with Appeal against the Rectification of Register of Members

- If the name of any person is, without sufficient cause, entered in the register of members of a company, or after having been entered in the register, is, without sufficient cause, omitted therefrom, or if a default is made, or unnecessary delay takes place in entering in the register, the fact of any person having become or ceased to be a member, the person aggrieved, or any member of the company, or the company may appeal to NCLT in Form NCT-1 or to a competent court outside India, specified by the Central Government by notification, in respect of foreign members or debenture holders residing outside India, for rectification of the register.
- As per Rule 73 of Draft Companies NCLT Rules, 2015 on any petition under section 59, the Tribunal may-
  - (a) decide any question relating to the title of any person who is a party to the petition to have his name entered in, or omitted from, the register;
  - (b) generally decide any question which is necessary or



expedient to decide in connection with the application for rectification.

- Rest Procedure for Appeal against the Rectification of Register of Members is same as mentioned for appeal against refusal or register of transfer or transmission of securities by the company to the Tribunal as mentioned above.

S.No.	Section of the Act	Nature of Petition	Other Forms attached to the Petition
1	58 (3) or 59	Appeal against refusal of registration of shares; or Appeal for rectification of register of member.	Form NCT 1: Application for filing petition (whose heading will be as per Form NCT-4) Form NCT 2 : Notice of Admission Before NCLT or Form NCT 3: Notice for motion in case of Interlocutory application. Form NCT 3A: Advertisement detailing petition Form NCT 4: General Heading for Proceedings Form NCT 5 : Notice to be issued by the Tribunal to the opposite party Form NCT 6 : Verification by an affidavit(General) Form NCT 7: Affidavit by way evidence Form NCT 12: Memorandum of Appearance

## SCHEDULE OF FEES:

S. No.	Section of the Companies Act, 2013	Nature of application / petition	Fees
	58 (3)	Appeal against refusal of registration of shares.	1,000/-
	59	Appeal for rectification of register of member.	1,000/-

Section 111 of Companies Act, 1956 dealt with the power of a private company to refuse registration of transfer of shares, and consequent right of transferor or transferee to appeal to Company Law Board (hereinafter referred to as CLB) against such refusal, except in cases covered under its Articles restricting the right to transfer company's shares. Further an application to CLB might also be made by a person aggrieved for rectification of register in case the person's name is entered therein or omitted therefrom without sufficient cause.

While the periphery of Section 111 of the 1956 Act was restricted to private companies only, Section 111A of the 1956 Act covered public companies only and emphasized on free transferability of shares or debentures or any interest of such companies. A refusal to register might be appealed before CLB. Moreover, if any transfer

While free transferability is thus assured, the companies are, however, entitled to place reasonable restrictions on transferability. This became necessary to enable companies to safeguard their friendly or family identity in private companies and in case of public companies to protect themselves from unscrupulous persons attempting to takeover control through market operations.

takes place in contravention of specified laws, then a

- Depository,
- Company,
- Depository participant,
- Investor or,
- The SEBI

were given the right to make an application to the CLB for the rectification of the register or records of a company or a depository.

In order to facilitate transactions in corporate securities, the Securities Contracts (Regulation) Act, 1956 has put the Stock Exchanges recognized under the Act on a statutory pedestal.

While free transferability is thus assured, the companies are, however, entitled to place reasonable restrictions on transferability. This became necessary to enable companies to safeguard their friendly or family identity in private companies and in case of public companies to protect themselves from unscrupulous persons attempting to takeover control through market operations. Two provisions are mostly found in companies' articles. One of them gives a blanket power to the directors to refuse transfer in their own discretion and other gives pre-emptive rights (found mainly in the Articles of Private Companies) to the existing shareholders. In the case of listed companies, there cannot be restriction on free transferability of shares.

In order to ensure that the discretion to refuse a transfer is not abused, two avenues were earlier provided. One was to apply to the Central Government under Section 111 of the 1956 Act and the other to the High Court under Sec- 155 of the 1956 Act. Under

the Amendment Act of 1988, these two provisions were combined. The Company Law Board, to the exclusion of civil court, was empowered to provide necessary remedy/relief to the aggrieved person. In respect of shares which are listed on a recognized stock exchange, provisions were earlier contained in Sec- 22A of Securities Contracts (Regulation) Act, 1956 permitting only four specific grounds of refusal and requiring that if the refusal was on account of the incompleteness of the documents, the parties should be informed and, in other cases, the company should make a reference to the Company Law Board and the Board was to decide the issue after hearing parties. The result of this is that refusal by a listed public company would require approval of the Company Law Board.

## GROUND ON WHICH LISTED COMPANY COULD REFUSE TO REGISTER TRANSFER OF SHARES

In fact, grounds on which public listed companies could refuse to register transfer of shares were to be found in Section 22A(4) of Securities Contract (Regulation) Act, 1956. [Omitted]. Where a listed company refuses transfer of shares on the ground that the instrument of transfer has not been duly executed or stamped or the law relating to registration of transfer has not been complied with, it is only required to intimate the grounds of refusal to transferor or transferee and reference to Company Law Board is not necessary. In case, however, the listed company refuses transfer of shares on any other ground, namely, that the transfer is in contravention of law or it will change the composition of Board of Directors prejudicial to the interest of company or to the public interest or the transfer is prohibited by the order of Court or Tribunal, it is mandatory on the part of company to make a reference to Company Law Board, before refusal. In such cases, the question of filing a petition under section 111 of Companies Act, 1956 does not arise as the aggrieved transferor and transferee automatically become parties to the reference proceedings before the CLB. This section (Section 22A of SCRA, 1956) was omitted by the Depositories Act, 1996. The result is that no ground is available to public company (listed/unlisted) for refusing a transfer except "on sufficient cause".

The Depositories Act, 1996 made far reaching changes. Section 22A of the Securities (Contracts Regulation) Act, 1956 was omitted and a new Section 111A was inserted into the 1956 Act in the matter of transfer of shares of public listed companies. The effect of the new provisions was to assure that the shares in a public listed company are freely transferable. A listed company could refuse a transfer only if the transfer involved violation of SICA



The refusal by a company to recognize majority shareholding by purchasing shares for valuable consideration has been held to be a grave act of oppression. The subsequent act of reducing such majority first by allotment of equi-preference shares and then converting them into equity shares was held to be an oppressive exercise.

or SEBI Regulations or any other law for the time being in force. The company may not be able to know whether there is a legal violation. The affected party may have to take a stay order from the court. Where a transfer had been registered in spite of any violation of the above kind, the CLB was authorized to order rectification of register of members. During the course of enquiry, the Board may suspend voting rights in respect of impugned securities. The provisions of Section 111 of the 1956 Act were confined in their operation only to private companies.

In *Kothari Industries Corp. Ltd. v. Lazor Detergents P. Ltd.* (1994) 81 Comp Cas 617 (CLB) it was held by CLB that once there is a statutory violation, the transfer would be ruled out even when it has already been registered by the company.

In *Mannalal Khetan v. Kedar Nath Khetan*, (1977) 47 Com Cases 185: AIR 1977 SC 536, where the shares of a member were attached under a court order under the Civil Procedure Code, 1908, the registration of any transfer of such shares by the company

while the attachment was in force was held to be void because it was in violation of court order.

In case of dematerialized shares, the transfer happens instantaneously. Hence, the company does not get any occasion to refuse a transfer at all. If the company wants to contest a transfer, it needs to use the appellate procedure of Section 111A (3) of the 1956 Act [now Section 59 of the 20Act] to seek rectification of register of members/transfers.

## REFUSAL TO ACCEPT TRANSFER OF SHARES U/S 397 AND 398 OF COMPANIES ACT, 1956

### Oppression cases

- The unreasonable conduct on the part of directors of a private company in refusing, owing to private disputes, to register transfer of some shares, while transferring some other shares bequeathed under the will of shareholder, involves the violation of the conditions of fair play and therefore, amounts to oppression. [*Mrs. Gajarabai M. Patny v. Messrs. Patny Transport (P) Ltd.*, (1966) 36 Comp Cas 745 (AP)]. The said judgment was followed in *Kumar Exporters P. Ltd. v. Naini Oxygen and Acetylene Gas Ltd.* (1986) 60 Com Cases 984 (All), it was held that the continuous refusal to register shares with the ulterior motive of retaining control amounts to oppression.

The refusal by a company to recognize majority shareholding by purchasing shares for valuable consideration has been held to be a grave act of oppression. The subsequent act of reducing such majority first by allotment of equi-preference shares and then converting them into equity shares was held to be an oppressive exercise. The allotment was against the articles.

In *V.A. Vanniya Nadar v. Tuticorn Vegetable Marketing Co. P. Ltd.*, (2002) 38 SCL 521 (CLB-Chennai), where the company registered transfers in violation of articles relating to transfer of shares which resulted in weakening the minority and strengthening the local group functioning in league with the nominees of a foreign group, it was held that there was oppression.

In *Dipak G. Mehta v. Anupar Chemicals P. Ltd.*, (1999) 98 Comp Cas 575 (CLB-PB), the articles of a private company provided that the names of persons to whom shares would be transferred must be proposed by the directors. In violation of this provision the transferring members themselves decided who would be the transferees of their shares. The transfers were held to be invalid.

### Cases of mismanagement

In *Akbari A. Kalvert v. Konkan Chemicals P. Ltd.*, (1997) 88 Comp Cas 245 (CLB) it was held by CLB that transferring shares without first offering to the existing members in accordance with the rights conferred under the articles was held to be act constituting mismanagement of affairs so as to attract preventive jurisdiction of CLB under Section 398 of Companies Act, 1956.

## INSTANCES WHERE REFUSAL HELD TO BE JUSTIFIED

- On the basis of combined reading of Regulation 23 of SEBI



Takeover Regulations, 1997 and Section 111A (2) & (3) of Companies Act, 1956, it is sufficient cause to reject transfer of shares which will have the impact of increasing the aggregate holding of the acquirer to more than 10 percent unless the provisions of Takeover Regulations are complied with as it would be violative of law.

- Transfer in favour of a person who is legally incapacitated to enter into a contract, like an alien enemy or an insane person is an illegal transaction and the company will be justified in refusing to register such transfer.
- Incorrect identity of the petitioner.
- Allotments not supported by consideration.
- Non-production of instrument of transfer.
- Shares based on forged transfer deeds etc. are also valid grounds for refusal.

Even if the Board of Company, in exercise of powers as per articles, refuses registration of transfer, the exercise of such power is subject to judicial authority/scrutiny, but such scrutiny would be limited only to examine whether the said power has been exercised in a bonafide manner and in the interest of company. The petition is liable to be dismissed on the ground that petition is time barred and that the decision of the Board to refuse registration of transfer would construe as “sufficient cause” so held in the case of Vijaya Finance Corporation Ltd. v. Peerless General Finance & Investment Co. Ltd. MANU/CL/0031/2014: In

## INSTANCES WHERE REFUSAL HELD NOT TO BE JUSTIFIED OR ON FRIVOLOUS GROUNDS

Refusal to register the shares in the name of a bank on grounds:

- that the shares had been offered as collateral security but not pledged in favour of the bank;
- that the facilities availed of by the company from the bank were temporary in nature and consequently the shares did not require to be transferred in terms of the Reserve Bank Circular held not to be sufficient cause.
- Share certificates not being delivered in full number, stamps not being cancelled are considered frivolous grounds.

In Jagdishchandra Champaklal Parekh v. Kantilal Prabhudas Mehta, (1995) 18 CLA 144 (Bom) where certain shares were pledged under blank transfer forms and the pledgee applied for registration of the transfer on default by the pledger to pay back the pledge money, the Company Law Board did not approve the refusal by the company and directed registration of the transfer. This was held not to be a decision on merits about the entitlement to the shares and, therefore, it did not have the effect of res judicata on the question of title.

In Patel Engg. Co. Ltd. v. Patel Realtors P.Ltd. , (1992)74 Comp Cas 395 (CLB) where the change in the management had already taken place by virtue of an order of the High Court under Section 409 and since the resolution of the Board of Directors refusing the transfer did not show how the change would be prejudicial to the

interests of the company or the public interest, the court did not accept the opinion of the Board of Directors.

In case of Bengal Tools Limited v. Metro Infrastructure Development Limited, MANU/CL/0071/2015 the CLB held that Respondent Company cannot refuse to transfer shares by invoking Article 5 of AOA and should comply with Section 108 of Companies Act, 1956 by lodging revalidated share transfer forms of Respondent Company.”

In Bajaj Auto Ltd.; Bajaj Auto Holdings Ltd. v. Company Law Board, (1995) 95 Comp Cas 12: (1998) 3 CLJ 366: (1998) 30 CLA 195 (SC), the Supreme Court has emphasized that directors must exercise their power of refusing transfer of shares in good faith in the interest of the company.”

In Surat Electricity Co. Ltd. v. Union of India, AIR 1995 Bom 377; Texmaco Ltd., Re(1996) 1 CLJ 154 (CLB-EB), where the company failed to place before the CLB any material to justify their apprehension that prejudicial changes would be brought about in the composition of the company’s Board of Directors, the company’s rejection of the share transfer was held to be not justified.

In V.B. Rangaraj v. V.B. Gopalakrishnan and Ors. MANU/SC/0076/1992 : A.I.R. 1992SC 453, it was held by Supreme Court that private agreement contrary to Articles of Association is not binding on shareholders or on Company. It is nowhere held that such a private agreement is absolutely void in every case. Enforceability may depend upon the Articles of Association.”

Article 17 as incorporated is as follows:

- "The board shall have the right in its absolute discretion and without assigning any reasons, to decline to register the transfer of any equity share in the company, whether fully paid up or not, to a person or persons whether individuals, companies, or otherwise, who in the opinion of the board, would not be desirable or whose association with the company may be detrimental to the interests of the company or may affect the laudable objects of the company or who alone or with others may have other competing business."
- In Thenappa Chettiar v. Indian Overseas Bank, Ltd. MANU/TN/0111/1943 : AIR 1943 Mad 743 (G), it was held by a single Judge of the Madras High Court (Chandrasekhara Ayyar J.) that the right of a share-holder to transfer his shares in a company is absolute as it is inherent in the ownership of the shares, but it can be restricted by contract, which has to be found in the articles of association of the company. Even in a case where the power to refuse registration of transfer of shares is conferred on the directors of a company in absolute terms, the refusal must not be arbitrary. Provided they act in a bona fide manner, the directors are not bound to give any reasons. But if they give reasons, the Court can examine them, but it will not overrule the decision of the directors merely on the ground that it would have reached a different conclusion.”
- In view of the above discussion, it could be inferred that the refusal to transfer of shares must rest on genuine and bonafide grounds and/or where the transfer of shares is hit by or in violation of the provisions of law.

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# Understanding Leverage



S. Manjesh Roy\*

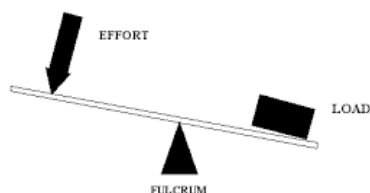
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## LEVER & LEVERAGE

The principle of simple mechanical lever<sup>1</sup> finds wide use in social transactions also.

FIRST CLASS LEVER



Illustratively, a prospective tenant, who identifies a house of his liking, instead of

## DIRECT LEVERAGE

### Leverage in Financial Markets

The usage of borrowings in commerce to enhance rate of return is a standard practice, wherein the borrowing is incidental to the main activity. However in financial markets, where both the input and output are money, leverage occupies the centre stage and its impact is illustrated below.

Investing in a 10 year Govt. of India security (G-Sec) having a yield of 8%, would give a return of 8% p.a. If short term money (say, for a month) is available

Starting with the most basic, this write-up explores the usage and impact of leverage in finance in the ascending order of complexity. Using illustrations, it explores the varied manifestation of leverage viz, direct, indirect, including double, multi layered, embedded leverage etc. in sophisticated financial products. Capital adequacy norm to regulate leverage so as to preempt systemic crisis is re-proposed.

paying the full 10 months rental advance (of say Rs. 1 lakh) may pay a token amount (of say Rs. 5,000) and seek additional time (of say 10 days) for obtaining consent of his family members. As the payment of Rs.

at 6%, then the return on G-Sec can be increased by investing with this borrowed money. This return could be made to vary, depending on the amount borrowed / extent of leverage, as given in table below.

Scenario	I	II	III	IV
Yield on 10 Yr Govt. of India Security				8.00%
Cost of borrowing for one month				6.00%
Own funds (Rs.)	100	100	100	100
Borrowed funds (Rs.)	0	100	1,000	10,000
Total Amount Invested (Rs.)	100	200	1,100	10,100
Total Income @ 8% p.a. (Rs.)	8	16	88	808
Interest paid on borrowed funds @ 6% (Rs.)	-	6	60	600
Net Income after paying interest (Rs.)	8	10	28	208
Leverage Ratio (Debt / Own funds)	-	1:1	10:1	100:1
Return on Own Funds	8%	10%	28%	208%

5,000 is able to hold the transaction of Rs. 1,00,000 for 10 days<sup>2</sup>, this transaction can be said to be leveraged 19 times (95,000 / 5,000 or 19:1).

As can be seen from the table above, a 10 Yr G-Sec can be 'engineered' to give a return of 28% by borrowing 10 times or give a return of 208% by leveraging 100 times.

\*The author works for the financial sector. The views expressed are the author's and do not reflect the views of the employer.

1 a device used to increase the force available at its other end  
2 The house owner is free to rent his house to any another party beyond that.



Deciphering and monitoring direct leverage is relatively easy. However, the quest to generate higher profits has led to engineering of complex financial products, with the principle of leverage at their core. Identifying and deciphering indirect leverage through such multi layered structures poses a perennial challenge.

This 'excess return' through leverage is not risk free as there is a vast mis-match between the tenure of asset on one hand and the tenure of liability on the other hand. If the short term borrowing is not available for roll over, then the entire own funds (equity) is wiped out immediately.

The above illustration is not a theoretical constructs in as much as it portrays the actual situation in developed markets and it is the unfurling of this scenario that froze the entire financial markets across the north Atlantic in 2007-08 - commonly known as the 'global financial crisis, 2008'.

## INDIRECT LEVERAGE

Deciphering and monitoring direct leverage is relatively easy. However, the quest to generate higher profits has led to engineering of complex financial products, with the principle of leverage at their core. Identifying and deciphering indirect leverage through such multi layered structures poses a perennial challenge. Indirect leverage in derivatives and in double leveraging are examined below.

## LEVERAGE IN DERIVATIVES

At a basic level leveraging in 'developed financial markets', is through use of derivatives as illustrated. An investor could buy NIFTY Index on, say 12.12.2014, by paying Rs. 8,224. Alternatively, she may buy NIFTY futures or a call option by paying just a fraction of that amount - margin. (as on 12.12.2014)

Product (with date of expiry of contract)	Nifty Futures <sup>3</sup> (24.12.2014)	Nifty Call Option - SP 8200 (24.12.2014)
Closing / Last Traded Price	8,277	120
Margin payable (Rs.)	662	120
Implied Debt <sup>4</sup> (nominal)	7,562	8,080
Leverage Ratio	11.4	67.3

As can be seen in table above, an 'investor' can have exposure of about Rs. 8,224 / 8,200 by paying just Rs. 662 / 120 as futures / option margin, respectively. Such leveraged positions have the same impact on returns as the transactions described in the illustration in table – I. The risk profile gets dramatically altered if the 'investor' were to fund even this small margin money through borrowing!

## DOUBLE LEVERAGE

In the corporate domain, holding company structure and pledging of shares by promoters are the modes of double leveraging.

- **Holding Company**  
A company having debt of Rs. 600 cr. and equity of Rs. 300 cr. is not of major concern to its lender(s), as its leverage ratio is 2:1. However, if this entire equity is funded by its holding company, which in turn has debt of 200 cr. and equity of Rs. 100 cr. or D/E of 2:1, then the effective leverage of these two combined companies, becomes 8:1 as the equity of Rs. 100 cr. of the holding company, now supports total debt of 800 cr.
- **Pledging of share by Promoters**  
A listed company having debt of Rs. 200 cr. and equity of Rs. 100 cr. with 40% of its shares being held by the promoters, may appear to have an acceptable level of leverage (2:1). However, if the promoters were to pledge<sup>5</sup>, say 100% of their share holding, then D/E of the company stands reduced to 4:1 as equity of Rs. 60 cr. effectively supports debt of Rs. 240 crs.

Both these scenarios, besides being a matter concern for the lenders, also carry systemic implication, especially if done on a economy wide scale. Accordingly, the concern on double leveraging has been flagged off by the Reserve Bank of India (RBI) in its Financial Stability Report, December 2014<sup>6</sup>.

We now look at embedded leverage in complex securitized debt.

## EMBEDDED LEVERAGE IN SECURITIZATION AND ASSET-BACKED SECURITIES

### Securitization

A debt averse school can raise money to fund its new building by 'selling off' its future fees receivables at a discount. For this, the school assigns the fees receivables to a Special Purpose Vehicle (SPV), which in turn issues bonds to investors. The money so raised is passed on to the school by the SPV on a discounted basis. The coupon and redemption payment for the bonds issued by the SPV are serviced by the fee received. Thus, thorough securitization, future receivables are converted into instant cash for the originator / seller.

### Asset Backed Securities (ABS)

However, higher safety in the form collateral is preferred by investors. Hence securities of housing loan receivables, backed by collateral of mortgaged houses, known as ABS are the very popular.

### Collateral Mortgage Obligations (CMO) / complex ABS

The return to the ABS holder depends on the regular repayment (EMI) by the home owners; in case of non payment of EMI or large pre payments, the ABS investors are affected to that extent. This risk is 'over come' through financial engineering, whereby, instead of issuing vanilla securities to investors, the SPV issues different

<sup>3</sup> As the lot size is 25, the margin amount payable is Rs. 16,554. For one unit of NIFTY, the margin amount works out to Rs. 662 (16,554/25)

<sup>4</sup> For futures contract it is 8,224 – 662 = 7,562 and for option contract it is 8,200 – 120 = 8,080. Implied debt is nominal as the precise quantification can be done / would be known only at the time of expiry of the contract. Alternatively, if the trade is squared off, the price at which it is squared off will determine the extent of leverage.

<sup>5</sup> Promoters pledging up to 90% of their shares is not an unknown phenomenon in India. See, 'Companies with high promoter pledge shares miss out on rally', Business Standard, 27.11.2014 for example.

<sup>6</sup> See pages 2, 37, 46 & 47 of the RBI Financial Stability Report, December 2014, for a discussion on this.

## UNDERSTANDING LEVERAGE

class of securities, with differential risks and returns, as illustrated<sup>7</sup> in the CMO below.

Consider a bank having 5,000 loans of Rs. 20 lakh each, totaling to Rs. 1,000 cr. Instead of issuing Rs. 1,000 cr. worth securities at, say, 16% coupon, the SPV issues, say, three class of securities as under;

Type of Security	Amount raised (Rs. cr.)	Coupon rate	Rating
Equity tranche	20	20%	n.a.
Mezzanine notes	30	14%	AA
Senior notes	950	10%	AAA
Total	1,000		

The CMO is structured such that, if 5% of (or 250) home owners default, the resultant loss of Rs. 20 cr. wipes out the entire investment of equity holders, giving them nil return. Whereas the mezzanine and senior note holders continue to get the fixed return (@ 14% & 10%, respectively) even if there is default up to 5%.

Defaults	Amount (Rs. cr.)		Remark
	Recovered*	Loss	
5.00% (250 loans)	30	20	Entire equity of Rs. 20 cr. is wiped out. But mezzanine and senior notes holders get their return. Loss due to default of 250 loans (4% of 5,000 loans) of Rs. 20,00,000 each, is Rs. 50 cr. The net loss, after recovery of Rs. 30 cr. through distress sale of houses (@60%), works out to Rs. 20 cr (Rs. 50 cr. X 40%)
12.50% (625 loans)	75	50	Entire equity and mezzanine tranche of Rs. 50 cr. are wiped out. But senior notes holders get their return. Loss due to default of 625 loans (12.5% of 5,000 loans) is Rs. 125 cr. The net loss, after recovery of Rs. 75 cr. through distress sale of houses (@60%), works out to Rs. 50 cr (Rs. 125 cr. X 40%)
100.00% (5,000 loans)	600	400	The senior note holders are eligible to get the entire amount recovered through distress sale, which works out to 63% of their investment, albeit without any return on it. Loss due to default of 5,000 loans is Rs. 1,000 cr. The net loss, after recovery of Rs. 600 cr. through distress sale of houses (@60%), works out to Rs. 400cr (Rs. 1,000 cr. X 40%). The salvage value of Rs. 600 cr. on the base of senior notes of Rs. 950 cr. works out to 63% ( 600 / 950 = 63%).

\* The distress sale value of the mortgaged house is taken at 60%; i.e. the loss per loan of Rs. 20 lakhs, after recovery of Rs. 1,20,000 (60%) through distress sale, would be Rs. 80,000 (40%).

Further, if 12.5% of (or 625) home owners default, the resultant loss of Rs. 50 cr. wipes out the entire investment mezzanine note holder also. Whereas the senior note holders continue get fixed return (@ 10%), even if there is default up to 12.5%.

In the event of 100% of home owners defaulting, the senior note holder would still get residual value of Rs. 600 cr. from distress sale of house, which gives them back 63 % of their investment, albeit without any return! Given the differential risk borne by the senior note holders, their returns are lower (10%) as compared to equity (20%) or mezzanine note holders (14%) and vi-veer-sa, as is presented in table – IV.

As the historic default rate of housing mortgages in US was 0.5%, investors in equity, mezzanine and senior notes would lose money only if the default in their portfolio was 10, 25 and 200 times the historic default rate, respectively. Under this logic, mezzanine and senior notes got AA & AAA ratings. The consequences of such complex financial products are too well known to be repeated here.

## EMBEDDED LEVERAGE

Assume that an investor, instead of investing Rs. 20 cr. in equity tranche of the CMOs, invests it across all three classes of securities, then the return to this investor in different scenarios of default reveals the extent of leverage embedded, as illustrated below

Scenario	Rs. cr.	
	I	II
Amount Invested	20.0	20.0
Instrument		
Equity tranche	20.0	0.40
Mezzanine notes	0.0	0.60
Senior notes	0.0	19.00
Loss, if 5% (250) of loans default	20.0	0.40

By spreading the investment across the three instruments, say on a pro-rata basis, the loss to the investor is only Rs. 40 lakhs on a 5% default, as against the loss of Rs. 20 cr. (or 50 times) if the entire investment were invested in equity tranche. In other words, the loss to the investor for the same event (5% default) is 50 times in scenario I than in scenario II, reflecting the leverage embedded or the embedded loss leverage.

## CONCLUSION

The various facets of leverage have been elucidated through illustrations. Given the systemic implication of leverage, identifying and deciphering leverage in complex new products has to be on an ongoing exercise.

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<sup>7</sup> Adapted from pages 197-199 & 220-222 of 'Extreme Money: The Masters of The Universe and The Cult of Risk', by Satyajit Das

# 2

## RESEARCH CORNER



- FORECASTING METHODOLOGY FOR NPAs OF INDIAN BANKS AND WAYS TO TACKLE THE MENACE
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- INVITATION FOR SUBMISSION OF DETAILED CELLULOID RESEARCH THEMES ON CORPORATE GOVERNANCE – CG AND INTERNATIONAL CORPORATE GOVERNANCE DAY - ICGD
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# Forecasting Methodology for NPAs of Indian Banks and Ways to Tackle the Menace



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## ABSTRACT

Banking sector has been the backbone of Indian economy and has had a pivotal role to play in the development process. With the ever increasing need of involvement of banks in the economic growth process, in the recent times the issue of Non-Performing Assets (NPAs) has assumed mammoth proportions. The recent developments in the form of more stringent Reserve Bank of India (RBI) guidelines and a greater push to declare stressed assets as NPAs has resulted in a drop in profits for all the banks across the spectrum as they have to create provisions for bad loans. In this paper, we discuss the various methodologies which can be adopted to forecast the NPAs in the future for better policy making and implementing steps to overcome the issue of rising NPAs. We have taken the data for State Bank of India (SBI) as reference because as a credible public sector bank, SBI is mammoth in size and its data is not affected by minor fluctuations. We analyse the various forecasting methods namely the Multiple Linear Regression (MLR) method, the Holt method and the Holt-Winter method and finally affirm after taking all factors into account that MLR is the best method to predict the NPAs for Indian banks. We also discuss the various reasons for the rising NPAs in recent times and suggest ways to tackle them. The concept of Asset Restructuring Companies (ARCs) has also been discussed in detail and the reasons why they haven't been successful in the Indian context has also been discussed at length.

**Keywords:** Non-Performing Assets; Multiple Linear Regression; Holt; Holt-Winter; Asset Restructuring Companies.

## 1.0 INTRODUCTION

Banking sector is the backbone of an economy and the Indian economy needs it to deliver now as never before. Schemes like Jan Dhan, Make in India, Direct Benefit

transfer essentially require the expansion of banking services. There is a dire need for the Banks to operate on a much bigger scale, the vision being to expand financial services to every nook and corner of India. With these bigger expansionary plans come greater challenges. The long standing problem of rising NPAs in the Indian Banks has again come to the fore. The recent developments in the form of more stringent RBI guidelines and a greater push to declare stressed assets as NPA has resulted in a drop in profits for all the banks across the spectrum as they have to create provisions for bad loans. A comprehensive look at NPA is long overdue which is proving to be a menace in our path of achieving financial inclusion.

## 2.0 OBJECTIVES OF RESEARCH STUDY

- 1) To propose a methodology for forecasting NPAs which can thereby be used to forecast NPAs of SBI to gauge the seriousness of the issue
- 2) To determine the causes of NPAs and recommend/explore solutions for the same
- 3) Most other countries in the world have used structures like Asset Restructuring Companies (ARCs) to solve their NPA problem. RBI has also tried to focus on ARCs to help banks in solving the problem of NPAs. However they have found only limited success. Hence we will look at issues related to ARCs and how we can create an enabling environment in India to aid in the growth of ARCs, thereby contributing in the long term focus of weeding out NPAs

The determination of NPA is very critical for a bank's financial health and liquidity concerns. The health of the assets of a bank is measured by its NPA ratio. Given that public banks in India are under a lot of financial stress due to accumulated

non-performing asset, it is essential that they be able to plan for the future so that remedial steps can be taken. It is essential to improve the balance sheet of banks as it has wide ramifications for the Indian financial markets, thus affecting investor sentiments—both foreign and domestic, and the overall health of the Indian economy overall. With the help of forecasting, banks can improve their provisions for NPAs, thus appropriately rationing for the future.

The short-term demand forecast helps in:

- Deciding future allocations
- Improving financial health of the bank
- Deleveraging the balance sheet
- Government negotiations for write-offs and sops
- Solvency management of banks

We will forecast the percentage of NPA which banks will have in 2020 based on the data from 2011-15. The forecasted value can be used by RBI to estimate whether the system will survive or collapse.

Ideally we can choose banks of different sizes and levels of exposure to risk in order to analyse the NPA but we have chosen SBI as a reference point because as a credible public sector bank SBI is mammoth in size and its data is not affected by minor fluctuations.

We would forecast NPAs of SBI by multiple methodologies. Finally, by comparing Mean Absolute Percentage Error (MAPE) and other factors we will choose the appropriate methodology.

### 3.0 RESEARCH METHODOLOGY

There are many forecasting methods which can be used to forecast NPAs. They are broadly divided into two categories:-

- a) Regression models: Simple Linear Regression (SLR), Multiple Linear Regression
- b) Time series based methods: Moving Average, Simple Exponential Smoothing, Holt, and Holt –winter method.

Out of above stated methods we will reject SLR because it gives the value of dependent variable (Gross NPAs) in terms of only one independent variable. Since NPAs are often dependent on factors more than just one, this method will never give satisfactory results. Similarly, we will not use Moving Average and Simple Exponential Smoothing as these techniques are primitive and they do not take level and trend component into consideration while forecasting. So we will conduct the analysis via MLR, Holt and Holt-Winter method. For all the three methods we first need to determine the factors on

which NPAs in India depend on. A case in point is that many of the factors on which NPA depends are qualitative in nature. However, to use the above forecasting methods we need to consider only the quantitative factors which affect the value of the NPAs.

### 3.1 QUANTITATIVE FACTORS AFFECTING BANK NPAs

#### 1) Loans and advances

Loans and advances are considered to be the most important factor while forecasting NPAs. More the number and size of advances given by the bank, greater will be the risk of increase in the value of NPAs.

#### 2) Gross Domestic Product

GDP is a growth indicator of an economy. As GDP grows, loans and advances also grow and hence it directly impacts NPAs. Moreover, when the economy is in shambles, corporates will not be able to pay the debts which will thereby lead to an increase in NPA's.

#### 3) Inflation rate

Inflation based upon the consumer price index (CPI) is the main inflation indicator in most of the countries. Inflation rate in India is based upon the Indian Consumer Price Index. As inflation rises, purchasing power of consumers' fall resulting in a drop in profits for the companies. Combination of both these factors lead to a slowdown.

#### 4) Repo rate

Repo rate is the rate at which the central bank of a country (RBI in case of India) lends money to commercial banks in the event of any shortfall of funds. Repo Rate is generally related to the Bank Prime lending rate as well as reverse repo and MLR. It is an indicator of the prevailing interest rate in the country. Interest rate and inflation have a cumulative effect on the economy and ability of the borrower to pay back. Hence, repo rate is a crucial factor impacting NPAs.

### 3.2 Qualitative Factors

Qualitative factors play a huge role in NPAs. The main factors are the regulations, oversight of pre-sanction process, after-sanction monitoring, corruption, third party vendors and a slow legal system.

#### 4.0 Data Collected

The data is collected for all the above quantitative factors for SBI from 2010 Q2. In total there are 23 data points.

Year	Qtr	YQ	CPI	CPI %	GDP (in USD Billion)	Repo rate	Gross NPA (Rs crore)	Loans and advances (Rs crore)
2015	Q4	2015Q4	238.63	6.32%	2066	7.25	72791.73	1300026
2015	Q3	2015Q3	237.94	5.14%	2061.63	7.5	56834.28	1232545
2015	Q2	2015Q2	236.52	6.10%	2057.26	7.75	56420.77	1209648
2015	Q1	2015Q1	236.11	6.28%	2052.89	7.75	56725.34	1198903
2014	Q4	2014Q4	238.34	2.07%	2048.52	8	61991.45	1209829
2014	Q3	2014Q3	238.03	1.66%	2001.84	8	60712.38	1148901

2014	Q2	2014Q2	234.81	0.76%	1955.16	8	60434.24	1103090
2014	Q1	2014Q1	236.29	1.51%	1908.48	8	61605.35	1060689
2013	Q4	2013Q4	233.5	1.76%	1861.8	7.5	67799.33	1045617
2013	Q3	2013Q3	234.14	1.18%	1854.295	7.25	64206.3	978115
2013	Q2	2013Q2	233.04	1.50%	1846.79	7.5	60891.46	926919
2013	Q1	2013Q1	232.77	1.47%	1839.285	7.75	51189.39	916841
2012	Q4	2012Q4	229.47	1.66%	1831.78	8	53457.79	978115.31
2012	Q3	2012Q3	231.4	1.99%	1832.7875	8.5	49202.46	926918.78
2012	Q2	2012Q2	229.6	1.73%	1833.795	8.5	47156.38	897248.835
2012	Q1	2012Q1	229.39	2.65%	1834.8025	8.25	39676.46	867578.89
2011	Q4	2011Q4	225.72	3.56%	1835.81	8	40098.43	846265.96
2011	Q3	2011Q3	226.88	3.87%	1803.97	7.25	33946.31	790601.23
2011	Q2	2011Q2	225.69	2.68%	1772.13	6.5	27768.28	773660.34
2011	Q1	2011Q1	223.46	2.68%	1740.29	6.25	25326.29	756719.45
2010	Q4	2010Q4	217.96	1.05%	1708.45	6	23437.75	718734.465
2010	Q3	2010Q3	218.43	1.14%	1622.69	5.75	23204.59	680749.48
2010	Q2	2010Q2	219.79	1.78%	1536.93	5	20825.22	642764.495

4.1 Parameters used in current analysis

To choose the best method for forecasting, we have standard error terms to be calculated. A comparison of these can help us choose the best fit forecasting technique.

1) Mean Absolute Deviation (MAD)

It measures the size of the error in units. It is calculated as the average of the unsigned errors.

$$MAD = 1/n \sum |y_a - y_f|$$

2) Mean Absolute Percentage Error(MAPE)

The MAPE measures the size of error in percentage terms.

$$MAD = 1/n (\sum |y_a - y_f|) / y_a * 100$$

y<sub>a</sub> = actual value of the NPA

y<sub>f</sub> = forecasted value of the NPA

n = Number of the observation

MAPE and bias are the two statistics which are used by organizations worldwide for choosing the best forecasting model. They use MAPE numbers and subjective knowledge to choose the final forecasting method. We will do the same and MAPE will be our deciding criteria for the forecasting method.

5.0 Results:-

5.1 MLR Analysis and results

In Multiple Linear Regression we have used a combination of independent variables (CPI, GDP, Repo Rate, Loans and Advances) for finding out their relationship with the NPAs. It can be used to predict the NPA of a given bank on the basis of the independent variables. The MLR model is:

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \dots + \beta_k X_{ki} + \epsilon_i$$

Where,

Y<sub>i</sub> = Gross NPA for the quarter 'i' (dependent/response variable)

X<sub>ki</sub> = independent/explanatory variable taken for regression such as GDP  
 $\beta_0$  = Y intercept

$\beta_k$  = slope of Y with respect to X<sub>ki</sub>, holding other variables X<sub>1i</sub>, X<sub>2i</sub>, X<sub>3i</sub>,..... Constant

$\epsilon_i$  = random error in Y for observation 'i'

MLR models were developed using different combinations of variables (with 95% CI) for different banks and the least error has been taken into account to find out the best model applicable for a specific bank. Each variable combination is obtained by checking the corresponding p-value, viz-a-viz the 5% level, of the variables to gauge the degree of significance. The Results are shown below:

Independent Variables	R <sup>2</sup>	Adjusted R <sup>2</sup>	MAPE	MAD
CPI, GDP, Repo, Loan & Advances	0.86442521	0.834297478	10.4765%	4589.064658
CPI, Repo, Loans & Advances	0.86161942	0.83976985	10.6329%	4616.158161
CPI, Loans & Advances	0.8517478	0.836922583	11.1783%	4870.637883

MLR Equation:

$$Y_1 = -61850 + 2547 * CPI + 13.21306 * GDP + 2795 * REPORATE + 0.09570 * L\&A$$

There can be a case of multicollinearity in these kind of situation. For example we can fairly guess here that with GDP growth, loans and advances will grow. Hence rather than directly going for MLR analysis, we do a stepwise regression which gives us the model with only the significant independent variable and also it keeps in check any issue which arises due to multicollinearity. As expected with stepwise regression we got only two significant variables CPI% and Loans & Advances.

Independent Variables	R <sup>2</sup>	Adjusted R <sup>2</sup>	MAPE	MAD
CPI, Loan & Advances	0.852	0.837	11.07%	4849.23

MLR Equation: -  $Y_1 = -70016.686 + .097 * L\&A + 2872.084 * CPI$   
 For MLR, we will choose the equation given by stepwise regression for the reasons mentioned above. While performing Stepwise MLR

all other assumptions (homoscedasticity etc.) were also checked.

## 5.2 Holt Method

Holt Method of forecasting has been employed to estimate the NPAs for a given data based on the past 5 years' quarterly data. The actual data is first de-seasonalized by considering the seasonality in the value of NPAs for a bank. Then as per Holt method, the level and trend adjusted forecasted data is calculated by considering a nominal value of 'alpha' and 'beta' and the standard sum of errors (SSE) is calculated. This SSE is then minimized using the 'solver' function of Excel which takes into account the reference variables and calculates the most optimal value of alpha and beta for the present data. This helps us in forecasting the value of next quarters' NPA with least amount of error.

Forecast Equation:  $y_{t+h|t} = \ell_t + hb_t$

Level Equation:  $\ell_t = \alpha y_t + (1-\alpha)(\ell_{t-1} + b_{t-1})$

Trend Equation:  $b_t = \beta(\ell_t - \ell_{t-1}) + (1-\beta)b_{t-1}$

Where,  $\ell_t$  denotes an estimate of the level of the series at time  $t$ ,  $b_t$  denotes an estimate of the trend (slope) of the series at time  $t$ ,  $\alpha$  is the smoothing parameter for the level,  $0 \leq \alpha \leq 1$  and  $0 \leq \beta \leq 1$  and  $\beta$  is the smoothing parameter for the trend,  $0 \leq \beta \leq 1$

Forecasting Parameter Value	SBI
Optimum alpha	0.784598
Optimum beta	0.058333
SSE	860551368.6
MAD	5215.75958
MAPE	0.100229186
SMAPE	0.200458373

## 5.3 Holt – Winter Method

In this case, double smoothing will not work. We now introduce a third equation to take care of seasonality (sometimes called periodicity). The resulting set of equations is called the "Holt-Winters" (HW) method after the names of the inventors. The exponential smoothing formulae applied to a series with a trend and constant seasonal component using the Holt-Winters additive technique are:

$$a_t = \alpha(Y_t - S_{t-p}) + (1-\alpha)(a_{t-1} + b_{t-1})$$

$$b_t = \beta(a_t - a_{t-1}) + (1-\beta)b_{t-1}$$

$$S_t = \gamma(Y_t - a_t) + (1-\gamma)S_{t-p}$$

Where,

$\alpha, \beta, \gamma$  are smoothing parameters

$a_t$  is the smoothed level at time  $t$

$B_t$  is the change in the trend at time  $t$

$S_t$  is the seasonal smooth at time  $t$

$p$  is the number of seasons per year

Analysis of results:

Forecasting accuracy parameter value	SBI
MAD	4726.82
MAPE	0.142
SMAPE	0.196

## 6.0 Analysis and Recommendations

To compare the results in each methodology we have calculated the MAPE for each one of them. Contrary to our expectations the MAPE is high in models. This is because apart from quantitative factors, NPAs depend on various qualitative factors which cannot be translated into numbers. Despite the fact that the lowest MAPE (10.02%) came from Holt method, this method is rejected because it does not take any seasonality component which can have a significant impact on the NPAs considering the predominant nature of unpredictable monsoons in India.

The next in line is the MAPE of Stepwise MLR which is 11.07% (we have rejected MLR with all four variables) when two variables are taken into consideration according to best fit model. RSquare of MLR is 0.852 and Adjusted R Square is 0.837 which is considered to be very good. The MAPE of Holt winter is 14.2 %. This model is generally good for long term forecasting as it includes level, trend, and seasonality components and an adjustment for past errors. However since the MAPE is high, we would reject it.

We would use MLR equation to forecast our NPA now.

## 6.1 Final forecasting

$$Y_1 = -70016.686 + .097 * L \& A + 2872.084 * CPI$$

We will calculate NPA in 2020.

In 2020 predicting rest of variables,

CPI (X1) in 2020 = 6 % (assuming stable inflation)

Loans and Advances in 2020 = 2093704.87 crore (Taking loans and advances growth of 10 % year on year as we expand the banking services)

With this the Forecasted NPA = 150305.1904 crore which will be 7.1 % of the Average Loans and Advances of SBI. This figure is very high. It will be a huge burden on bank balance sheet and will affect its productivity. It ties up the funds which can be used for infrastructure development and supporting initiatives like Start up India, Digital India etc. It alarms us to the situation at hand. Hence it is high time that steps should be taken to stem the rise of NPAs.

We need to be mindful of the fact that the forecasted value is high because we have taken only 5 years data after recession into account. Also recently there is push by RBI for the banks to publish their NPAs. The model MLR which is used is a trend based model. If banks get their act together and country builds a strong legal system, this trend will stop. As we focus more on recovering mechanism and creating strong environment for ARC to recover NPAs, we can stop the trend to go to the forecasted value

## 7.0 Reasons for NPAs

Apart from corruption and bribery some of the prominent



reasons for the rise of NPAs can be attributed to lapses on part of officials during pre-sanction process. Due diligence of the borrower is not done in many cases. Many of corporates give poor economic scenario as the reason for not paying up debts, however forensic audits confirmed that in most of the cases the borrower has transferred funds to a related party or is a wilful defaulter. In some of the high profile cases like Kingfisher, the integrity of the promoter is itself in question. Also banks are unable to obtain tangible collateral security during the time of credit enhancement which dilutes the provision of SARFAESI Act (Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act) as the sales value of the attached security is very less in comparison to the loan amount. The after disbursement monitoring process is also not fool proof as often there is no forensic audit after the initial sanction nor there is any analysis of the sector in which the promoter's interest lies.

Corporate debt restricting scheme is another scheme which is misused by both corporates and banks. The objective of the scheme was to help genuine debt ridden companies by offering them flexible repayment terms and giving them time according to the economic scenario but the corporates often misused it to cajole the banks to lower their interest rates, prolong the repayment dates and so on.

Sluggish Legal system, inappropriate technology, poor quality management, improper monitoring and follow up processes, managerial deficiencies, and ineffective recoveries are other causes which results in rising NPAs.

## 8.0 Remedies

### A) Strengthening the pre-sanction and after disbursement monitoring process by using technology :-

It is high time that banks start fortifying their internal and external processes. Technology can play a big role here. Data analytics is the buzz word in every business circle and our renowned PSUs can take a piece of that pie and use these services to create processes where they can track a particular sector's growth projections, cash flow generation capacity of a particular company, past records of the borrowers, track the loan payment schedule, strengthen the pre-sanction process etc. Along with this a Central Data repository of all corporate borrowers of all banks should be created which will help individual banks to coordinate among themselves and share data to track defaulters. Proper processes should be in place to check the fixed assets as claimed by the borrowers. Surprise visits to the factories will prove to be fruitful and the midway forensic audits of large customers is a way to mitigate risk here.

### B) Sector wise planning :-

According to RBI financial stability report, five sectors "Mining, iron & steel, textiles, aviation, and infrastructure together constitute 24.8 % of total advances of commercial banks and they hold a share of 51.1 % in total stressed advances". The concerned sectors should be red flagged. Each loan distributed to industries in these sectors should be monitored continuously and due diligence should be done at each step. For all banks, sector specific credit appraisal teams can be

planned which will look at the new applications and existing loans and raise concerns if found.

### C) Standardisation of 3rd party Vendors :-

In the process of taking a loan the third party agencies such as engineers, financial analysts and other verification agencies play a crucial role in verifying the claims of the borrowers and it is often very easy to obtain these certificates. A standardisation of the 3rd party vendors through government authorization and subsequent monitoring of these vendors can stop the practice of forgery.

## 9.0 Role of Asset Restructure companies (ARCs) in India

SARFAESI Act of 2002 empowered banks to seize collaterals from defaulters and set up Debt Recovery Tribunal to avoid the chaotic legal process. ARCs came after that as specialised identities that can take over stressed assets from the bank and focus on recovering them or making them profitable. However, the choices placed before the banks were whether to make an internal department for stressed assets or sell NPAs to ARCs. The concept was a novel one as it meant more specialisation through ARC which would help banks focus on its core competencies and leave the NPA situation to ARCs. However, in practice the ARC concept never worked in India. It is estimated that ARCs, since their inception in 2003, have acquired just Rs 75,000 crore of loans by paying Rs 8,000 crore as cash. The recovery ratio is also very less. Hence, the expectations from ARCs have not been met and we do not have an effective system in place to recover/restructure stressed assets to get some value out of them.

## 9.1 What went wrong?

- 1) **Regulatory Interference:** In reality the only purpose of ARCs was to buy back stressed assets from the bank. It was supposed to be a clean transaction and ARCs' functioning should have remained independent but due to RBI's excessive regulations ARCs independence was compromised.
- 2) **Banks' concerns for its book:** Banks never wanted to declare NPA because then they will have to create provision for it in their books and it would result in less profit. Because of this they would often hold on to an asset for longer time till its value further reduces. At this stage it becomes tough for ARC to revive it.
- 3) **Slow Implementation:** SARFAESI provided various mechanism for recovery. But the operational guidelines for these were issued very late. For example, the guidelines for management takeover of the defaulting firm were issued in 2010, eight years after the Act was passed. The guideline allowing ARCs to sell assets to each other, which enables them to aggregate assets of a borrower for a management takeover, came in 2013. As a consequence, from 2002 to 2013, ARCs were handicapped.
- 4) **Lack of Foreign experts and capital:** Policies by RBI has prevented entry of specialized foreign firm in the distressed debt management sector. This has also prevented flow of foreign capital and knowledge to ARCs.

## 9.2 How did ARC survive?

It is an arrangement that helps ARC acquire NPAs easily but does not push them to recover it. ARCs issue SRs (Scheduled receipt) to finance the NPA acquisition and usually these SRs have a maturity of 5 years. The trick is that this is done through trust in which ARCs need to have only 5 % minimum investment. Rest 95% is financed by other investors of the trust. After 5 years if ARCs cannot recover, the value the loss is shared proportionately. Since the minimum contribution of ARCs is just 5% in a particular asset hence the loss associated with the asset will be less. This makes buying of NPAs easy for ARCs. A significantly bigger issue is that in most of the cases our banks are the primary investors and subscribe to the major 95% of the SRs. So this mechanism in effect results in transferring the bad asset of bank from its book and showing it as an investment in SRs. This mechanism is only used by banks to evergreen their balance sheets. Ultimately the asset is not recovered and then only banks consider it as a loss.

Second, for NPA's acquired, ARCs receive annual management fee (1.5-2 percent of acquired asset value) which is not dependent on the recovery of the asset. Again this reduces incentive of ARC to recover or resolve assets. Thus, lack of accountability and liability makes ARCs lethargic to act proactively.

#### **New Guidelines by RBI which have tried to remove some of these issues:-**

RBI released the Framework for Revitalising Distressed Assets in the Economy on 30th January with several changes in the operational framework for ARCs.

On 5th August, 2014, RBI issued a notification with amendments to the regulatory framework for securitisation companies and ARCs.

### **10.0 Evaluating recent policy changes**

The recent policy changes have come up with certain provisions to make ARC more responsible. For example: - Now to acquire an asset, ARC will have to shelve out 15 % of the asset value. Fixed management fee is now made variable. It depends on Net acquired value of the acquired asset. Hence shortfall in recovery result in loss of fee for ARCs. Provision of sale of asset at arm's length will further increase transparency. Certain measures are taken to make bank comfortable in selling asset to ARCs. However, the arrangement still lacks maturity and will not solve most of the problems.

### **10.1 Suggestions**

The arrangement of SRs discussed above needs to be stopped. We should try to create a perfect market between banks and ARCs so that the tendency of ARCs acting as a warehouse of bad assets is curtailed. Rather than promoting 15 ARCs with less capital, it is more prudent to promote consolidation in the ARC space so that the resulting ARCs will have a large capital base and hence they will not require SR arrangement. Rather it would be a buy-sell transaction with bank getting cash or receivables after the sale. This will increase the liability of the ARCs and create competition in the market. The efficient ones who have the potential to turn

around bad assets will be the winners and others will lose out. To promote capitalisation of ARCs, FDI should be allowed in them and all institutional investors should also be allowed to invest into them. But banks should not be allowed to invest in ARCs which is presently the case. SEBI and RBI can sit together and decide on the securitisation of these bad assets. If we can creation of market for these securities accompanied with appropriate regulations will go a long way in helping out ARCs.

Bankruptcy laws are very important as far as NPAs are concerned. The case of Kingfisher addresses the critical question that if there was bankruptcy law in India, would Kingfisher have survived? As the call for bankruptcy laws becomes stronger, now it has become even more pertinent for the government to give serious thought to it. It will help Start up India initiative, foster a culture of innovation, entrepreneurship as well as save those companies which can be restructured and recapitalised to create value for lenders and shareholders. Concrete bankruptcy laws will give support to ARCs and will promote them to take more risk and go for more buys. Chances of revival in that case will also increase.

Another novel way can be setting up a centralised special agency for resolving the NPA's of public bank. The company will be act as custodian of all bank NPA's. So how it will work is that all the NPA's of PSU will be managed by this company. The company will consist of specialists in the space and they will be given fixed compensation plus a percentage of the recovered amount. This will help in two ways. First is identifying potentially good assets/companies among the NPA's which can be restructured/recapitalised. This will be easy when the specialists get a chance to view all kinds of NPAs. Since the company will be public, it will get funds from the central government and hence it can use the funds uninhibitedly to acquire assets, infuse capital in moribund companies and make them work. Second; bank need not worry about the loss in sale of assets as NPA will remain on the bank book until resolved. The public company will only act as a custodian. Banks can now focus on their core services of banking whereas resolving bad debts will go in the hands of the specialists. Since it will be a central agency collecting bad debts from all PSUs it will also act as a central repository of NPAs. This will help in detecting fraud cases and nabbing wilful defaulters. As the company grows stronger RBI/SEBI can work with it to develop a bond market for stressed assets in India.

### **11.0 Conclusion**

We devised a way to forecast NPA using MLR equation. The MLR equation predicted that if the trend goes on, the bad debt will rise to 150305.1904 crore only in SBI which is a very huge amount. Hence, arises a need for NPAs control. We covered various causes for NPAs and their possible solution which can prevent a loan from converting it into an NPA. Finally we look at why ARCs are not successful in India and what can be done to create an enabling environment which will foster growth of ARCs and help them to recover/resolve the bad assets of banking industry.

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## ATTENTION MEMBERS

### 17<sup>th</sup> National Conference of Practising Company Secretaries August 12-13, 2016 at Kasauli, Himachal Pradesh

The Institute is organising the 17<sup>th</sup> National Conference of Practising Company Secretaries on August 12-13, 2016 at Kasauli, Himachal Pradesh. The detailed brochure containing theme and sub themes and other information will be uploaded on the website of the Institute shortly.

With a view to commemorate the occasion, the Institute has decided to bring out a publication showcasing the reach and strength of the profession of company secretaries. In this connection, it has been decided to publish the following details in the proposed publication,

The profiles of first 10 ACS, first 10 FCS, first 10 CP holders and first 10 CSBF Members

The profile and journey of company secretaries having 3 or more members in their families

The profile of members who have achieved recognition in a field other than as company secretaries such as Limca Book Award/Padma Awards/ Participation in National Sports Events/the recognition in the area of music/art/cultural activities/Member of Parliament/Member of Legislative Assembly or any other recognition of National Importance

We invite the members to send their profiles/bio data (single space – Font : Verdana 10 point) in the following format latest by July 15, 2016 at [devender.kapoor@icsi.edu](mailto:devender.kapoor@icsi.edu) with the subject “17 PCS – Profiles”.

Sl. No.	FIRST 10 ACS	FIRST 10 FCS	FIRST 10 CP HOLDERS	FIRST 10 CSBF MEMBERS	COMPANY SECRETARIES HAVING 3 OR MORE MEMBERS IN THEIR FAMILIES	PROFILE OF MEMBERS ACHIEVED RECOGNITION IN A FIELD OTHER THAN AS COMPANY SECRETARIES
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)

We look forward to receiving your profile at the earliest.

Members whose bio data was published in the 16<sup>th</sup> National Conference of Practising Company Secretaries “Udan” last year, need not to send bio data again unless any other achievement obtained during the year.

# Corporate Dividend Policy in India: An Analysis of Trends across Industries



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## ABSTRACT

During the recent years Indian economy has witnessed a drastic change. The financial managers are taking various decisions very judiciously. One of the most crucial aspects faced by managers is of dividend decision. The companies belonging to various different industries may adopt an aggressive dividend policy or a conservative dividend policy. This paper studies the trends of dividend policy of 39 companies belonging to different industries in India over a time period of five years from 2010-11 to 2014-15. The study depicts that the companies belonging to the same industry are adopting different dividend policies. The consistency & stability of dividend policy has been checked and compared across industries. The study indicates the liberal and conservative dividend policies adopted by the companies. The three industries consumer durables, FMCG and automobiles are following a consistent dividend policy. The degree of consistency is highest for consumer durables industry. On the other hand capital goods, automobile, power & metal industry have followed an inconsistent dividend policy.

## CORPORATE DIVIDEND POLICY IN INDIA: AN ANALYSIS OF TRENDS ACROSS INDUSTRIES

In the current competitive era, the corporate financial managers focus their attention on dividend decision. It is perplexing question of the distribution of a firm's profits into dividend and retained earnings. Dividend is an important indicator of the financial health of a company. It is very significant because it has an impact on the capital structure of the company. A judicious decision satisfies both the financial needs of the company and the requirements of the

providers of capital. The finance managers of companies are primarily focused upon shareholders wealth maximization. Over a period of time management researchers, academicians and scholars have given various theoretical models and empirical analysis of various facets of corporate dividend policy. As per dividend signaling hypothesis, dividend announcements provide valuable information and signals about the future growth prospects. It tells the prospective investors about the growing future of the company.

The management of most of the companies focus upon stability and regularity of dividend. Shareholders also, generally favour this policy and value stable dividends higher than the fluctuating ones. Theoretically, keeping all other things same, stable dividend policy may have a positive impact on the share prices. Practically whether dividend declaration affects the value of firm is an empirical matter. Initially in the research it was known as 'The Dividend Puzzle'. As Black (1976) stated, "The harder we look at the dividend picture, the more it seems like a puzzle, with the pieces that just do not fit together."

Dividend decision has implications for various stakeholders like investors, managers & lenders. Investors give due weightage to dividend because it gives them a regular income. Managers have to take dividend decision very carefully as future growth largely depends upon the amount of profits they reinvest in the business. Lenders also have an interest in dividend policy because larger the amount paid as dividend lesser would be the amount available for servicing and redemption of debt claims. In actual practice firms follow a particular dividend policy. Generally the firms tend to increase dividend rate with the increase in profitability. While framing the long term dividend policy the directors aim at creating a balance between the desires of the shareholders and the needs of the company.

In developed nations various studies have been conducted on dividend policy behaviour of the companies. However, there are very few studies that have analyzed the trends of dividend policy of Indian companies across different industries. There are some important trends and patterns that catch managerial attention. The paper highlights very useful aspects of information.

## REVIEW OF LITERATURE

This section deals with research studies undertaken in past related to the corporate dividend policy. It explains the main aspects of research related to dividend decision. There are studies that discuss the dividend payout trends. There have been many research studies on dividend policies of the companies in India as well as abroad. Some researchers have focused upon the determinants of dividend policy & dividend signaling hypothesis.

Nassir and Mohamad (1993) investigated the dividend and earnings behavior of firms listed on Kuala Lumpur Stock exchange. The study found that the dividend decision of these firms partially depends on the current earnings & past dividends. The firms have long term target dividend payout which is conditioned upon their earnings ability. Rozeff (1994) furnished empirical evidence in the theory of how companies choose their dividend payout ratios. The study found that companies establish lower dividend payout ratios when they are experiencing higher revenue growth because the growth entails higher investment expenditure. It was concluded that the companies with higher leverage establish lower dividend payment ratio. Mishra and Narender (1996) studied the dividend policies of 39 state-owned enterprises in India for the period 1984-85 to 1993-94. The study found that earning per share is a significant determinant of the dividend policy of state-owned enterprises in India. Narasimhan and Asha (1997) observe that the uniform tax rate of 10 percent on dividend as proposed by the Indian union budget 1997-98, alters the demand of investors in favor of high payouts. Mohanty (1999) studied the dividend policy behavior of more than 200 Indian companies over 15 years. The study attempted to examine whether the companies offering bonus issue have been able to generate greater returns for their shareholders than those who have maintained steadily increasing dividend. The study found that most of the companies do not maintain constant payout ratio. Most of the companies give bonus shares to the shareholders. It was observed in 1982-91 sub period that the returns of bonus issuing companies are higher than the companies preferring dividend. This trend reversed during the sub- period 1992-96. Pandey (2001) examined the corporate dividend behaviour of the Kuala Lumpur Stock Exchange (KLSE) companies. The results of the study found the influence of industry on payout ratios. There is also an evidence of less stable dividend policies being pursued by the Malaysian companies. Anand(2002) conducted a survey of 81 CFOs to find out the various determinants of dividend policy in India. The study concluded that most of the firms have target dividend payout ratio and dividend changes follow shift in the long-term sustainable earnings. The dividend policy is used as a signaling mechanism to convey information on the present and future prospects of the firm and thus affects its market value. Reddy (2002) examined the dividend behavior of Indian corporate sector from 1990-2001. The study concluded that the companies paying dividend has declined from 60.5% in 1990 to 32.1% in 2001 and only a few firms have consistently paid the same level of dividend. Frankfurter and Wood (2002) examined the corporate dividend behavior from many different

perspectives. They concluded that a combination of modern financial theories and behavior & psychological influences determine the dividend policy. Mitton (2004) studied a sample of 365 firms from 19 countries. The results showed that the firms with stronger corporate governance have higher dividend payouts. The negative relationship between dividend payouts & growth opportunities is stronger among firms with better governance. Liu & Hu (2005) empirically analyzed the dividend policy of Chinese listed companies from the factors of the abilities in cash payout and investment opportunity of the companies. They studied the impact of cash flow on the cash dividend. The results indicate that firms with a higher return and higher cash dividend payment belong to traditional industry and the firms with a higher return and lower cash dividend payment belong to high-tech industry. Lalitha Mani & Priya (2010) studied dividend payment behaviour of five steel companies of India. The study found that Tata steel has highest earnings per share with high dividend amount declaration. Sur & majumdar(2013) analysed the dividend payout trends in fifty selected companies in Indian Corporate sector during the post liberalization period of 1998-99 to 2007-08. They highlighted the companies following conservative and aggressive dividend policies. Chawla & Chadha(2014) examined and compared the dividend payout trends (based on the DPS and DPR) of the two leading industries i.e. Telecom and Steel Industry In India. The study concluded that the dividend policy of telecom Industry is more consistent than that of Steel Industry. Size and EPS have been found to have an influence on Dividend policy for companies in Steel Industry but not for Telecom Industry.

**Objectives of the Study:** The main objectives of the study are as follows:-

1. To determine the trend and pattern of dividend distribution in Indian Corporate sector.
2. To analyze the stability of dividend policy in the context of each industry and corporate sector as a whole.

**Research Methodology:** A well chalked out Research methodology enables the researchers to draw meaningful conclusions. This section describes the research design, sources of data, sampling and data analysis tools and techniques.

- I. Research Design-This project report examines the trends of dividend policy in Indian corporate sector. The study is based seven different industries of Indian economy. The payout policy of each industrial sector has been analyzed and compared. The analysis of the overall sample enables to draw conclusions about the overall corporate sector.
- II. Sources of data- For the purpose of the study data has been derived from the secondary sources. The published financial statements are an authentic and reliable source of information about a listed company. The data regarding various financial aspects has been extracted from Capitaline Corporate Database of Capital market Publishers (I) Ltd., Mumbai. The data has also been collected from the website of BSE Ltd.
- III. Sample & Sampling Technique-The sample consists of companies from seven different industries. Further from each industry companies are selected. The total number of sample companies is 39. The data for the sample companies have been collected for a period of 5 years from 2010-11 to 2014-

15. The time period chosen for the study is relatively recent. The five years time period is appropriate to cover short term fluctuations and cyclical effects on various parameters of the performance of the companies. The study includes companies from different industries. The various industries are Consumer goods, Capital goods, FMCG, Information Technology, Automobiles, Power & Metal. The firms from the financial & banking sector have been excluded from the study because of their unique characteristics. They have their different set of rules regarding earnings management. For the purpose of the study the sample companies must meet the following criteria:

- The company should be listed in S & P BSE during the period 2011-2015.
- The data related to the company must be available for all the variables.

The list of the companies selected as sample has been appended to annexure (Annexure-1).

IV. Measurement of variables & Tools of analysis: This section explains the description of the variables and the method of their measurement. Along with it the statistical tools used for analysis have been explained. The trends & patterns of corporate dividend policy in India is examined on the basis of two leading indicators i.e. Dividend per share and Dividend Payout ratio. It is pertinent to mention here that Interim dividend has not been considered for the report. Only final dividend by the company at the end of each financial year has been taken into account. Moreover stock dividends are ignored and only cash dividends are considered. The calculation of these variables has been shown as follows:-

#### 1. Dividend Per share

$$DPS_{it} = \frac{DIV_{it}}{N}$$

Here  $DPS_{it}$  denotes dividend per share for year 't' of company i

$DIV_{it}$  denotes Total dividend for year 't' of the company i.

N denotes the number of equity shares

#### 2. Dividend Payout Ratio

It implies the rate of dividend the company declares to equity shareholders. It denotes the proportion of earnings that the company distributes to the shareholders. Dividend payout ratio has been regarded as an indicator for measuring trends and patterns in dividend payment. It is computed as follows:-

$$DPR_{it} = \frac{DIV_{it}}{PAT_{it}}$$

Here  $PAT_{it}$  denotes the profits of the company i for the year t

The trend & pattern of dividend policy has been analysed on the basis of Dividend per share and dividend payout ratio. These two parameters have been analyzed using mean and Coefficient of variation (CV). Dividend Payout Ratio (DPR)

of each company has been computed. Mean DPR of each company has been compared with mean DPR of the industry to which it belongs. Further industry DPR has been computed using the average DPR of each company forming the part of the industry. If the average DPR of the company is more than the average DPR of the industry then the company has adopted liberal dividend policy. If the average DPR of the company is less than the average DPR of the industry then the company has adopted conservative dividend policy.

Arithmetic mean of the average value of DPR of all the selected industries has been computed. It indicates Dividend payout rate in the corporate sector as a whole. If the industry mean is more than the aggregate mean of all the sectors then the industry is adopting liberal dividend policy. If the industry mean is less than the aggregate of all the sectors then the industry is adopting conservative dividend policy.

The stability of dividend policy in Indian corporate sector has also been analyzed. For this purpose Coefficient of variation (CV) of DPR has been analyzed. This measures the variation of Company DPR vis a vis variation in the industry DPR. If the CV of company DPR is more than the industry then the company is adopting a relatively unstable dividend policy. If the CV of company DPR is less than the industry then the company is adopting a Stable dividend policy. Similarly CV of industry DPR has been compared with CV of all the sample companies. This highlights the variations in DPR industry wise.

**Data Analysis & Interpretations**-This section reveals the data analysis & interpretations. It has been explained as follows:

#### I. Dividend Payment Trends in India

- Overall Scenario: The project report measures the average dividend payout & average dividend per share of the selected sample companies over the study period. Table 1 shows the descriptive statistics of dividend per share and dividend payout ratio. of Indian companies.

Table 1 shows the mean DPS of Rs. 10.51 of the sample companies of the corporate sector in India. There are companies that pay zero dividend per share. The maximum amount of average Dividend per share is Rs. 67. The standard deviation of Dividend per share is 15. It is showing a lower degree of variation amongst the sample companies. The average dividend payout by Indian companies is also shown in the table. On an average basis Indian companies pay 37.46% of the earnings as dividend. The maximum payout is 152% of the earnings. Hence there are companies that follow the policy of paying dividend out of the past profits also. The standard deviation of payout rate is 28.44. It shows the moderate variability in the payout rates of the companies.

Table 1.  
Descriptive Statistics  
(Whole Sample)

Descriptive Statistics Variables	Mean	Standard Deviation	Minimum	Maximum	Skewness	Kurtosis
DPS(in Rupees)	10.51	15.17	0	67	6.01	2.48
Dividend payout(%)	37.46	28.44	0	151.92	1.85	5.92

Table 2 shows the year wise average payout ratio of the entire sample companies i.e. the corporate sector as a whole.

Table 2 reveals that the dividend payout is relatively stable over the period of five years. It hovers around 32%-45%.

Table 2

Year-wise Payout Ratios

Year	Average Payout Ratio (%)
2010-11	34.63
2011-12	44.78
2012-13	40.14
2013-14	35.21
2014-15	32.57

Table 3 shows the type of dividend policy followed by each industry vis-s-vis the corporate sector. The consistency of the dividend policy of each industry has been analyzed.

Table 3

Industry- wise Payout policy

Descriptive Statistics Industry	Mean	Coeff. Of variation	Type of dividend policy	Consistency of dividend policy
Consumer Durables	29.01	0.61	Conservative	Consistent
Capital goods	24.74	0.78	Conservative	Inconsistent
FMCG	57.33	0.30	Liberal	Consistent
Information Technology	30.56	0.40	Conservative	Consistent
Automobile	57.76	0.87	Liberal	Inconsistent
Power	20.06	0.92	Conservative	Inconsistent
Metal	36.38	0.79	Conservative	Inconsistent
Grand values for the whole sample	37.46	0.76		

The table shows that out of the total seven industries only two industries have followed a liberal dividend policy as their average payout is more than the overall grand average. The industries following liberal dividend policy are FMCG and automobile. On the other hand Capital goods, consumer durables, Information technology, power & metal industries have an average payout less than the grand average. So these are following a conservative dividend policy.

The analysis of coefficient of variation of various industries reveals many pertinent facts. The coefficient of variation of the corporate sector as a whole is 0.76. The three industries consumer durables, FMCG and automobiles have lower coefficient of variation as compared to corporate sector. Hence these are following a consistent dividend policy. The degree of consistency is higher for consumer durables industry. On the other hand capital goods, automobile, power & metal industry have followed an inconsistent dividend policy. The degree of inconsistency is highest in case of power industry. The 42% of the sample industries are following consistent dividend policy and 58% are following inconsistent dividend policy as computed to the general trend of corporate sector.

2. Industry wise trends: The average dividend payout and coefficient of variation of each company has been given in

annexure 2. The industry wise analysis of each company has been done as follows:

- 1) Consumer Durables Industry: Out of the total five companies selected from consumer durables industry three companies have followed liberal dividend policy and two have followed conservative dividend policy. The industry payout ratio is 29.01%, whereas Hitachi Home & Life Solutions (India) Ltd., Symphony Ltd., Blue Star Ltd. are paying a percentage greater than the industry average. On the other hand Titan Co Ltd. and Whirlpool of India Ltd. are declaring a lower percentage of its earnings as dividend. Thus 60% of the sample companies of this industry are following liberal dividend payout policy & 40% are following conservative dividend policy. The coefficient of variation of each company, industry and corporate sector as a whole has also been computed. The companies having coefficient of variation more than the coefficient of variation of the industry to which they belong have an inconsistent dividend policy. On the other hand the companies having less coefficient of variation than the industry have a consistent dividend policy. Amongst the consumer durables industry Hitachi Home & Life Solutions (India) Ltd. & Blue Star Ltd. have greater variability than the industry average. Symphony Ltd. & Titan Co Ltd. has good consistency in dividend payout as compared to industry average.
- 2) Capital Goods Industry: Out of the five companies from the capital goods sector three are having payout ratio more than the industry average. So three companies are following liberal dividend policy and two are following conservative dividend policy. Larsen & Toubro Ltd., Siemens India Ltd. and Havells India Ltd. have adopted liberal dividend policy. Crompton Greaves Ltd. and Suzlon Energy Ltd. have followed conservative dividend policy. Siemens India Ltd. is declaring a payout of 52% whereas an average of capital goods industry is 24.74%. Thus the company has a very liberal dividend policy. Moreover 60% of sample companies from capital goods industry are following liberal dividend policy whereas 40% are following conservative dividend policy. In capital industry, the industry Coefficient of variation is 0.78. Out of the five Companies selected as sample Suzlon Energy Ltd. has zero payout policy and the other four sample companies have followed a consistent dividend policy.
- 3) FMCG Industry: Out of the six sample companies from FMCG industry 3 companies are following liberal dividend policy and three are following conservative dividend policy. Companies following Liberal dividend policy are Colgate-Palmolive India Ltd., Bajaj Corp Ltd. and ITC Ltd. The companies that are following conservative dividend policy are Britannia Industries Ltd., Dabur India Ltd. and Godrej Consumer Products Ltd. Thus fifty percent of the companies are following conservative dividend policy and fifty percent are following a liberal dividend policy.

In FMCG industry, the industry Coefficient of variation is 0.3. Out of the six companies selected as a sample Colgate-Palmolive India Ltd., ITC Ltd., Britannia Industries Ltd., Dabur India Ltd. and Godrej Consumer Products Ltd.

have followed a consistent dividend policy. Bajaj Corp Ltd. is the only company from this industry that has an inconsistent dividend policy.

- 4) Information Technology Industry: Out of the six sample companies three companies are paying more than the industry average and three are paying less than the industry average. HCL Technologies Ltd., Infosys Ltd. and Tata Consultancy Services Ltd. are paying dividend liberally. On the other hand Wipro Ltd., D-Link India Ltd., MindTree Ltd. are following a conservative dividend policy. Thus fifty percent of the sample companies from Information technology industry are following conservative policy and fifty percent are following liberal policy.

In Information Technology industry the Coefficient of variation is 0.4 for the sample of six companies. Three companies naming HCL Technologies Ltd., Tata Consultancy Services Ltd. and MindTree Ltd. have inconsistent dividend policy as their Coefficient of variation is higher than the industry Coefficient of variation. Infosys Ltd., Wipro Ltd. and D-Link India Ltd. have adopted a consistent dividend policy.

- 5) Automobile Industry: Out of six sample companies two companies Hero MotoCorp Ltd, Tata Motors Ltd. are following liberal dividend policy as compared to the industry to which they belong. Bajaj Auto Ltd., Bharat Forge Ltd., Ashok Leyland Ltd. are following a conservative dividend policy. Looking at the payout figures of Tata Motors Ltd. it can be derived that the payout of the company is 151% whereas industry average is 57.76%. The company is paying dividend very liberally as compared to the industry. Thus 40% of the companies are following liberal dividend policy & 60% are following conservative dividend policy. In automobile industry, the Coefficient of variation is 0.87. All the companies chosen as a sample have a lower Coefficient of variation than the industry Coefficient of variation. Thus firms belonging to automobile industry have a consistent dividend policy.
- 6) Power Industry: Out of five companies selected as a sample from power industry, three companies i.e. NHPC Ltd., NTPC Ltd. and Power Grid Corp of India Ltd. have a higher payout percentage as compared to the industry average. Adani Power Ltd. & Reliance Power Ltd. have a policy of zero payout. Hence they have adopted a conservative approach. Thus 60% of the sample companies are following liberal dividend policy and 40% are following conservative dividend policy.

In power industry, the Coefficient of variation is 0.92. Out of the five sample companies NHPC Ltd., NTPC Ltd. and Power Grid Corp of India Ltd. have a lower Coefficient of variation as compared to the industry. Hence they are following a consistent dividend policy.

- 7) Metal Industry: The payout rate of metal industry as 36.38% for a sample of six companies. The companies paying more than the industry average are Coal India Ltd., Vedanta Ltd. and NMDC Ltd. Whereas Hindalco Industries Ltd., JSW Steel Ltd. and Tata Steel Ltd. are following a conservative dividend policy. These companies are paying

less than the industry average. Thus fifty percent of the companies from this industry are following conservative and the rest fifty percent are following liberal dividend policy.

In metal industry, the coefficient of variation is 0.79. In case of Vedanta Ltd. the industry coefficient of variation is less than that of the company. Hence the company has inconsistent dividend policy. The other five companies have a consistent dividend policy.

## CONCLUSION

The paper analyzes the dividend policy of various industries and corporate sector as a whole. The empirical results in this report are focussed on the time period 2010-11 to 2014-15. On the basis of a sample of 39 Indian companies it is depicted that the Indian firms follow a stable dividend policy. A sector wise intensive analysis has been done regarding the dividend policy. The study re-examines the trends and patterns of dividend policy in the recent times. The study also depicts that the companies belonging to the same industry are adopting different dividend policies. The consistency & stability of dividend policy has been checked and compared across industries. The study indicates the liberal and conservative dividend policies adopted by the companies. The mean DPS is Rs. 10.51 of the sample companies of the corporate sector in India. The maximum amount of average Dividend per share is Rs. 67. The dividend payout is relatively stable over the period of five years. It hovers around 32%-45%. The three industries consumer durables, FMCG and automobiles are following a consistent dividend policy. The degree of consistency is higher for consumer durables industry. On the other hand capital goods, automobile, power & metal industry have followed an inconsistent dividend policy. The degree of inconsistency is highest in case of power industry. The 42% of the sample industries are following consistent dividend policy and 58% are following inconsistent dividend policy as computed to the general trend of corporate sector.

The study has been conducted on the selected companies listed on BSE. Although the companies are taken from the different industrial sectors of the economy, yet a larger sample would enable to test the robustness of the results. The reliability of the data can be tested in a better manner by using different combinations of companies in future.

The paper revealed many pertinent facets; the determinants of dividend policy, trends & patterns of dividend policy. The study would facilitate the financial managers in decision making by providing valuable insights.

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Capital Goods	6	Crompton Greaves Ltd
	7	Larsen & Toubro Ltd
	8	Siemens Ltd
	9	Havells India Ltd
	10	Suzlon Energy Ltd
FMCG	11	Colgate-Palmolive (India) Ltd
	12	Britannia Industries Ltd
	13	Dabur India Ltd
	14	Bajaj Corp Ltd
	15	Godrej Consumer Products Ltd
	16	ITC Ltd
Information Technology	17	HCL Technologies Ltd
	18	Infosys Ltd
	19	Tata Consultancy
	20	Wipro Ltd
	21	D-Link India Ltd
	22	Mindtree Ltd
Automobiles	23	Ashok Leyland Ltd
	24	Bajaj Auto Ltd
	25	Bharat Forge Ltd
	26	Hero MotoCorp Ltd
	27	Maruti Suzuki India Ltd
	28	Tata Motors Ltd
Power	29	Adani Power Ltd
	30	NHPC Ltd
	31	NTPC Ltd
	32	Reliance Power Ltd
	33	Power Grid Corporation of India Ltd
Metal	34	Coal India Ltd
	35	Hindalco Industries Ltd
	36	JSW Steel Ltd
	37	Tata Steel Ltd
	38	Vedanta Ltd
	39	NMDC Ltd

Annexure I List of Companies		
Name of the Industry	S. No.	Name of the company
Consumer Durables	1	Hitachi Home & Life Solutions Ltd
	2	Symphony Ltd
	3	Titan Company Ltd
	4	Whirlpool of India Ltd
	5	Blue Star Ltd

Annexure 2 Company wise data				
Name of the Industry	S.No.	Name of the company	Average Payout	Coefficient of variation
Consumer Durables	1	Hitachi Home & Life Solutions (Ind) Ltd	45.61	1.09
	2	Symphony Ltd	38.25	0.35
	3	Titan Company Ltd	26.64	0.02
	4	Whirlpool of India Ltd	0.00	0.00

	5	Blue Star Ltd	34.53	0.77
		Industry figures	29.01	0.61
Capital Goods	6	Crompton Greaves Ltd	15.78	0.34
	7	Larsen & Toubro Ltd	25.03	0.13
	8	Siemens Ltd	52.31	0.70
	9	Havells India Ltd	30.61	0.41
	10	Suzlon Energy Ltd	0.00	0.00
		Industry figures	24.74	0.78
FMCG	11	Colgate-Palmolive (India) Ltd	80.35	0.11
	12	Britannia Industries Ltd	47.94	0.24
	13	Dabur India Ltd	49.21	0.06
	14	Bajaj Corp Ltd	68.99	0.47
	15	Godrej Consumer Products Ltd	33.33	0.15
	16	ITC Ltd	64.13	0.12
		Industry figures	52.72	0.33
Information Technology	17	HCL Technologies Ltd	30.81	0.48
	18	Infosys Ltd	40.72	0.30
	19	Tata Consultancy	45.79	0.43
	20	Wipro Ltd	32.84	0.12
	21	D-Link India Ltd	16.60	0.39
	22	Mindtree Ltd	16.60	0.56
		Industry figures	30.51	0.40

Automobiles	23	Ashok Leyland Ltd	35.37	0.57
	24	Bajaj Auto Ltd	47.01	0.16
	25	Bharat Forge Ltd	26.85	0.03
	26	Hero MotoCorp Ltd	71.82	0.49
	27	Maruti Suzuki India Ltd	13.60	0.34
	28	Tata Motors Ltd	151.92	0.82
		Industry figures	62.24	0.87
Power	29	Adani Power Ltd	0.00	0.00
	30	NHPC Ltd	34.27	0.05
	31	NTPC Ltd	36.39	0.26
	32	Reliance Power Ltd	0.00	0.00
	33	Power Grid Corporation of India Ltd	29.66	0.15
		Industry figures	20.06	0.92
Metal	34	Coal India Ltd	89.49	0.31
	35	Hindalco Industries Ltd	16.25	0.25
	36	JSW Steel Ltd	14.68	0.32
	37	Tata Steel Ltd	17.73	0.27
	38	Vedanta Ltd	38.07	0.96
	39	NMDC Ltd	42.05	0.43
		Industry figures	25.76	0.79

### AWARENESS PROGRAMME ON ANTI

# SEXUAL HARASSMENT AT WORK

What they don't teach at B-Schools or even Law Colleges

Every employer, employing 10 or more employees, has to constitute an Internal Complaints Committee as stipulated by Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (SHWW Act) and amongst four, one member should be a person familiar with the rules relating to sexual harassment of women at workplace.

In order to familiarize persons, the Labour Law Reporter through its **Labour Laws Institute** is holding Awareness Programme with a faculty of eminent experts. The participants with certificate for participation will be eligible to be member or even Presiding Officer of the Internal Complaints Committee not only for their own but also an expert member for other establishments against professional fee. He/she can supplement his/her income also.

Creating awareness and orientation of the members of the committee by the employers is a statutory requirement under section 19(c) of the SHWW Act, 2013.

The interested participants should send their nomination since there will be limited seats.

**Participation fee** : Rs.4000 each. For more than one participant from the same organization Rs.3500 each inclusive of written material and lunch.(Service Tax 14.5%)

**Date & Timing** : 22-7-2016 from 10 am to 5 pm

**Venue** : Scope, CGO Complex, Lodhi Road, New Delhi – 110 003.  
(Nearest Metro Station : Jawahar Lal Nehru Stadium)

**Also to be held  
at Mumbai &  
Hyderabad**

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# ICSI - CCGRT

## ANNOUNCES

### Unique

# All India Research Paper Competition On Special Courts (Indian Companies Act 2013)



ICSI-CCGRT is pleased to announce unique "All India Research Paper Competition on Special Courts 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 Companies Act, 2013 has proposed to form "Special courts" for the purpose of providing speedy trial and disposal of offences. Chapter XXVIII of the Companies Act, 2013, deals with special courts. Section 435 of the Indian Companies Act, 2013 provides for the rapid trial of offences by empowering Central Government, to set up or designate by notification as many Special Courts as may require. A special court shall comprise of a single judge who shall be appointed by the Central Government with the concurrence of

the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

### Offences triable:

- All offences under this Act shall be tried only by the Special court within whose jurisdiction the Registered office of the company is situated.
- An accused or a suspect under this act is forwarded and is detained by the Magistrate for a period of 15 days (Judicial Magistrate) or 7 days (Executive Magistrate) and if the magistrate feels that such detention is unnecessary beyond upon or before the expiry of the period, he should order to forward such person to the concerned Special Court.
- The special court has the discretion to exercise the power vested with the Magistrate in relation to the person forwarded to him.
- The Special court may, based on the report of the Police, of the facts constituting an offence under this act or upon complaint

- in that behalf, take cognizance of the offence, without taking the accused for trial.
- Overriding the provisions of CrPC, the Special court has the power to try in a summary way, the offences under this act which are punishable with imprisonment for a term not exceeding 3 years.
- In case of any verdict in a summary trial, the imprisonment cannot exceed the one year.
- If, at any time the Special court feels that the said case cannot be tried in summary way or the imprisonment should exceed one year, the Special court should after hearing the parties, record an order and thereafter recall any witnesses and rehear the case in accordance with procedure for regular trial.
- 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.

## OBJECTIVES:

- To analyze the implications of Special Courts.
  - To comprehend whether they are going to be boon or bane for corporate world.
  - To find out the probable gaps / lacunae of Special Courts.
  - To explore foreign scenarios pertaining to Special Courts.
  - To comprehend the jurisdiction of Special Courts.
  - To gain understanding pertaining to cognizable and non-cognizable offences.
- The following should also accompany the manuscripts on separate sheets: (i) An abstract of approximately 150 words with a maximum of five key words, and (ii) A brief biographical sketch (60-80 words) of the author/s describing current designation and affiliation, specialization, number of books and articles in refereed journals, membership number of ICSI and other membership on editorial boards and companies, etc.
  - The research papers should reach the Competition Committee on or before 27th June, 2016 by 12 noon (IST).
  - Participants should email their research papers on the following email id: ccgrt@icsi.edu

## Themes on which Research Papers are invited

- Special Courts- A Step towards quick response to Corporate Litigations.
- Coverage of Cognizable and Non-cognizable offences and their ramifications.
- Mediation and Conciliation Panel
- Takeaways from practices embraced by Special Courts in Foreign Lands.
- Appeal and Revision
- Transitional Provisions.
- Special Courts & Its Impact on Ease of Doing Business.
- Gauging the probable merits and limitations of Special Courts.

## 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.

## Further Information for Authors / Participants

- The decision of the Reviewing Committee will be final and binding on the participants.
- The Institute of Company Secretaries of India reserves the right to publish or refer the selected papers for various publications viz; Souvenirs, Books, Study materials published by the institute or in any seminar / conference / workshop / Research Programs conducted by institute either on its own or jointly with other organizations and also in regular course of activities of ICSI. Further, the authors whose papers will be selected will receive an Appreciation Letter from the institute and Program Credit Hours (PCH).
- ICSI reserves all intellectual property rights including in particular copyright, trade mark, design and other intellectual rights. The authors are not entitled for any remuneration or compensation or royalty except honorarium paid by ICSI. The participants / authors shall submit the Declaration Form to the institute at the time of submission of paper.
- The papers will be scrutinized by an Expert Committee.

For any query / assistance, kindly contact at: ccgrt@icsi.edu / +91-22-41021515/1501

4 PCH will be awarded to the authors, whose research papers will be selected.

**CS Ahalada Rao V**  
Council Member & Chairman  
ICSI Research Committee

**CS Ashish Doshi**  
Council Member & Chairman  
ICSI-CCGRT Mgmt. Committee

**Dr. Rajesh K Agrawal**  
Director  
ICSI-CCGRT



## **INVITATION FOR SUBMISSION OF DETAILED CELLULOID RESEARCH THEMES ON CORPORATE GOVERNANCE – CG AND INTERNATIONAL CORPORATE GOVERNANCE DAY - ICGD**

To be a global leader in promoting Good  
Corporate Governance

- Vision Statement

To develop high calibre professionals  
facilitating Good Corporate Governance

–Mission Statement

Objective of this initiation is to imbibe the importance of the concept of Corporate Governance and ICGD in the minds of each and every person with a sole theme of “**Corporate to Common man**”.

As you are aware ICSI has mooted the concept of “International Corporate Governance Day – ICGD”, we seek suggestions from all the Members and Students to provide best suitable detailed celluloid research themes in relation to “Corporate Governance” and “International Corporate Governance Day–ICGD”.

The theme should be enthused with more Creativity, Novelty and Innovation and the indicative Categories can be as under:

**Best slogans on CG and ICGD**

**Best animation clips on CG and ICGD**

**Best Song on CG and ICGD**

**Best short videos on CG and ICGD**

**Best Skits on CG and ICGD**

**Best Short Stories on CG and ICGD**

Best methods and modes of making public awareness in relation to ICGD by using

Social media approach like Face Book posts, Whatsapp messages, tweets or

Print media like giving articles, columns, bites etc or

Electronic Media like giving interviews, advertisements etc.

The Best three in each category will be suitably rewarded and will be announced in the Chartered Secretary the name along with the photo and suggestion.

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The Suggestion and modalities along with their profile may please be forwarded to [ccgrt@icsi.edu](mailto:ccgrt@icsi.edu) specifying clearly the following details, on or before 31 July 2016

ICSI reserves the right to select the entries. It may reject or keep on hold any entry made in this regard, without specifying any reasons.

**CS Ahalada Rao V**

Chairman

ICSI-Research Committee

**CS Ashish Doshi**

Chairman

ICSI – CCGRT Committee

**CS Vineet Chaudhary**

Chairman

ICSI-CG Committee



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CCGRT Jointly with HYDERABAD CHAPTER

## Embarking Upon the Voyage of Research



Particulars	Series II
Name of the series	Research Review of Literature on Indian Company Law
Duration	3 days
Dates	24 to 26 June 2016
Timings	9.30 am to 7.00 pm
Credit Hours	10 PCH
Venue	The ICSI- Hyderabad Chapter # 6-3-609/5, Anandnagar Colony, Khairatabad, Hyderabad - 4 Tel: 040-23399541, 23396494 (Mobile): 08978622558



No Lectures  
No Background  
Material

### Delegates fee

	Members/others	APS Reg. Members	APS Gold Members
Early Bird registrations (paid up to 22.6.2016)	5000 for three days 2000 per day	1000 for three days 500 per day	Free However confirmation before 22is must
Registrations on or after 23.6.2016	6000 for three days 2500 per day	1750 for three days 750 per day	Free However confirmation before 24is must



### The Trajectory

In its endeavor to provide impetus to research activities and taking it to the pinnacle, CCGRT is organizing the aforesaid workshop to explore into various Sections and Critical Aspects of Companies Act, 2013 and to emerge with a literature that will be incredible and an exemplar in Indian Company Law. Further, to make the seminar a learning oriented so that it leave the participants with food for thought, the proposed colloquy will be conducted in two series and each series will consist of three days.

### Objectives of the Workshop

- ✓ Discussion o the Indian Company Law.
- ✓ Review the existing literature of Company Law.
- ✓ Analyze research material and find out gaps, discrepancies and interpretation issues.
- ✓ Impact study of the Company Amendment Bill, 2016.

### Scope of the study during Workshop- Chapters 1 to 10 of Indian Companies Act, 2013

- ❖ Chapter 1- Preliminary
- ❖ Chapter 2 – Incorporation of Company and Matters Incidental Thereto
- ❖ Chapter 3- Prospectus and Allotment of Securities
- ❖ Chapter 4- Share Capital and Debentures
- ❖ Chapter 9- Accounts of Companies
- ❖ Chapter 10- Audit and Auditors

**LIMITED  
SEATS**

### The Beginning of Voyage- Analysis of the Research Material

As any journey or voyage commences with the interaction among co-passengers, similarly, in this voyage of research, the first step involves interaction among the participants, instructions / guidance by the panel members / mentors and handing over of the research material. Once participants receive the research material they have to begin with its in-depth analysis.

Since analysis plays a pivotal role in ascertaining various dimensions to a concept, keeping this in view, the participants are expected to invest their best endeavors in doing an analytical study of various key concepts / chapters of the Company Law.

### *Sailing Deep into the Ocean- Debate & Discussion*

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 adage, "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 workshop*), 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 of Companies Act, 2013, Participants need to present the debatable issues, controversial issues and also unsolved mysteries of the sections and the chapters allocated to them.

### *Reaching the Shores- Presentation of Revised Research Material*

In this stage, the participants will put forward the revised research material based upon their study and analysis, as well as the valuable inputs received from their peers. This marks the conclusion of the voyage, where after a marathon study on corporate law, participants will emerge with their valuable thoughts / opinions which will go a long way in cultivating a research atmosphere.

### *Suggestions & Instructions to the Delegates*

- 1) Participants should carry their own laptops, books and other reading materials.
- 2) During the workshop participants may refer both primary and secondary data to complete the assigned tasks.
- 3) Participants should note that NO BACKGROUND MATERIAL will be provided by ICSI-CCGRT and research material provided, if any, to the participants will be on return basis, i.e. participants must return the research material at the end of the program.
- 4) The decision of the Panelist / Judges / Mentors will be final and binding upon the participants regarding the judgment / comments / feedback provided after reviewing the group task.
- 5) The Credit Hours to the Participants has to be accorded based on their presence on the number of days/ Number of Hours attended during the programme.
- 6) Participants are required to bring their LAPTOPS

### *Mode of Payment*

The fee may be paid by way of cash or DD / cheque draw in favour of 'Hyderabad Chapter of Company Secretaries'

### *Online Payment*

Online Transfer A/C No.ICICI:000801203504; IFSC Code: ICIC0000008 (payment made through online to be informed by email to [hyderabad@icsi.edu](mailto:hyderabad@icsi.edu) along with particulars.

CS Ashish Doshi  
Council Member & Chairman  
ICSI-CCGRT Mgmt. Committee

CS Ahalada Rao V  
Programme Director,  
Council Member &  
Chairman  
ICSI Research Committee

CS Ramakrishna Gupta  
Secretary SIRC &  
Programme Coordinator

CS Mahadev Tirunagari  
Programme Facilitator &  
Chairman  
ICSI- Hyderabad Chapter

# CS QUALIFICATION FOR APPOINTMENT AS TEACHING FACULTY IN UNIVERSITIES AND COLLEGES IN THE AREA OF MANAGEMENT / BUSINESS ADMINISTRATION\*

University Grants Commission (UGC) has notified "UGC Regulations on Minimum Qualifications for Appointment of Teachers and Other Academic Staff in Universities and Colleges and Measures for the Maintenance of Standards in Higher Education (2010) vide File No. F.3-1/2009 dated 30th June 2010.

The Regulations prescribe the minimum qualification for appointment of teaching faculty in universities and colleges in the area of Management/Business Administration. The qualifications specified for appointment of Assistant Professor, Associate Professor and Professor in the above area and Principal/Director/Head of the Institution include **First Class Graduate** and professionally qualified **Company Secretary** among other qualifications and subject to other requirements including qualifying NET/SLET/SET as the minimum eligibility condition for recruitment and appointment of Assistant Professors.

The relevant extract of the notification is as follows:

## MINIMUM QUALIFICATIONS FOR APPOINTMENT OF TEACHING FACULTY IN UNIVERSITIES AND COLLEGES - MANAGEMENT/BUSINESS ADMINISTRATION:

### 1. Assistant Professor:

#### (i) Essential:

1. First Class Masters Degree in Business Management/ Administration/in a relevant management related discipline or first class in two year full time PGDM declared equivalent by AIU/ accredited by the AICTE/UGC;

OR

2. First Class graduate and professionally qualified Chartered Accountant/Cost and Works Accountant/ **Company Secretary** of the concerned statutory bodies.

#### (ii) Desirable:

1. Teaching, research, industrial and/or professional experience in a reputed organization;
2. Papers presented at Conferences and/or published in refereed journals.

### 2. Associate Professor:

- (i) Consistently good academic record with at least 55% marks (or an equivalent grade in a point scale wherever grading system is followed) in Master's Degree in Business Management/Administration/in a relevant

management related discipline or first class in two years full time PGDM declared equivalent by AIU/recognized by the AICTE/ UGC;

OR

First Class graduate and professionally qualified Chartered Accountant/Cost and Works Accountant/ **Company Secretary** of the concerned statutory body.

- (ii) Ph.D. or Fellow of Indian Institute of Management or of an Institute recognized by AICTE and declared equivalent by the AIU.
- (iii) A minimum of eight years' experience of teaching/ industry/ research/professional at managerial level excluding the period spent for obtaining the research degree.

OR

- (iv) In the event the candidate is from industry and the profession, the following requirements shall constitute as essential requirements :

1. Consistently good academic record with at least 55% marks (or an equivalent grade in a point scale wherever grading system is followed) in Master's Degree in Business Management/Administration/ in a relevant management related discipline or first class in two years full time PGDM declared equivalent by AIU/recognized by AICTE/UGC,

OR

First Class graduate and professionally qualified Chartered Accountant/Cost and Works Accountant/ **Company Secretary** of the concerned statutory body.

2. A minimum of ten years experience of teaching/ industry/research/ profession, out of which five years must be at the level of Assistant Professor or equivalent excluding the period spent for obtaining research degree. The candidate should have Professional work experience, which is significant and can be recognized at national / international level as equivalent to Ph.D. and ten years managerial experience in industry/profession of which at least five years should be at the level comparable to that of lecturer/assistant professor.

- (v) Without prejudice to the above, the following conditions may be considered desirable:

\*Published for general awareness of the Members of the Institute.



- (a) Teaching, research, industrial and/or professional experience in a reputed organization;
- (b) Published work, such as research papers, patents filed/obtained, books and/or technical reports; and
- (c) Experience of guiding the project work/dissertation of PG/Research Students or supervising R&D projects in industry.

### 3. Professor:

- (i) Consistently good academic record with at least 55% marks (or an equivalent grade in a point scale wherever grading system is followed) in Master's Degree in Business Management/Administration/ in a relevant discipline or consistently good academic record with at least 55% marks (or an equivalent grade in a point scale wherever grading system is followed) in two year full time PGDM declared equivalent by AIU/recognized by the AICTE/UGC;

OR

First Class graduate and professionally qualified Chartered Accountant/Cost and Works Accountant/**Company Secretary** of the concerned statutory body.

- (ii) Ph. D. or Fellow of Indian Institute of Management or of an Institute recognized by AICTE and declared equivalent by the AIU.
- (iii) A minimum of ten years' experience of teaching/ industry/research/ professional out of which five years must be at the level of Reader or equivalent excluding the period spent for obtaining the research degree.

OR

- (iv) In the event the candidate is from industry and the profession, the following shall constitute as essential:

1. Consistently good academic record with at least 55% marks (or an equivalent grade in a point scale wherever grading system is followed) in Master's Degree in Business Management/ Administration/ in a relevant management related discipline or consistently good academic record with at least 55% marks (or an equivalent grade in a point scale wherever grading system is followed) in two years full time PGDM declared equivalent by AIU/recognized by the AICTE/UGC.

OR

First Class graduate and professionally qualified Chartered Accountant Cost and Works Accountant/**Company Secretary** of the

concerned statutory body.

2. The candidate should have professional work experience which is significant and can be recognized at national/International level as equivalent to Ph. D. and twelve years' managerial experience in industry/profession of which at least eight years should be at least at a level comparable to that of Reader/Assistant Professor.

- (v) Without prejudice to the above, the following conditions may be considered desirable:

- (i) Teaching, research, and/or professional experience in a reputed organization;
- (ii) Published work, such as research papers, patents filed/obtained, books and/or technical reports;
- (iii) Experience of guiding the project work/ dissertation of PG/research Students or supervising R&D projects in industry;
- (iv) Demonstrated leadership in planning and organizing academic, research, industrial and/or professional activities; and
- (v) Capacity to undertake/lead sponsored R&D consultancy and related activities.

### 4. Principal/Director/Head of Institution

- (i) Qualification same as those prescribed for the post of professor in the relevant discipline with a minimum of fifteen years' experience of postgraduate teaching/ industry/research.

OR

- (ii) For candidates from Industry/Profession:

Qualification same as those prescribed for the post of Professor from industry/profession stream with fifteen years' experience of postgraduate teaching/ research out of which five years must be at the level of Professor in the relevant discipline.

- (iii) Without prejudice to the above, the following conditions may be considered desirable:

1. Administrative experience in senior level responsible position in the Industry/Professional Institution.

For full text of the notification please visit the url:

[http://www.ugc.ac.in/policy/revised\\_finalugcregulationfinal10.pdf](http://www.ugc.ac.in/policy/revised_finalugcregulationfinal10.pdf)



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Dear Students,

## **“Training Opportunities for Students”**

We wish to inform you that ICSI has created a special section at its home page to help students in locating vacancy in suitable company / PCS / other entities for undergoing training.

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**Training opportunities for students**  
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# 3

# LEGAL WORLD



- KISHINCHAND CHELLARAM VS COMMISSIONER OF INCOME TAX [SC]
- JABAL C.LASHKARI & ORS v. OFFICIAL LIQUIDATOR & ORS [SC]
- AXIS BANK v. SBS ORGANICS PVT. LTD & ANR [SC]
- REGISTRARS ASSOCIATION OF INDIA v. NSDL & ORS [CCI]
- CONFEDERATION OF REAL ESTATE BROKERS ASSOCIATION OF INDIA v. MAGICBRICKS.COM & ORS [CCI]
- EITZEN BULK A/S v. ASHAPURA MINECHEM LTD & ANR [SC]
- CELLULAR OPERATORS ASSOCIATION OF INDIA & ORS v. TELECOM REGULATORY AUTHORITY OF INDIA & ORS [SC]
- STATE OF M.P & ORS v. M/S RUCHI PRINTERS [SC]
- C.C.E., RAIGAD v. ISPAT METALLICS INDUSTRIES LTD & ORS [SC]



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- › Invitation of launching - ten practical guidelines to improve board communication

Chartered Secretary

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## Corporate Laws

### Landmark Judgement

CS: LMJ: 8/06/2016

Kishinchand Chellaram v. Commissioner of Income tax [SC]

Civil appeal Nos. 462-465 of 1960

**J.C.Shah, S.K. Das & M.Hidayatullah, JJ.**  
**[Decided on 19/04/1962]**

Equivalent citations: 1963 AIR 390; 1963 SCR (2) 268; (1962) 32 Comp Cas 1046(SC).

Companies Act, 1913 and 1956 – dividends- declared dividend credited to the accounts of shareholders- company later on reversed the declaration of dividend- whether dividend declared and credited to the accounts of the shareholders could be reversed – Held, No.

#### Brief facts:

Though this case relate to income tax on dividends at the hands of the shareholders, the crucial and interesting question which arose, to decide the correctness or otherwise of the taxation, was “Whether dividend declared and credited to the account of the shareholders could be reversed by the company by passing a resolution to that effect later on?” We are concerned with this aspect of law laid down by the Supreme Court of India.

The Appellants Kishinchand Chellaram, Shewakram Kishinchand, Lokumal Kishinchand and Murli Tabilram were the shareholders of the company Chellsons Pvt Ltd at the material time. The company declared dividend for the year 1941-42, 1942-43 and 1943-44 and also credited the dividend amount to the shareholders account. On December 4, 1947, at an Extraordinary General Meeting another resolution purporting to reverse the earlier resolutions that declared dividends was passed by the company.

The ITO considered the dividends as the income of the shareholders and assessed as such. However, the appellants contended that the dividends were not their income as it was reversed by the company. Being unsuccessful they carried their dispute through First appellate authority, Tribunal, High court and

ultimately it came before the Supreme Court.

**Decision: Appeals dismissed.**

#### Reason:

The only question material to these appeals which was argued by the assessee before the Tribunal was whether it was competent to the company by a subsequent resolution to reverse an earlier resolution declaring the dividend. The Tribunal held that the earlier resolution could not be reversed by a subsequent resolution, and therefore what was paid and received as dividend could not by a subsequent resolution of the company be treated as paid otherwise than as dividend. The High Court held that the assessments were properly made by the Income Tax Officer. They observed that the assessment of an assessee for each year is self- contained and subsequent events cannot justify modification of the assessment.

It is common ground that on July 15, 1944 dividend was declared by a resolution of the company and the amounts payable to the assessee were, in fact, credited on September 29, 1944, in the accounts maintained by the company, to each of the shareholders as dividend. The amounts were therefore declared as dividend, treated as dividend and received by the assessee as dividend. The assessee included the dividends so credited to their accounts in the returns. It may be assumed that the company failed to provide for payment of tax before declaring dividend and that after providing for payment of tax the net profits of company may not have been sufficient to justify declaration of dividend at 60% of the value of the shares. On that assumption it may be inferred that the dividend or a part thereof was in truth paid out of the capital of the company. Payment of dividend otherwise than out of profits of the year, or other undistributed profits was at the material time prohibited by Art. 97 of Table A- of the Indian Companies Act, 1913 as amended by Act. XXXII of 1936 read with s. 17(2) of the Act; and therefore such payment may be regarded as unlawful. If the Directors of a company have deliberately paid or negligently been instrumental in paying dividend out of capital they may have, in an action by the company-or if the company is being wound up at the instance of the Liquidator- to compensate the company for loss occasioned by their wrongful or negligent conduct. (*In' the matter of The Union Bank Allahabad Ltd (1925) I.L.R. 47 All. 669.*)

In this case we are not concerned with the validity of the distribution of dividend, or the liability of the directors arising out of improper distribution of dividend. We are concerned with the true character of the payment made on September 29, 1944, to the assessee. If dividend is declared and the amount is credited or paid to the share-holders as dividend can the character of the credit or payment be altered by a subsequent resolution so as to alter the incidence of tax which attaches to that amount?

It is not necessary to consider in this case whether the shareholders may be compelled by the company to refund the amount improperly paid as dividend out of capital. Even if the shareholders agree to refund the amounts received by them as dividend the original character of the receipt as dividend is not thereby altered. In ascertaining whether liability to pay Income-tax on dividend arose, a resolution of the company whereby payments made to the shareholders as dividend are to be

treated as loans cannot retrospectively alter the character of the payment and thereby exempt it from liability which has already attached thereto.

Before this Court two contentions were raised by counsel for the assessee: (1) that on the amount received by each of the assessee tax was not eligible because it was not dividend at all, and (2) that what was declared and paid as dividend ceased to be such by virtue of the subsequent resolution.

The first plea was not raised before the Tribunal, and on the question as framed it did not arise for decision on a reference under s. 66 of the Indian Income Tax Act. The jurisdiction of the High Court under s. 66 being advisory, they were concerned to give their opinion on questions which fairly arose out of the order of the Tribunal, and were in fact raised and referred. The question whether the payment made by the Company was not in the nature of dividend not having fairly arisen out of the order of the Tribunal, it cannot be raised in this Court as it could not in the High Court.

In any event, we are of the opinion that payment made as dividend by a company to its shareholders does not lose that character merely because it is paid out of capital. Under the Income Tax Act, liability to pay tax attaches as soon as dividend is paid, credited or distributed or is so declared. The Act does not contemplate an enquiry whether the dividend is properly paid credited or distributed before liability to pay Tax attaches thereto. The answer to the second contention for reasons already set out by us must be in the negative.

## LW: 34:06:2016

### JABAL C.LASHKARI & ORS v. OFFICIAL LIQUIDATOR & ORS [SC]

Civil Appeal Nos. 3147-3149 of 2016 (Arising out of S.L.P. (C) Nos.29282-29284 of 2008) with batch of appeals

Ranjan Gogoi & Prafulla C. Pant, JJ. [Decided on 29/03/2016]

Companies Act, 1956 read with Bombay Rent Control Act- company under liquidation- secured creditors willing to pay rent for the leased land to the landlords- landlords approached the court to evict the company from the land and return of the land – whether their claim tenable- Held, No.

### Brief facts:

One Durgaprasad Lashkari (predecessor of the appellants) had leased out land admeasuring 35,772 sq. mtrs. in favour of one Becharadas Spinning and Weaving Mills Ltd. (subsequently known as Prasad Mills Ltd.) for a period of 199 years by a lease deed dated 10.12.1916. A secured creditor of Prasad Mills Ltd. had in the year 1984 filed a company petition seeking the winding up of the aforesaid Prasad Mills Ltd. While the company petition was

pending some of the legal heirs of Durgaprasad Lashkari had filed a suit in the Small Causes Court seeking permanent injunction against the sale of assets of company more particularly the sale of the leased property.

An order dated 5.5.1989 was passed by the learned Company Judge of the Gujarat High Court directing the winding up of Prasad Mills Ltd. and the appointment of an official liquidator. The official liquidator was directed to take charge and possession of all the assets of the company. An application was filed by another heir of Durgaprasad Lashkari in the winding up petition seeking direction to further prosecute the suit pending before the Small Causes Court. The learned Company Judge by order dated 24.2.1995 ordered that the suit may be withdrawn and instead directions may be sought from the Company Court for return of the leased property.

Pursuant thereto a Company Application (C.A. No.462 of 1999) was filed by some of the heirs of Durgaprasad Lashkari for return of the leased property and also for orders restraining the official liquidator from selling/transferring the leased property.

While the above Company Application was pending the building, superstructure, plant and machinery of the company was sold in a public auction. It appears that on 6.2.2004 an advertisement was issued by the official liquidator for the sale of the leased property. As against the aforesaid advertisement, the appellant had filed Company Application No.33 of 2004 for a declaration that the official liquidator had no right to sell the leased property. Another Company Application i.e. C.A. No.34 of 2004 was filed seeking permission from the Company Court to file a suit before the appropriate court for eviction of the official liquidator from the leased property.

The learned Company Judge by a very elaborate order dated 13.10.2004 rejected all the three company applications. Aggrieved, the appellant and other legal heirs of Durgaprasad Lashkari filed three separate appeals before the Division Bench of the High Court. The High Court by a common order dated 17.10.2008 dismissed all the appeals on grounds and reasons that will be noticed shortly. It is against the aforesaid common order dated 17.10.2008 that the present appeals have been filed.

**Decision:** Appeal dismissed.

### Reason:

Before cataloguing the arguments advanced on behalf of the rival parties it will be apposite to take note of the reasoning of the High Court which had prompted it to arrive at the impugned conclusions recorded in the order under appeal.

Section 12 of the Rent Act confers protection on a tenant who is regularly paying or is ready and willing to pay the rent. In the present case while there is no doubt that rent has not been paid, equally, there is no doubt that the secured creditors including the State Bank of India had all along been ready and willing to pay the rent and the reasons for non-payment appears to be (para 43 of the impugned order of the High Court) lack of communication by the official liquidator to the SBI of the precise amount of rent due. While there can be no doubt that mere readiness and willingness to pay without actual payment cannot enure to the benefit of the tenant in perpetuity what is required under Sub-section

(2) of Section 12 is a notice in writing by the landlord raising a demand of rent and only on the failure of the tenant to comply with such notice within a period of one month that the filing of a suit for recovery of possession is contemplated. The service of notice giving an opportunity to the tenant to pay the unpaid rent is the first chance/opportunity that the Rent Act contemplates as a legal necessity incumbent on the landlord to afford to the tenant. Admittedly, in the present case, no such notice as contemplated by Section 12 (2) has been issued by the landlord; at least none has been brought to our notice. In such a situation, the readiness and willingness of the tenant to pay the rent, though may have continued for a fairly long time without actual payment, will not deprive the tenant of the protection under the Rent Act. Though the order of the High Court in para 43 of the impugned judgment has been placed before the Court as an order under Section 12(3) (b) of the Rent Act we do not find the said order to be of the kind contemplated by Section 12(3)(b) inasmuch as not only the order does not mention any specific rent which has to be tendered in Court but what is encompassed therein is a direction to the official liquidator to let the State Bank of India know the precise amount that is required to be paid on account of rent and, thereafter, to pay the same to the official liquidator where after it has been left open for the lessors to withdraw the said amount from the official liquidator. Such an order by no stretch of reasoning would be one contemplated under Section 12(3) (b). In the aforesaid situation, the finding of the High Court that the landlord is not entitled to seek eviction on the ground of non-payment of rent under Section 12 of the Bombay Rent Act cannot be said to be so inherently infirm so as to require the interference of this Court.

This will bring the Court to a consideration of the liability of the official liquidator to a decree of eviction on the ground contemplated under Section 13(1) (e) of the Bombay Rent Act. As already discussed in a preceding paragraph of the present order, the non obstante clause of Section 13 (1) overrides only the other provisions of the Bombay Rent Act and is also subject to the provisions of Section 15, which deals with sub-letting and transfer, though overrides the provisions contained in any other law, is subject to any contract to the contrary. Though in the present case the lease deed (clause 7) is capable of being read as permitting sub-letting and not assignment what has been held in the present case by the High Court, by virtue of the decision of this Court in *Laxmidas Bapudas Darbar v. Rudravva 2001 (7) SCC 409*, is that in view of the limited operation of the non obstante clause in Section 15 of the Bombay Rent Act, unlike Section 21 of the Karnataka Act, the provisions of the Transfer of Property Act [Section 118 (o)] will not become irrelevant to the relationship between the parties in which event assignment may also be permissible notwithstanding the specific content of clause 7 of the lease deed in question. However, we need not dwell on this issue at any length or would also be required to consider the efficacy of the arguments of the learned Additional Solicitor General on the strength of the two Privy Council decisions mentioned above i.e. *Hans Raj vs. Bejoy Lal Sel and Ram Kinkar Banerjee vs. Satya Charan Srimani, AIR 1939 PC 14* inasmuch as from Company Application No. 34 of 2004, which deals with the claim of the appellants for eviction of the official liquidator from the leased property, what is clear and evident is that the case of sub-letting of the leased premises on which basis eviction has been prayed for is not sub-letting/assignment by the official liquidator but assignment of the leased premises to Prasad Mills by the original managing agents in whose favour the initial lease

was executed by the predecessors of the present owners. The ground of unauthorized and impermissible assignment by the official liquidator on the strength of the notice/advertisement for disposal of the leased land thereby making the said authority liable for eviction is an argument advanced only at the hearing of the appeals before us. That apart the said argument overlooks the fact that the assignment was only sought to be made by the advertisement/notice issued and did not amount to a completed action on the part of the official liquidator so as to attract the relevant provisions of the Bombay Rent Act dealing with the consequential liability for eviction. Such argument also belies the injunctive/prohibitory relief sought for in the Company Applications, as already noticed, insofar as the contemplated sale/transfer/assignment of the leased property by the official liquidator is concerned. The arguments advanced on the strength of the provisions of Section 19 of the Bombay Rent Act would also stand answered on the above basis.

Insofar as liability under Section 13(1) (k) of the Bombay Rent Act is concerned what is to be noticed is the requirement of unjustified non-user for a period exceeding 6 months which evidently is not attracted to the present case in view of the pendency of the liquidation proceedings. That apart, Clause 5 of the lease deed which deals with non-user of the leased land does not contemplate eviction on account of such non-user but merely entitles the lessor to receive rent for the period of such non-user of the land.

The mere fact that the company has been ordered to be wound up cannot be a ground to direct the official liquidator to handover possession of the land to the owners inasmuch as the company in liquidation continues to maintain its corporate existence until it stands dissolved upon completion of the liquidation proceedings in the manner contemplated by the Companies Act. In the present case it has been repeatedly submitted before this Court by both sides that presently revival of Prasad Mills is a live issue pending before the Gujarat High Court, a fact which cannot be ignored by this Court in deciding the above issue against the appellants. For the aforesaid reasons we affirm the order of the High Court.

## LW: 35:06:2016

AXIS BANK v. SBS ORGANICS PVT. LTD & ANR  
[SC]

Civil Appeal No. 4379 of 2016 (Arising out of SLP (C) No. 13861/2015)

Kurian Joseph & Rohinton Fali Nariman, JJ.  
[Decided on 22/04/2016]

SARFAESI Act- appeal before DRAT- pre-deposit of 50% of contended sum- appeal withdrawn- borrower claimed the refund of the pre-deposit sum- bank contended it cannot be refunded – whether the claim of the borrower tenable- Held, Yes.

### Brief facts:

An appeal under Section 18 of The Securitisation and

Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as 'SARFAESI Act') before the Debt Recovery Appellate Tribunal (hereinafter referred to as 'DRAT') can be entertained only if the borrower deposits fifty per cent of the amount in terms of the order passed by the Debt Recovery Tribunal (hereinafter referred to as 'DRT') under Section 17 of the Act or fifty per cent of the amount due from the borrower as claimed by the secured creditor, whichever is less. The Appellate Tribunal may reduce the amount to twenty five per cent. What is the fate of such deposit on the disposal of the appeal is the question arising for consideration in this case.

Being a pure legal issue, it may not be necessary for us to refer to the factual position in detail. The first respondent, being a borrower and aggrieved by the steps taken by the secured creditor, filed Securitisation Application No. 152 of 2010 before the Debt Recovery Tribunal, Ahmedabad. Though, initially an interim relief was granted, the same was vacated by order dated 20.01.2011. Therefore, the first respondent moved the Debt Recovery Appellate Tribunal, Mumbai under Section 18 of the SARFAESI Act. In terms of the proviso under Section 18, the first respondent made a deposit of Rs.50 lakhs before the Appellate Tribunal. During the pendency of the appeal before the DRAT, Securitisation Application itself came to be finally disposed of before the Debt Recovery Tribunal at Ahmedabad, setting aside the sale. Realising that the appeal did not survive thereafter, the first respondent sought permission to withdraw the same and also for refund of the deposit of Rs. 50 lakhs. Permission was granted, however, making it subject to the disposal of the appeal. As the appeal itself was being withdrawn, the first respondent moved the High Court of Gujarat at Ahmedabad by way of Writ Petition (Special Civil Application), aggrieved by the observation that the withdrawal would be subject to the result of the appeal. The same was disposed of by order dated 05.03.2015 by the learned Single Judge, setting aside the said condition and permitting the first respondent herein to withdraw the amount unconditionally. Aggrieved, the appellant-Bank filed an intra-Court appeal. That appeal was dismissed by order dated 01.04.2015 by a Division Bench, and thus aggrieved, the Bank has come up in appeal before the Supreme Court.

**Decision: Appeal dismissed.**

### Reason:

Any person aggrieved by the order of the DRT under Section 17 of the SARFAESI Act, is entitled to prefer an appeal along with the prescribed fee within the permitted period of 30 days. For 'preferring' an appeal, a fee is prescribed, whereas for the Tribunal to 'entertain' the appeal, the aggrieved person has to make a deposit of fifty per cent of the amount of debt due from him as claimed by the secured creditors or determined by the DRT, whichever is less. This amount can, at the discretion of the Tribunal, in appropriate cases, for recorded reasons, be reduced to twenty- five per cent of the debt.

In the case before us, the first respondent had in fact sought withdrawal of the appeal, since the appellant had already proceeded against the secured assets by the time the appeal came up for consideration on merits. There is neither any order of appropriation during the pendency of the appeal nor any attachment on the pre-deposit. Therefore, the deposit made by

the first respondent is liable to be returned to the first respondent. Though for different reasons as well, we endorse the view taken by the High Court. Thus, there is no merit in the appeal. It is accordingly dismissed. We make it clear that the dismissal of the appeal is without prejudice to the liberty available to the appellant to take appropriate steps under Section 13(10) of the SARFAESI Act read with Rule 11 of the Security Interest (Enforcement) Rules, 2002.s.



**LW: 36:06:2016**

**REGISTRARS ASSOCIATION OF INDIA v. NSDL & ORS [CC]**

Case No. 104 of 2015

**Devender Kumar Sikri, S. L. Bunker, Sudhir Mital, Augustine Peter, U. C. Nahta, M. S. Sahoo & Justice G. P. Mittal, [Decided on 29/03/2016]**

Competition Act, 2002- sections 3 & 4 – NSDL proposed to enter the share transfer agency segment through its subsidiary- whether it constitutes abuse of dominance by NSDL being a depository to also become a share transfer agent- Held, No.

### Brief facts:

Informant is an association representing Registrars to an Issue and Share Transfer Agents ('RTI' / 'STA'). The members of Informant are acting as an intermediary between the issuer (the entity/ company issuing securities) and the depository and, inter alia, providing services such as dematerialisation, initial public offers (IPO) and corporate actions in securities market in India. National Securities Depository Ltd ('NSDL' / 'OP 1') is the largest depository in India and is engaged in the business of providing depository services like dematerialisation and it handles all securities held and settled in dematerialised form in the National Stock Exchange. NSDL Database Management Limited ('NDML' / 'OP 2'), a wholly owned subsidiary of OP 1, is providing integrated services including information technology, process design, operations and administrative infrastructure etc. relating to securities market. Securities and Exchange Board of India ('SEBI' / 'OP 3') is a regulator formed to safeguard the interest of the investors and to promote/ develop the securities market in India.

The members of the Informant are operating in the participant



market as RTI/ STA wherein OP 1 acts as a regulator. Informant has stated that OP 2 has filed an application before OP 3 for being registered as a RTI/ STA i.e., to enter into the participant market. It is the case of the Informant that OP 1, through its wholly owned subsidiary OP 2, is trying to enter into the participant market i.e. RTI/ STA market wherein it acts as a regulator. As per the Informant, OP 1, being a regulator of the participant market, has all the information/ details about the said market and no new entrant in the market could match the infrastructure and muscle power of OP 2. Being a regulator in the participant market, it is apprehended that OP 1 would favour OP 2 as the preferred service provider. Informant has alleged that the said conduct of OPs would create business uncertainties for other players in the participant market and would lead to consolidation in the securities market where the two markets such as depository services market and participant market (as envisaged in the Depositories Act, 1996) would merge, thereby creating a monopoly situation in the market.

Further, it is alleged that the said conduct of OPs is also likely to cause an anti- competitive effect in the market in contravention of the provisions of Sections 3 and 4 of the Act as the proposed entry of OP 2 into RTI/ STA market would discourage competition and hamper innovation in this segment. In view of the above, Informant has, inter alia, prayed before the Commission to institute an inquiry against OPs under Section 26(1) of the Act.

**Decision: Case closed.**

### Reason:

The Commission observes that the Informant has filed this information based on the apprehension that OP 2's efforts to enter into RTI/ STA market may cause injury to the interest of its members as the parent company of OP 2 i.e., OP 1 is the largest depository in India and is handling all the securities traded on National Stock Exchange. The Commission notes that the allegations made by the Informant are premature as the application of OP 2 is at the preliminary stage of processing before SEBI. It may be noted that an action for an alleged anti-competitive conduct can be initiated by the Commission in terms of either the provisions of Section 3 or Section 4 of the Act only if the alleged anti- competitive conduct has already taken place. In the instant matter, entry of OP 2 in the participant market is a mere proposal. Since OPs are not operating in the participant market as of now, the alleged anti-competitive conduct of OPs in that market cannot be examined in terms of the provisions of Sections 3 or 4 of the Act at this stage.

It may also be noted that there is nothing binding on OP 1 to not engage in any activities relating to the participant market through its subsidiary OP 2. SEBI in its comments/ views has categorically stated that there are no restrictions on the activities that can be carried out by a subsidiary of a depository. SEBI has stated that RTI/ STA functions are commonly performed by Central Securities Depository (CSD) in a number of countries around the world and there are several jurisdictions where there is a single registrar in the market which is often the CSD. SEBI has also forwarded Thomas Murray Report wherein it is stated that in a number of jurisdictions, the market for registrar services is a competitive market wherein CSDs also compete.

Based on the above analysis, the Commission is of the view that the allegations levelled against OPs do not raise any competition concern in the market at this stage. Thus, the Commission finds that no case of contravention of the provisions of the Act is made out against OPs in the instant matter and the matter is closed in terms of the provisions of Section 26(2) of the Act.

## LW: 37:06:2016

**CONFEDERATION OF REAL ESTATE BROKERS ASSOCIATION OF INDIA v. MAGICBRICKS.COM & ORS [CCI]**

Case No. 23 of 2016

**Devender Kumar Sikri, S. L. Bunker, Sudhir Mital, Augustine Peter, Dr. M. S. Sahoo & Justice G. P. Mittal. [Decided on 03/05/2016]**

Competition Act, 2002- section 4 – abuse of dominance- real estate broking through internet portals- offer of less brokerage commission- whether constitutes abuse of dominance- Held, No.

### Brief facts:

The information in the present matter was filed by Confederation of Real Estate Brokers' Association of India ('Informant') under Section 19(1)(a) of the Competition Act, 2002 (the 'Act') against Magicbricks.com ('OP 1'), 99acres.com ('OP 2'), Housing.com ('OP 3'), Commonfloor.com ('OP 4') and Nobroker.in ('OP 5') [collectively, hereinafter 'OPs'] alleging, inter alia, contravention of the provisions of Section 4 of the Act.

The Informant is a confederation of thirty five real estate brokers' association, having combined membership of approximately 20,000 real estate brokers. OPs are various online portals engaged in the activities of real estate listing, property finder solution, etc. OPs run and manage their respective websites and property services division by acting as commission agents in real estate transactions.

The Informant primarily appears to be aggrieved by the conduct of OPs in indulging NBP or charging much less as brokerage fee compared to the traditional brokerage fee of 2% of the sale/ purchase value of a property while undertaking a real estate transaction or public auctioning of properties. It is averred that due to such practice of OPs traditional real estate brokers are getting eliminated from the market. The Informant has alleged that OPs are dominant and have contravened of the provisions of Section 4 of the Act.

**Decision: Complaint dismissed.**

### Reason:

The Commission observes that India is one of the fastest growing e-commerce markets. With the growth of e-commerce, the number of online portals engaged in the activities of real estate listing, property finder solution, etc. have been increasing. It

is observed that, besides OPs, there are also many other real estate listing sites which are offering similar services, providing various options to the consumers. Besides the online platforms, real estate brokerage business in India is also undertaken by the traditional brokers in a large scale. Both the online platforms and the off-line traditional brokers are offering similar services to the customers. Accordingly, the Commission is of the view that on-line and off-line services of brokers cannot be distinguished while defining the relevant product market in the instant case. Both are alternative channels of delivering the same service. So, the market for 'the services of real estate brokers/ agents' is considered as the relevant product market in the present case.

With regard to the relevant geographic market the Commission observes that the traditional brokers/ agents provide services within their respective localities whereas OPs offer their services anywhere in India. The services offered by OPs on the supply side enables real estate properties located anywhere in India to be listed for sale/ purchase/ renting whereas on the demand side OPs through their website enable consumers to purchase/ rent any property in their localities or anywhere in India. Further, OPs provide services regarding details of properties such as value, area, locality etc. to the real estate brokers as well as to the consumers throughout India. Therefore, the relevant geographic market in this case is considered as 'India'.

In view of the relevant product market and the relevant geographic market defined supra, the relevant market in the instant case is delineated as market for 'the services of real estate brokers/ agents in India'.

On the issue of dominance it is observed that based on the claims of OPs on their respective websites and in their advertisements, ranking of websites by Alexa.com, and market capitalisation data of OP 2 and OP 3; the Informant has submitted that OPs are dominant real estate portals/ websites. However, the Commission has considered the relevant market as 'the services of real estate brokers/ agents in India', which is different and broader than the relevant market conceived by the Informant. The Commission observes that in the said market, there are large number of players operating, both through online and off-line channels. It is so because presently, in India, no licence or registration is required to undertake the brokerage business in real estate sector. Thus, the presence of a large number of listing sites and traditional brokers in the said relevant market pose competitive restraint on each other and hence no specific player can act independently of the market forces and affect the consumers or other players in its favour. The Commission has also perused the website ranking figures of Alexa.com as submitted by the Informant and is of the view that based on the said figures it is not possible to gauge the dominance of any of the OPs in the relevant market because the ranking is limited to only the websites/ portals and does not include the off-line brokers. Further, the said rankings are based on traffic attracted by the websites which keep on changing regularly based on the number of page views. Furthermore, it is observed that based on the said ranks none of the websites (i.e., OP 1 to OP 4) has either been able to secure a rank within top 10 or even able to secure a rank within top 100. Also, there exist wide disparities in ranking amongst OP 1 to OP 4. Accordingly, the Commission is of the opinion that none of the OPs are dominant in the relevant market.

In the absence of dominance of any of the OPs in the relevant market, the Commission is of the view that, no case of contravention of the provisions of Section 4 of the Act is made out against any of the OPs in the present case and the information is ordered to be closed forthwith in terms of the provisions contained in Section 26(2) of the Act.



**LW: 38:06:2016**

**EITZEN BULK A/S v. ASHAPURA MINECHEM LTD & ANR [SC]**

Civil Appeal Nos. 5131-5133 of 2016 (Arising out of SLP (C) Nos. 2210-2212 of 2011) with two connected appeals

**Fakkir Mohamed Kalifulla & S.A. Bobde, JJ.**  
[Decided on 23/05/2016]

Arbitration and Conciliation Act, 1996- seat of arbitration was London and governing law of the contract was English law- foreign award- execution thereof in India- whether Indian courts have jurisdiction to entertain the challenge to the execution of foreign award-Held, No.

### Brief facts:

The dispute in these appeals, arises out of the Contract of Affreightment dated 18.1.2008 (hereinafter referred as 'the Contract'). Eitzen Bulk A/S of Denmark (hereinafter referred to as 'Eitzen') entered into the contract with Ashapura Minechem Limited of Mumbai (hereinafter referred to as 'Ashapura') as charterers for shipment of bauxite from India to China. The Charter party contained an Arbitration Clause under which the seat of arbitration was London and the governing law was English law.

Disputes having arisen between the parties, the matter was referred to Arbitration by a sole Arbitrator. The Arbitration was held in London according to English Law. Ashapura Minechem was held liable and directed to pay a sum of 36,306,104 US\$ together with compound interest at the rate of 3.75 % per annum. In addition they were directed to pay 74,135 US\$ together with compound interest at the rate of 3.75% per annum and another sum of 90,233.66 Pounds together with compound interest at the rate of 2.5% per annum vide Award of the Sole Arbitrator

dated 26.5.2009.

When Eitzen sought to enforce the award in India, Ashpura moved Gujarat High court and Bombay high court for the stay of the execution of award on the ground that Part 1 of Indian Arbitration and Conciliation Act, 1996 is not excluded. Gujarat High Court stayed the execution while Bombay High court refused to stay the proceedings holding that Part 1 of Indian Arbitration and Conciliation Act, 1996 excludes Indian courts to interfere in the execution.

We thus have, on the one hand, the decision of the Gujarat High Court holding that a Court in India has jurisdiction under Section 34 to decide objections raised in respect of a Foreign Award because Part I of the Arbitration Act is not excluded from operation in respect of a Foreign Award and on the other, a decision of the Bombay High Court holding that Part I is excluded from operation in case of a Foreign Award and thereupon directing enforcement of the Award.

The decisions of the Gujarat High Court are questioned by Eitzen by way of SLP (C) Nos.2210-2212/2011. The decisions of the Bombay High Court are questioned by Ashapura by way of SLP (C) Nos.7562-7563/2016. Interim order dated 05.10.2011 passed by the High Court of Judicature at Bombay in Notice of Motion No. 3975 of 2009 in Arbitration Petition No. 561 of 2009 is under challenge in appeal arising out of SLP (C) No. 3959 of 2012.

### Decision: Bombay High Court's decision upheld.

Reason: Thus, the main question on which contentions were advanced by the learned counsel for the parties is whether Part I of the Arbitration Act is excluded from its operation in case of a Foreign Award where the Arbitration is not held in India and is governed by foreign law.

Clause 28, which is the Arbitration Clause in the Contract, clearly stipulates that any dispute under the Contract "is to be settled and referred to Arbitration in London". It further stipulates that English Law to apply. The parties have thus clearly intended that the Arbitration will be conducted in accordance with English Law and the seat of the Arbitration will be at London.

The question is whether the above stipulations show the intention of the parties to expressly or impliedly exclude the provisions of Part I to the Arbitration, which was to be held outside India, i.e., in London. We think that the clause evinces such an intention by providing that the English Law will apply to the Arbitration. The clause expressly provides that Indian Law or any other law will not apply by positing that English Law will apply. The intention is that English Law will apply to the resolution of any dispute arising under the law. This means that English Law will apply to the conduct of the Arbitration. It must also follow that any objection to the conduct of the Arbitration or the Award will also be governed by English Law. Clearly, this implies that the challenge to the Award must be in accordance with English Law. There is thus an express exclusion of the applicability of Part I to the instant Arbitration by Clause 28. In fact, Clause 28 deals with not only the seat of Arbitration but also provides that there shall be two Arbitrators, one appointed by the charterers and one by the owners and they shall appoint an Umpire, in case there is no agreement. In this context, it may be noted that the Indian Arbitration and Conciliation Act, 1996 makes no provision

for Umpires and the intention is clearly to refer to an Umpire contemplated by Section 21 of the English Arbitration Act, 1996. It is thus clear that the intention is that the Arbitration should be conducted under the English law, i.e. the English Arbitration Act, 1996. It may also be noted that Sections 67, 68 and 69 of the English Arbitration Act provide for challenge to an Award on grounds stated therein. The intention is thus clearly to exclude the applicability of Part I to the instant Arbitration proceedings.

This is a case where two factors exclude the operation of Part I of the Arbitration Act. Firstly, the seat of Arbitration which is in London and secondly the clause that English Law will apply. In fact, such a situation has been held to exclude the applicability of Part I in a case where a similar clause governed the Arbitration.

In this clause 28 in the present case must be intended to have a similar effect that is to exclude the applicability of Part I of the Indian Arbitration and Conciliation Act since the parties have chosen London as the seat of Arbitration and further provided that the Arbitration shall be governed by English Law. In this case the losing side has relentlessly resorted to apparent remedies for stalling the execution of the Award and in fact even attempted to prevent Arbitration. This case has become typical of cases where even the fruits of Arbitration are interminably delayed. Even though it has been settled law for quite some time that Part I is excluded where parties choose that the seat of Arbitration is outside India and the Arbitration should be governed by the law of a foreign country.

We are thus of the view that by Clause 28, the parties chose to exclude the application of Part I to the Arbitration proceedings between them by choosing London as the venue for Arbitration and by making English law applicable to Arbitration, as observed earlier. It is too well settled by now that where the parties choose a juridical seat of Arbitration outside India and provide that the law which governs Arbitration will be a law other than Indian law, part I of the Act would not have any application and, therefore, the award debtor would not be entitled to challenge the award by raising objections under Section 34 before a Court in India. A Court in India could not have jurisdiction to entertain such objections under Section 34 in such a case.

## LW: 39:06:2016

CELLULAR OPERATORS ASSOCIATION OF INDIA & ORS v. TELECOM REGULATORY AUTHORITY OF INDIA & ORS [SC]

Civil Appeal No. 5017 of 2016 (Arising out of SLP (C) No.6521 of 2016) with Civil Appeal No. 5018 of 2016 (Arising out of SLP(C) No.6522 of 2016)

Kurian Joseph & Rohinton Fali Nariman, JJ.  
[Decided on 11/05/2016]

Telecom Consumers Protection (Ninth Amendment) Regulations, 2015- whether constitutionally valid- Held, No.

## Brief facts:

This group of appeals were filed by various telecom operators who offer telecommunication services to the public generally. Various writ petitions were filed in the Delhi High Court challenging the validity of the Telecom Consumers Protection (Ninth Amendment) Regulations, 2015 (hereinafter referred to as the "Impugned Regulation"), notified on 16.10.2015, (to take effect from 1.1.2016), by the Telecom Regulatory Authority of India. The aforesaid amendment was made purportedly in the exercise of powers conferred by Section 36 read with Section 11 of the Telecom Regulatory Authority of India Act, 1997. By the aforesaid amendment, every originating service provider who provides cellular mobile telephone services is made liable to credit only the calling consumer (and not the receiving consumer) with one rupee for each call drop (as defined), which takes place within its network, up to a maximum of three call drops per day. Further, the service provider is also to provide details of the amount credited to the calling consumer within four hours of the occurrence of a call drop either through SMS/USSD message. In the case of a post-paid consumer, such details of amount credited in the account of the calling consumer were to be provided in the next bill.

**Decision: Appeals allowed.**

## Reason:

The arguments that were made by the appellants can fall into four neat logical compartments. First and foremost, they argued that the Ninth Amendment to the Telecom Consumers Protection Regulations, 2015, is ultra vires Section 36 read with Section 11 of the Telecom Regulatory Authority of India Act, 1997. They argued that, in any event, these Regulations, being in the nature of subordinate legislation, were manifestly arbitrary and unreasonable, and therefore affected their fundamental rights under Article 14 and Article 19(1) (g) of the Constitution. They further went on to state that there was no power in the TRAI to interfere with their licence conditions which are contract conditions between the licensor and the licensee, and that the said Regulations in seeking to impose a penalty not provided for by the licence should be struck down as such. Fourthly, they argued that Section 11(4) of the said Act requires the Authority to be transparent in its dealings with the various stakeholders, and it has miserably failed in this also.

The learned Attorney General, appearing on behalf of the Telecom Regulatory Authority of India, has countered these submissions and sought to defend the High Court judgment. According to the learned Attorney General, it is first necessary to see the Statement of Objects and Reasons of the Telecom Regulatory Authority of India Act, 1997. Paragraph one of the said statement was referred to in order to emphasize that the National Telecom Policy of 1994 provided for the meeting of customer's demands at a reasonable price, and the promotion of consumer interest by ensuring fair competition. When read in light of the Statement of Objects and Reasons, it is clear that the Impugned Regulation has been made bearing this object in mind.

No doubt in the facts of the present case, the Authority did hold due consultations with all stakeholders and did allow all stakeholders to make their submissions to the Authority. However, we find no discussion or reasoning dealing with the arguments

put forward by the service providers, that call drops take place for a variety of reasons, some of which are beyond the control of the service provider and are because of the consumer himself. Consequently, we find that the conclusion that service providers are alone to blame and are consequently deficient in service when it comes to call drops is not a conclusion which a reasonable person can reasonably arrive at. We are cognizant of the fact that ordinarily legislative functions do not require that natural justice be followed. However, it has been recognised in some of the judgments dealing with this aspect that natural justice need not be followed except where the statute so provides.

In the present case, we find that the High Court judgment is flawed for several reasons. The judgment is not correct when it says that there can be no dispute that the Impugned Regulation has been made to ensure quality of service extended to consumers by service providers. As has been pointed out hereinabove, the Impugned Regulation does not lay down any quality of service – what it does is to penalise service providers even though they conform to the 2% standard laid down by the Quality of Service Regulations, 2009. In holding that the Impugned Regulation therefore conforms to Section 11(1) (b) (v), the judgment is plainly incorrect. Similarly, the finding that notional compensation is given, and that therefore no penalty is imposed, is also wrong and set aside for the reasons given by us hereinabove. The finding that a transparent process was followed by TRAI in making the Impugned Regulation is only partly correct. While it is true that all stakeholders were consulted, but unfortunately nothing is disclosed as to why service providers were incorrect when they said that call drops were due to various reasons, some of which cannot be said to be because of the fault of the service provider. Indeed, the Regulation, in assuming that every call drop is a deficiency of service on the part of the service provider, is plainly incorrect. Further, the High Court judgment, when it speaks of the technical paper of 13.11.2015, seems to have mixed it up with the consultation paper dated 4.9.2015 referred to in the Explanatory Memorandum to the Impugned Regulation. The judgment has entirely missed the fact that the technical paper of 13.11.2015 unequivocally states that the causes for call drops are many and are often beyond the control of service providers and attributable to the extent of 36.9% to the consumers themselves. The judgment is also incorrect when it says that 100% performance is not demanded from service providers when call drops are made. We have already pointed out that the 2% standard has admittedly been met by almost all the service providers, and this being so, even if the very first call drop and all other subsequent call drops are made within the network of a service provider and are within the parameters of 2%, yet the penal consequence of the amended regulation must follow. The judgment is also incorrect in stating that the Impugned Regulation has attempted to balance the interest of service providers by limiting call drops to be compensated to only three and by limiting compensation to only the calling and not the receiving consumer. We have already pointed out that a penalty that is imposed without any reason either as to the number of call drops made being three, and only to the calling consumer, far from balancing the interest of consumers and service providers, is manifestly arbitrary, not being based on any factual data or reason. We also find that when the service provider argued that it was being penalised despite being within the tolerance limit of 2%, the answer given by the High Court is disingenuous, to say the least, when the High Court says that 2% is a quality parameter for the entire

network as opposed to payment of compensation to an individual consumer. We are unable to appreciate the aforesaid reasoning. As has been held by us above, the two sets of Regulations have to be considered together when the Impugned Regulation is being tested on the ground of violation of fundamental rights. Also, the High Court did not advert to a large number of other submissions made by the appellants before them and/or answer them correctly in law. As a result, therefore, we set aside the judgment of the High Court and allow these appeals, declaring that the Impugned Regulation is ultra vires the TRAI Act and violative of the appellant's fundamental rights under Articles 14 and 19(1)(g) of the Constitution.

## LW: 40:06:2016

STATE OF M.P & ORS v. M/S RUCHI PRINTERS  
[SC]

Civil Appeal No. 4817 of 2016 [Arising out of SLP [C] No.32730 of 2013]

V. Gopala Gowda & Arun Mishra, JJ. [Decided on 05/05/2016]

Indian Contract Act- Non-supply of text books with in the time stipulated in contract- whether the supplier can claim the price of the books supplied beyond the stipulated time- Held, No.

### Brief facts:

The State Printing & Writing Articles Department of Madhya Pradesh through its Controller, invited quotations vide letter dated 2.1.2008 for printing Bhu-Adhikar and Rin Pustikas. On 16.1.2008 printing order was placed with M/s. Ruchi Printers for supply of 37,07,726 copies of Bhu-Adhikar and Rin Pustika. At least half of the booklets were to be supplied in the first lot till 8.2.2008 and the rest were to be supplied before 25.2.2008. On 25.2.2008 the Deputy Controller wrote a letter on behalf of the Controller while approving the modified booklet. The printers were asked to ensure the supply after printing the allotted work. On 28.3.2008 another letter was written that the time limit fixed was already over so rest of the work may be completed till 31.3.2008. After 31.3.2008 no booklets shall be accepted. The decision dated 28.3.2008 was questioned by filing writ petitions. Said writ petition filed by M/s. Ruchi Printers had been allowed by Single Bench vide common judgment and order dated 6.11.2008. State was directed to accept the supply of 10.75 lakhs of Rin Pustikas from M/s. Ruchi Printers and to make payment in accordance with the terms and conditions of the contract. In another W.P. No.10319/2008 decided by same order, the single Bench asked the petitioner to approach the State Government and the Government to consider the claim in respect of the materials already supplied and to settle the claim if not already settled. Aggrieved by the order passed in the case of Ruchi Printers, State preferred a writ appeal which was heard and decided with writ petitions by impugned common order.

**Decision: Appeals allowed.**

### Reason:

After hearing learned counsel for the parties, we are of the opinion that the order for printing booklets was placed with printers on 16.1.2008. The booklets were to be supplied on time bound basis by 25.2.2008. The respondents were well aware that the time was the essence of the contract and there was requirement of these booklets on time bound basis. Though communication dated 25.2.2008 approving format was issued but the respondents very well knew that the time was the essence of contract and the printing of booklets was to be completed at the earliest. However as supplies were not made as stipulated, even within one month after 25.2.2008, another communication dated 28.3.2008 was issued by the Controller to supply Rin Pustikas before 31.3.2008. In case any work remains incomplete, the work order be treated as cancelled. Thus, in unequivocal terms, it was made clear that no booklets were to be received after 31.3.2008 and whatever booklets were ready they were to be supplied by 31.3.2008. Thus, in our opinion, there was no rhyme or reason for printers to print any booklets after cancellation of order w.e.f. 31.3.2008 till 22.5.2008. Printing of booklets after 31.3.2008 was wholly unauthorized. No doubt about it that on 22.5.2008 the Under Secretary had issued a communication that certain specified number of booklets may be accepted. However, the said communication had been recalled on 30.1.2009. The High Court, in our opinion, was not at all justified in enforcing the communication dated 22.5.2008 which was palpably illegal and there was reason for the printers to print the booklets after 31.3.2008. In view of aforesaid fact, the communication dated 22.5.2008 had been rightly cancelled on 30.1.2009 as these booklets were no more required by State Government due to further change of format of booklets. Even otherwise timely supply was necessary as per order dated 16.1.2008 though the communication dated 25.2.2008 was silent as to the time within which the supply was to be made. The printers were very well aware that booklets were required urgently and time was essence of the contract and time for supply could not have been more than what was originally stipulated. Sufficient time had been given to them to supply the booklets and the booklets supplied by them till 31.3.2008 had been accepted by the appellants and payment has also been made. Thus after the order for printing booklets stood cancelled on failure to supply within the stipulated period, the contract came to an end, there was no reason for the printers to print the booklets. No communication has been placed on record between 31.3.2008 and 22.5.2008 asking printers to print and supply the booklets. No right could be said to have accrued on the basis of palpably illegal communication dated 22.5.2008. The Division Bench of the High Court in the circumstances of the case has erred in directing that the booklets printed till 22.5.2008 be accepted. Booklets printed after 31.3.2008 were without any work order in existence. The communication dated 25.2.2008 did not confer on them a right to print books after 31.3.2008. Whatever booklets they had supplied till 31.3.2008 were accepted. Thus, the High Court has erred in the facts of the case to interfere in contractual matter and by granting the relief. However, we observe that in case payment has not been made to the printers for booklets which were supplied till 31.3.2008, it shall be made forthwith..



## Tax Laws

**LW: 41:06:2016**

**C.C.E., RAIGAD v. ISPAT METALLICS INDUSTRIES LTD & ORS [SC]**

Civil Appeal No. 2562 of 2008 with Civil Appeal No.8557 of 2015

**A.K. Sikri & Rohinton Fali Nariman, JJ. [Decided on 06/05/2016]**

Central excise Act- procurement of common raw material under a tripartite agreement- transfer of materials between sister concerns- whether the transaction is a sale liable to duty afresh- Held, No.

### Brief facts:

Ispat Industries Limited (hereinafter referred to as the "IIL") and Ispat Metallics Industries Ltd. (hereinafter referred to as the "IMIL") are sister concerns having factories adjacent to each other. The principal raw material for manufacture for both these companies is iron ore pellets. The said pellets were purchased from Mandovi Pellets and Essar Steel Limited. These were carried to the factory of IIL. Credit was availed by IIL of the duty paid on the entire quantity so procured. As and when required by the sister company IMIL, pellets were transferred through a conveyor from IIL's plant to IMIL's premises under cover of an invoice and on reversing an amount equal to the Cenvat credit availed on inputs that were so transferred. In addition to such invoices, IIL also raised debit notes on IMIL for recovering actual expenditure incurred by it in relation to the procuring of such iron ore pellets, such as bank commission, interest, etc.

The commissioner considered the above transfer as sale and imposed duty while the Tribunal reversed the decision and held that the transaction was a transfer between sister concerns and not a sale.

Revenue appealed to the Supreme Court.

**Decision: Appeal dismissed.**

### Reason:

The Tribunal being the last forum of appreciation of facts has held that transfer of iron ore pellets by IIL to IMIL was not a sale

of goods but was only a transfer of raw materials procured under the Tripartite Agreement between the two of them and the supplier of the said pellets. This is a pure finding of fact and the appellant has not been able to dislodge this finding of fact. This being the case, the application of the circular of 1.7.2002 becomes important.

A reading of this circular makes it clear that a distinction is made between inputs on which credit has been taken which are removed on sale, and those which are removed on transfer. If removed on sale, "transaction value" on the application of Section 4(1) (a) of the valuation rules is to be looked at. However, where the goods are entirely transferred to a sister unit, it is reasonable to adopt the value shown in the invoice on the basis of which Cenvat Credit was taken by the assessee i.e. the invoice of the supplier of the pellets to the assessee.

As it is clear that the present is a case of transfer and not sale of pellets, no infirmity can be found with the Tribunal's judgment, which only follows the circular dated 1.7.2001. In addition, the Tribunal was also correct in holding that post manufacturing expenses cannot be loaded on to the amount equal to the duty of excise leviable on such goods as this amount would, then, cease to be an amount equal to the duty of excise but would be something more. On both these counts therefore, we find that the Tribunal is justified in its finding on law, which is based on its finding of fact that the present is a case of transfer and not sale. This being the case, it is unnecessary to consider any of the other submissions made by the learned counsel including the point of limitation. The appeals are, accordingly, dismissed.

## Appointment

### Wave Group

#### Requirement of Company Secretary in Wave Group of Companies:-

Opportunity Developers (P) Ltd.

UP township (P) Ltd.

A. B. Motions (P) Ltd.

**It wishes to recruit a Company Secretary (Member of ICSI).**

#### Credential

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

Interested candidates can send their resume at [secretarial@waveinfratech.com](mailto:secretarial@waveinfratech.com)

# 4

## FROM THE GOVERNMENT



■ Constitution of NCLT ■ Constitution of NCLAT ■ Constitution of NCLT Benches ■ Date of transfer of cases pending before CLB to NCLT ■ The Companies (Authorised to Register) Amendment Rules, 2016 ■ Relaxation of additional fees and extension of time for filing of e-Forms by the Companies under Companies Act, 2013 and for filing of Annual Return (Form 11 ) by the LLPs under the Limited Liability Partnership Act, 2008. ■ Date of Coming into Force of Certain Section of the Companies Act, 2013 ■ The Insolvency and Bankruptcy Code, 2016 ■ Companies (Corporate Social Responsibility Policy) Amendment Rules, 2016 ■ Date of coming certain sections Act, 2013 ■ Designated Special Courts for the purposes of trial of offences punishable under the Companies Act, 2013 ■ Relaxation of additional fees and extension of last date of filing of various e-Forms under the Companies Act - reg- ■ Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013 ■ Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013 ■ Companies (Registration Offices and Fees) Amendment Rules, 2016 ■ Delegation of Powers to Regional Directors to appoint Inspectors ■ Securities and Exchange Board of India (Depositories and Participants) (Third Amendment) Regulations, 2016 ■ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 ■ Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2016 ■ Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2016 ■ Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 ■ Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) (Amendment) Regulations, 2016

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## Corporate Laws

### 01 Constitution of NCLT

[Issued by the Ministry of Corporate Affairs vide F. No. A-45011/14/2016-Ad. IV, S.O. 1933(E)., dated 01.06.2016. Published in the Gazette of India, Extraordinary Part-II, Section-3, Sub-section(ii), dated 01.06.2016]

In exercise of the powers conferred by section 410 of the Companies Act, 2013 (18 of 2013), the Central Government hereby constitutes the National Company Law Appellate Tribunal for hearing appeals against the orders of the National Company Law Tribunal with effect from the 1st day of June, 2016.

Pritam Singh  
Additional Secretary

### 02 Constitution of NCLAT

[Issued by the Ministry of Corporate Affairs vide F. No. A-45011/14/2016-Ad. IV, S.O. 1933(E)., dated 01.06.2016. Published in the Gazette of India Extraordinary Part-II, Section-3, Sub-section(ii), dated 01.06.2016]

In exercise of the powers conferred by section 408 of the Companies Act, 2013 (18 of 2013), the Central Government hereby constitutes the National Company Law Tribunal to exercise and discharge the powers and functions as are, or may be, conferred on it by or under the said Act with effect from the 1st day of June, 2016.

Pritam Singh  
Additional Secretary

### 03 Constitution of NCLT Benches

[Issued by the Ministry of Corporate Affairs vide Notification S.O. 1935(E), dated 01.06.2016. Published in the Gazette of India Extraordinary Part – II – Section 3, Sub-section (ii), dated 01.06.2016]

In exercise of the powers conferred by sub-section (1) of section 419 of the Companies Act, 2013 (18 of 2013), the Central Government hereby constitutes the following Benches of the National Company Law Tribunal mentioned in column (2) of the table below, located at the place mentioned in column (3) and to exercise the jurisdiction over the area mentioned in column (4), namely:—

TABLE

S. No.	Title of the Bench	Location	Territorial Jurisdiction of the Bench
(1)	(2)	(3)	(4)
1.	(a) National Company Law Tribunal, Principal Bench, (b) National Company Law Tribunal, New Delhi Bench.	New Delhi	(1) State of Haryana. (2) State of Rajasthan. (3) Union territory of Delhi.
2.	National Company Law Tribunal, Ahmedabad Bench.	Ahmedabad	(1) State of Gujarat. (2) State of Madhya Pradesh. (3) Union territory of Dadra and Nagar Haveli. (4) Union territory of Daman and Diu.
3.	National Company Law Tribunal, Allahabad Bench.	Allahabad	(1) State of Uttar Pradesh. (2) State of Uttarakhand.
4.	National Company Law Tribunal, Bengaluru Bench.	Bengaluru	(1) State of Karnataka.
5.	National Company Law Tribunal, Chandigarh Bench.	Chandigarh	(1) State of Himachal Pradesh. (2) State of Jammu and Kashmir. (3) State of Punj ab. (4) Union territory of Chandigarh.
6.	National Company Law Tribunal, Chennai Bench.	Chennai	(1) State of Kerala. (2) State of Tamil Nadu. (3) Union territory of Lakshadweep. (4) Union territory of Puducherry.
7.	National Company Law Tribunal, Guwahati Bench.	Guwahati	(1) State of Arunachal Pradesh. (2) State of Assam. (3) State of Manipur. (4) State of Mizoram. (5) State of Meghalaya. (6) State of Nagaland. (7) State of Sikkim. (8) State of Tripura.
8.	National Company Law Tribunal, Hyderabad Bench.	Hyderabad	(1) State of Andhra Pradesh. (2) State of Telangana.
9.	National Company Law Tribunal, Kolkata Bench.	Kolkata	(1) State of Bihar. (2) State of Jharkhand. (3) State of Odisha. (4) State of West Bengal. (5) Union territory of Andaman and Nicobar Islands.
10.	National Company Law Tribunal, Mumbai Bench.	Mumbai	(1) State of Chhattisgarh. (2) State of Goa. (3) State of Maharashtra.

Pritam Singh  
Additional Secretary

## 04 Date of transfer of cases pending before CLB to NCLT

[Issued by the Ministry of Corporate Affairs vide F No. I/30/CLB/2013/CL-V, dated 01.06.2016. To be published in the Gazette of India, Extraordinary, Part 2, Section 3, sub-section (ii)]

In exercise of the powers conferred by clause (a) of sub-section (1) of section 434 of the Companies Act, 2013 (18 of 2013), the Central Government hereby appoints the 01st day of June, 2016, on which all matters or proceedings or cases pending before the Board of Company Law Administration (Company Law Board) shall stand transferred to the National Company Law Tribunal and it shall dispose of such matters or proceedings or cases in accordance with the provisions of the Companies Act, 2013 or the Companies Act, 1956.

Pritam Singh  
Additional Secretary

## 05 The Companies (Authorised to Register) Amendment Rules, 2016

[Issued by the Ministry of Corporate Affairs vide F. No. 01/35/2013-CL-V, dated 31.05.2016. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 read with section 366 of the Companies Act, 2013 (18 of 2013), Central Government hereby makes the following rules further to amend the Companies (Authorised to Registered) Rules, 2014, namely:—

1. (1) These rules may be called the Companies (Authorised to Register) Amendment Rules, 2016.
- (2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Companies (Authorised to Registered) Rules, 2014 (herein after referred to as the principal rules),-
  - (a) in rule 1, for sub-rule (1), the following sub-rule shall be substituted, namely: -  
"(1) Companies (Authorised to Register) Rules, 2014."
  - (b) in rule 2, in sub-rule (1), after clause (1), the following clause shall be inserted, namely :-
  - (g) "firm" means a firm as defined in section 4 of the Indian Partnership Act, 1932 (9 of 1932);
3. In rule 3 of the principal rules, in sub-rule(2),-
  - (i) clause (a),-
  - (A) in sub-clause (i), for the words "were partners of the Limited Liability Partnership", the words "were partners of the Limited Liability Partnership or firm as the case may be" shall be substituted;
  - in sub-clause (iv), for the words "addresses of the partners of the Limited Liability Partnership", the words "addresses of the partners of the Limited Liability Partnership or firm as the case may be" shall be substituted;
  - for sub-clause (v) the following sub-clause shall be substituted namely:-  
"(v) in case of a firm, deeds of partnership, bye laws or other instrument constituting or regulating the company and duly verified in the manner provided in sub-rule (4) and in case the deed of partnership was revised at any time in the past copies

- of the principal and all subsequent deeds including the latest deed, along with the certificate of the registration issued by Registrar of firms, in case the firm is registered".
- (D) after sub-clause (viii), the following sub-clauses shall be inserted;
    - "(ix) an undertaking that the proposed directors shall comply with the requirements of Indian Stamp Act, 1899 (2 of 1899) as applicable;
  - (x) a statement of assets and liabilities of the Limited Liability Partnership or the firm, as the case may be, duly certified by a chartered accountant in practice made as on a date not earlier than thirty days of the filing of form no.URC-1;
  - (xi) a copy of latest income tax return of the Limited Liability Partnership or firm as the case may be."
    - (ii) in clause (b),-
    - (A) in sub-clause (iv), for the words "addresses of the partners of the Limited Liability Partnership", the words "addresses of the partners of the Limited Liability Partnership or firm as the case may be" shall be substituted;
    - (B) for sub-clause (v), the following sub-clause shall be substituted, namely:-  
"(v) a copy of instrument constituting or regulating the company and duly verified in the manner provided in sub-rule (4) and in case the deed of partnership was revised at any time in the past, copies of principal and all the subsequent deeds including the latest deed, along with the certificate of the registration issued by Registrar of firms if any";
  - (C) after sub-clause (viii), the following sub-clauses shall be inserted;
    - "(ix) an undertaking that the proposed directors shall comply with the requirements of Indian Stamp Act, 1899 (2 of 1899);
    - (x) a statement of assets and liabilities of the Limited Liability Partnership or the firm, as the case may be, duly certified by a chartered accountant in practice which is made as on a date not earlier than thirty days of the filing of form no.URC-1;
    - (xi) a copy of latest income tax return of the Limited Liability Partnership or firm as the case may be."
  4. (i). in rule 3 of the principal rules, for sub-rule (3), the following sub-rule shall be substituted, namely;  
"(3) An undertaking, from all the members or partners providing that in the event of registration as a company under Part I of Chapter XXI of the Act, necessary documents or papers shall be submitted to the registering or other authority with which the company was earlier registered, for its dissolution as a firm"
  - (ii) in sub-rule (4) for the words "designated partners of the Limited Liability Partnership" the words "designated partners of the Limited Liability Partnership or authorised partners of the firm as the case may be" shall be substituted'
  5. In rule 4 of the principal rules, in sub-rule (1), for the words "in a newspaper and in English and in the principal vernacular language of the district in which Limited Liability Partnership is in existence and circulated in that district" the words "in a newspaper in English and in any vernacular language, circulating in the district in which Limited Liability Partnership or the firm as the case may be is situate shall be substituted".
  6. In rule 5 of the principal rules,-
    - (A) for clause (i) the following clause shall be substituted;  
"(i) where a firm has obtained a certificate of registration under section 367, an intimation to this effect shall be given within fifteen days of such

registration to the concerned Registrar of firms under which it was originally registered, along with papers for its dissolution as a firm";

- (B) in clause (iii) for the words "concerned Registrar (LLP)" the words "Registrar of firms" and for the words "Registrar of Companies (LLP), the words "Registrar of Firms" shall be substituted;
- (C) in clause (v) for the words "a statement of Proceedings, if any, by or against the Limited Liability Partnership", the words "a statement of proceedings, if any, by or against the Limited Liability Partnership or the firm as the case may be" shall be substituted;

7. for Form No. URC-1, the following Form No. URC-I shall be substituted, namely:-

.....\*

Amardeep Singh Bhatia  
Joint Secretary

\* Not reproduced here for want of space. Readers may log on to [mca.gov.in](http://mca.gov.in) for text of the Notification.

## 06 Relaxation of additional fees and extension of time for filing of e-Forms by the Companies under Companies Act, 2013 and for filing of Annual Return (Form 11 ) by the LLPs under the Limited Liability Partnership Act,2008.

[Issued by the Ministry of Corporate Affairs vide General Circular No. 07/2016, dated 30.05.2016.]

In continuation of this Ministry's General Circular No.03/2016 dated 12.04.2016 and General Circular No.06/2016 dated 16.05.2016, keeping in view requests received from various stakeholders, it has been decided to extend the period for which the one time waiver of additional fees is applicable to all e-forms which are due for filing by companies between 25.03.2016 to 30.06.2016 as well as extend the last date for filing such documents and availing the benefit of waiver to 10.07.2016

- 2. Further, in view of the requests received from stakeholders, it has been decided to extend the time limit prescribed under the provisions of section 35 of LLP Act, for filing of Form 11 of LLP in respect of Financial Year ending on 31.3.2016 upto 30.06.2016, without additional fees.
- 3. This issues with the approval of competent authority.

Alok Samantarai  
Director

## 07 Date of coming into force of certain Sections of the Companies Act, 2013

[Issued by the Ministry of Corporate Affairs vide F.No. A-45011/14/2016-Ad.IV, S.O. 1934(E), dated 30.05.2016. Published in the Gazette of India Extraordinary Part – II – Section 3, Sub-section (ii), dated 30.05.2016]

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 01st day of June, 2016 as the date on which the following provisions of the said Act shall come into force, namely :—

Sl. No.	Section
1.	Sub-section (7) of section 7 [except clause (c) and (d)]
2.	Second proviso to sub-section (1) of section 14
3.	Sub-section (2) of section 14
4.	Sub-section (3) of section 55
5.	Proviso to Clause (b) of sub-section (1) of section 61
6.	Sub-sections (4) to (6) of section 62
7.	Sub-sections (9) to (11) of section 71
8.	Section 75
9.	Section 97
10.	Section 98
11.	Section 99
12.	Sub-section (4) of section 119
13.	Section 130
14.	Section 131
15.	Second proviso to sub-section (4) and sub-section (5) of section 140
16.	Sub-section (4) of section 169
17.	Section 213
18.	Sub-section (2) of Section 216
19.	Section 218
20.	Section 221
21.	Section 222
22.	Sub-sections (5) of section 224
23.	Sections 241, 242 [except clause (b) of sub-section (1), clause (c) & (g) of sub-section (2)], 243, 244, and 245
24.	Reference of word 'Tribunal' in sub-section (2) of section 399
25.	Sections 415 to 433 (both inclusive)
26.	Sub-section (1)(a) and (b) of section 434
27.	Sub-section (2) of section 434
28.	Section 441
29.	Section 466

Pritam Singh  
Additional Secretary

## 08 The Insolvency and Bankruptcy Code, 2016\*

[Issued by the Ministry of Law and Justice (Legislative Department), dated 28.05.2016. Published in the Gazette of India Extraordinary Part – II – Section 1 dated 28.05.2016.]

\*No. 31 of 2016. Received the assent of the President on the 28th May, 2016. For entire Gazette Notification please log on to ICSI Website [www.icsi.edu](http://www.icsi.edu).

# 09 Companies (Corporate Social Responsibility Policy) Amendment Rules, 2016

[Issued by the Ministry of Corporate Affairs vide Notification G.S.R. 540(E), dated 23.05.2016. Published in the Gazette of India, Extraordinary, Part 2, Section 3, sub-section (i), dated 23.05.2016]

In exercise of the powers conferred under section 135 and 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 (Corporate Social Responsibility Policy) Rules, 2014, namely:—

1. Short title and commencement. -
  - (1) These rules may be called the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2016.
  - (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Corporate Social Responsibility Policy) Rules, 2014, in rule 4, for sub-rule (2), the following sub-rule shall be substituted, namely:—
 

"(2) The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through

  - (a) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company, or
  - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature :
 

Provided that- if, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism".

Amardeep Singh Bhatia  
Joint Secretary

# 10 Date of coming into force of certain sections of the Companies Act, 2013

[Issued by the Ministry of Corporate Affairs vide F.No. 01/12/2009-CL-I (Vol.IV), dated 18.05.2016. To be Published in The Gazette of India "Extraordinary, Part II, Section 3, Sub-Section (II)]

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 18th day of May, 2016 as the date on which the provisions of clause (iv) of sub-section (29) of section 2, sections

435 to 438 (both sections inclusive) and section 440 of the said Act shall come into force.

Amardeep Singh Bhatia  
Joint Secretary

# 11 Designated Special Courts for the purposes of trial of offences punishable under the Companies Act, 2013

[Issued by the Ministry of Corporate Affairs vide F.No. 01/12/2009-CL-I (Vol.IV), dated 18.05.2016. To be Published in The Gazette of India "Extraordinary, Part II, Section 3, Sub-section (II)]

In exercise of the powers conferred by sub-section (1) of section 435 of the Companies Act, 2013 (18 of 2013), the Central Government hereby, after obtaining the concurrence of the respective Chief justices of the High Courts, designates the following Courts mentioned in the Table below as Special Courts for the purposes of trial of offences punishable under the Companies Act, 2013 with imprisonment of two years or more in terms of section 435 of the Companies Act, 2013, namely:-

TABLE

Sl. No. (1)	Existing Court (2)	Jurisdiction as Special Court (3)
1	Courts of Additional Special Judge, Anti-Corruption at Jammu and Srinagar	State of Jammu and Kashmir
2	Presiding Officers of Court No's. 37 and 58 of the City Civil and Sessions Court, Greater Mumbai	State of Maharashtra
3	Court of Principal District and Sessions Judge, Union territory of Dadra and Nagar Haveli at Silvassa.	Union Territories of Dadra and Nagar Haveli and Daman and Diu
4	Court of District Judge-I and Additional Sessions Judge, Panaji.	State of Goa
5	Court of Principal District and Sessions Judge, Ahmedabad (Rural), situated at Mirzapur, Ahmedabad.	State of Gujarat
6	the Additional Sessions judge, Gwalior Madhya Pradesh.	State of Madhya Pradesh
7	Court of Additional District and Union Judge, Port Blair, Andaman and Nicobar Islands.	Union territory of Andaman and Nicobar Islands.
8	2nd Special Court, Calcutta.	State of West Bengal

2. The aforesaid Courts mentioned in column number (2) shall

exercise the jurisdiction as Special Courts in respect of jurisdiction mentioned in column number (3).

Amardeep Singh Bhatia  
Joint Secretary

## 12 Relaxation of additional fees and extension of last date of filing of various e-Forms under the Companies Act - reg-

[Issued by the Ministry of Corporate Affairs vide General Circular No. 06/2016, dated 16.05.2016. ]

In continuation of this Ministry's General Circular No.03/2016 dated 12.04.2016, keeping in view of requests received from various stakeholders, it has been decided to extend the period for which the one time waiver of additional fees is applicable to all e-forms which are due for filing by companies between the 25th March 2016 upto 31st May 2016 as well as extend the last date for filing such documents and availing the benefit of waiver to 10.06.2016.

2. This issues with the approval of the Competent Authority.

KMS Narayanan  
Assistant Director

## 13 Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013

[Issued by the Ministry of Corporate Affairs vide General Circular No.05/2016 No., dated 16.05.2016.]

In continuation to this Ministry's General Circular 01 of 2016 dated 12.01.2016, it is clarified that companies, while undertaking Corporate Social Responsibility activities under provision of the Companies Act, 2013, shall not contravene any other prevailing laws of the land including Cigarettes and Other Tobacco Products Act (COTPA), 2003.

2. This issues with the approval of Competent Authority.

Seema Rath  
Deputy Director

## 14 Companies (Registration Offices and Fees) Amendment Rules, 2016

[Issued by the Ministry of Corporate Affairs vide F.No. 01/16/2013-CL-V (Pt-I), dated 06.05.2016. To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

In exercise of the powers conferred by section 399 read with 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 (Registration Offices and Fees) Rules, 2014, namely:

1. (1) These rules may be called the Companies (Registration

Offices and Fees)Amendment Rules, 2016.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. In the Companies (Registration Offices and Fees) Rules, 2014, (i) For Form No. GNL-1 and Form No. GNL-4, following forms shall respectively be substituted, namely:-

.....\*

Amardeep Singh Bhatia  
Joint Secretary

\* The Forms are not reproduced here for want of space. Readers may log on to mca.gov.in for text of the Notification.

## 15 Delegation of Powers to Regional Directors to appoint Inspectors

[Issued by the Ministry of Corporate Affairs vide F.No. 3/516/2015-CL-II, dated 29.04.2016. To be published in the Gazette of India Extraordinary Part – II – Section 3, Sub-Section (ii).]

In exercise of the powers conferred by sub-section (1) of section 458 of the Companies Act (18 of 2013), the Central Government being satisfied that circumstances warrant, hereby delegates the powers to appoint inspectors for inspection of books and papers of a company under sub-section (5) of section 206, as ordered by Central Government, to the Regional Directors.

Amardeep Singh Bhatia  
Joint Secretary

## 16 Securities and Exchange Board of India (Depositories and Participants) (Third Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No. SEBI/ LAD-NRO/GN/2016-17/007, dated 27.05.2016. Published in the Gazette of India Extraordinary Part – III – Section 4]

In exercise of the powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with Section 25 of the Depositories Act, 1996 (22 of 1996), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Depositories and Participants) (Third 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 (Depositories and Participants) Regulations, 1996, after regulation 35A the following regulation shall be inserted, namely,-

“Wind-down Plan.

35B. Every depository shall devise and maintain a wind-down plan in accordance with guidelines specified by the Board.

Explanation.- For the purpose of this regulation, 'wind-down plan' means a process or plan of action employed, for transfer of the beneficial owner accounts and other operational powers of the depository to an alternative institution that would take over the operations of the depository in scenarios such as

erosion of networth of the depository or its insolvency or its inability to provide critical depository operations or services."

U. K. Sinha  
Chairman

# 17 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No. SEBI/ LAD-NRO/GN/2016-17/001, dated 25.05.2016. Published in the Gazette of India, Extraordinary, Part-III, Section 4, dated 25.05.2016 ]

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:-

1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016.
2. They shall come into force on the 1st day of April, 2016.
3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
  - I. in regulation 33,
    - i. in sub regulation (3), in clause (d),—
      - a) after the words "listed entity shall submit" and before the words "audited standalone financial results", the word "annual" shall be inserted;
      - b) for the words and symbols "either Form A (for audit report with unmodified opinion) or Form B", the words and symbols "Statement on Impact of Audit Qualifications (applicable only)" shall be substituted;
      - c) in the proviso, for the words and symbols "either Form A (for audit report with unmodified opinion) or Form B", the words and symbols "Statement on Impact of Audit Qualifications (applicable only)" shall be substituted;
      - d) in the proviso, for the symbol ".", the symbol ":" shall be substituted;
      - e) after the proviso, the following new proviso shall be inserted, namely, "Provided further that, in case of audit reports with unmodified opinion(s), the listed entity shall furnish a declaration to that effect to the Stock Exchange(s) while publishing the annual audited financial results.";
    - ii. in sub regulation (4),
      - a) for the words and symbols "Form A (for audit report with unmodified opinion) & Form B (for audit report with modified opinion)", the words and symbols "Statement on Impact of Audit Qualifications (for audit report with modified opinion)" shall be substituted;
      - b) the words "from time to time" shall be deleted;
    - iii. in sub regulation (6),
      - a) for the words "Form B", the words and symbols "Statement on Impact of Audit Qualifications (for audit report with modified opinion)" shall be substituted;
  - II. in regulation 34, in sub regulation (2) in clause (a), for the symbol "," the words and symbols "and Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), if applicable;" shall be substituted;
  - III. in regulation 52,
    - i. in sub regulation (3), in clause (a),
      - a) for the words and symbols "either Form A for audit report with unmodified opinion, or Form B", the words and symbols "Statement on Impact of Audit Qualifications (applicable only)" shall be substituted;
      - b) after the words and symbol "for audit report with modified opinion", the symbol ")" shall be inserted;
      - c) for the symbol ".", the symbol ":" shall be substituted;
      - d) after the clause (a), the following proviso shall be inserted, namely, "Provided that, in case of audit reports with unmodified opinion, the listed entity shall furnish a declaration to that effect to the Stock Exchange(s) while publishing the annual audited financial results.";
    - ii. in sub regulation (3), in clause (b),
      - a) for the words "Form B", the words and symbols "Statement on Impact of Audit Qualifications (for audit report with modified opinion)" shall be substituted;
      - b) the words and symbols "and the Qualified Audit Report Review Committee in the manner as specified in Schedule VIII" shall be deleted;
    - iii. in sub regulation (3), clause (c) shall be deleted;
    - iv. in sub regulation (3), in clause (d),
      - a) for the word "formats", the word "format" shall be substituted;
      - b) for the words "Form A and Form B", the words and symbols "Statement on Impact of Audit Qualifications (for audit report with modified opinion)" shall be substituted;
      - c) after the words "shall be" and before the words "specified by the Board", the words "in the manner as" shall be inserted
      - d) the words "from time to time" shall be deleted;
  - IV. in regulation 53, in clause (a), for the symbol "," the words and symbols "and Statement on Impact of Audit Qualifications as stipulated in regulation 52(3)(a), if applicable;" shall be substituted;
  - V. regulation 95 shall be substituted with the following: "Statement on Impact of Audit Qualifications accompanying Annual Audit Report. 95. The recognised stock exchange(s) shall review the Statement on Impact of Audit Qualifications and the accompanying annual audit report submitted in terms of clause (d) of sub-regulation (3) of regulation 33 and clause (a) of sub-regulation (3) of regulation 52."
  - VI. In Schedule IV, in Part A, in clause B,
    - a) after the words and symbols "expressed any modified opinion(s)" and before the words "in respect of audited financial results", the words and symbols "or other reservation(s)" shall be deleted;
    - b) after the words and symbol "earning per share" and before

the words and symbols “or any other financial item(s)”, the words and symbols “,total expenditure, total liabilities” shall be inserted;

- c) after the words and symbols “such modified opinion(s)” and before the words “and cumulative impact”, the words and symbols “or other reservation(s)” shall be deleted;
- d) after the words and symbols “due to modified opinion(s)” and before the words and symbol “,while publishing or submitting such results”, the words and symbols “or other reservation(s)” shall be deleted;
- e) after clause B, the following new provisions shall be inserted, namely-  
 “BA. If the auditor has expressed any modified opinion(s), the management of the listed entity has the option to explain its views on the audit qualifications and the same shall be included in the Statement on Impact of Audit Qualifications (for audit report with modified opinion).  
 BB. With respect to audit qualifications where the impact of the qualification is not quantifiable:
  - i. The management shall make an estimate and the auditor shall review the same and report accordingly; or
  - ii. If the management is unable to make an estimate, it shall provide the reasons and the auditor shall review the same and report accordingly.  
 The above shall be included in the statement on impact of audit qualifications (for audit report with modified opinion).”;

VII. Schedule VIII shall be deleted.

U.K. Sinha  
Chairman

# 18

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

[Issued by the Securities and Exchange Board of India vide No. SEBI/ LAD-NRO/GN/2016-17/003, dated 25.05.2016. Published in the Gazette of India Extraordinary Part – III – Section 4]

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

1. These regulations may be called the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. They shall be applicable to issuers filing offer documents with the Registrar of Companies on or after the date of commencement of these regulations.
4. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:-
  - (I) In regulation 2, in sub-regulation (1),-

- (1) in clause (zm), for the symbol “.”, the symbol “;” shall be substituted;
- (2) after clause (zm), the following shall be inserted namely, -  
 “(zn) “wilful defaulter” means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.”

- (II) In regulation 4,-
  - (1) in sub-regulation (2), clause (c) shall be omitted;
  - (2) after sub-regulation (4), the following shall be inserted, namely, -  
 “(5) No issuer shall make,
    - (a) a public issue of equity securities, if the issuer or any of its promoters or directors is a wilful defaulter; or
    - (b) a public issue of convertible debt instruments if,
      - (i) the issuer or any of its promoters or directors is a wilful defaulter, or
      - (ii) it is in default of payment of interest or repayment of principal amount in respect of debt instruments issued by it to the public, if any, for a period of more than six months.

- (6) An issuer making a rights issue of specified securities, shall make disclosures as specified in Part G of Schedule VIII, in the offer document and abridged letter of offer, if the issuer or any of its promoters or directors is a wilful defaulter.

- (7) In case of a rights issue of specified securities referred to in sub-regulation (6) above, the promoters or promoter group of the issuer, shall not renounce their rights except to the extent of renunciation within the promoter group.”

- (III) In regulation 73, in sub-regulation (1), after clause (g) the following shall be inserted, namely, -  
 “(h) disclosures, similar to disclosures specified in Part G of Schedule VIII, if the issuer or any of its promoters or directors is a wilful defaulter.”

- (IV) In regulation 84, in sub-regulation (1), after the words and numbers “Schedule XVIII”, the words, symbols and numbers “and disclosures similar to disclosures specified in Part G of Schedule VIII shall be made, if applicable” shall be inserted;

- (V) In Schedule VIII,-

- (1) in Part A, in para (2), in item (XI), in sub-item (E) the words “by Reserve Bank of India or other authorities” shall be omitted;
- (2) in Part E, in para (5), in item (XV), in sub-item (D) the words “by Reserve Bank of India or such other authorities” shall be omitted;
- (3) after Part F, the following shall be inserted, namely,-  
 “Part G

[See regulation 4(6)]

## DISCLOSURES PERTAINING TO WILLFUL DEFAULTERS

- (1) If the issuer or any of its promoters or directors is a wilful defaulter, it shall make the following disclosures:
  - (a) Name of the bank declaring the entity as a wilful defaulter;
  - (b) The year in which the entity is declared as a wilful defaulter;
  - (c) Outstanding amount when the entity is declared as a wilful defaulter;
  - (d) Name of the party declared as a wilful defaulter;
  - (e) Steps taken, if any, for the removal from the list of wilful defaulters;
  - (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions;
  - (g) Any other disclosure as specified by the Board.
- (2) The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages.
- (3) Disclosures specified herein shall be made in a separate chapter or section distinctly identifiable in the Index / Table of Contents"

(VI) In Schedule XXI, in Part A, in Para (XIV), in item (C), the words "by Reserve Bank of India or such other authorities" shall be substituted with the words "in India or".

U.K. Sinha  
Chairman

## 19 Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No. SEBI/ LAD-NRO/GN/2016-17/002, dated 25.05.2016. Published in the Gazette of India Extraordinary Part – III – Section 4]

In exercise of the powers conferred under 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, -
  - (I) In regulation 2, in sub-regulation (1),-

- (1) clause (ze) shall be re-numbered as clause (zf);
- (2) after clause (zd) and before clause (zf) the following shall be inserted, namely,-

"(ze) "wilful defaulter" means any person who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any person whose director, promoter or partner is categorized as such;"

- (II) After regulation 6 and before regulation 7, the following shall be inserted, namely,-

"6A. Notwithstanding anything contained in these regulations, no person who is a wilful defaulter shall make a public announcement of an open offer for acquiring shares or enter into any transaction that would attract the obligation to make a public announcement of an open offer for acquiring shares under these regulations:

Provided that this regulation shall not prohibit the wilful defaulter from making a competing offer in accordance with regulation 20 of these regulations upon any other person making an open offer for acquiring shares of the target company."

U.K. Sinha  
Chairman

## 20 Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No. SEBI/ LAD-NRO/GN/2016-17/004, dated 25.05.2016. Published in the Gazette of India Extraordinary Part – III – Section 4]

In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: -
  - (I) In regulation 2, in sub-regulation (1),-
    - (1) in clause (m), for the symbol ".", the symbol ";" shall be substituted.
    - (2) after clause (m), the following clause shall be inserted namely, -
 

"(n) "wilful defaulter" means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such."



- (II) In regulation 4, for sub-regulation (1), the following sub-regulation shall be substituted, namely, -  
“(1) No issuer shall make any public issue of debt securities if as on the date of filing of draft offer document or final offer document as provided in these regulations:  
(a) the issuer or the person in control of the issuer or its promoter or its director is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities; or  
(b) the issuer or any of its promoters or directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.”
- (III) In Schedule I, in paragraph 3, after sub-paragraph B, the following sub-paragraph shall be inserted namely, -  
“C. Disclosures pertaining to wilful default  
(1) In case of listing of debt securities made on private placement, the following disclosures shall be made:  
(a) Name of the bank declaring the entity as a wilful defaulter;  
(b) The year in which the entity is declared as a wilful defaulter;  
(c) Outstanding amount when the entity is declared as a wilful defaulter;  
(d) Name of the entity declared as a wilful defaulter;  
(e) Steps taken, if any, for the removal from the list of wilful defaulters;  
(f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions;  
(g) Any other disclosure as specified by the Board.  
(2) The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages.  
(3) Disclosures specified herein shall be made in a separate chapter or section, distinctly identifiable in the Index / Table of Contents.”

U.K. Sinha  
Chairman

## 21 Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No. SEBI/ LAD-NRO/GN/2016-17/004, dated 25.05.2016. Published in the Gazette of India Extraordinary Part – III – Section 5]

In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) (Amendment) Regulations, 2016.

2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013:-
  - (I) In regulation 2, in sub-regulation (1),-
    - (1) in clause (s), for the symbol “.”, the symbol “;” shall be substituted.
    - (2) after clause (s), the following clause shall be inserted namely, -  
“(t) “wilful defaulter” means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.”
  - (II) In regulation 4, for sub-regulation (1), the following sub-regulation shall be substituted, namely, -  
“(1) No issuer shall make any public issue of non-convertible redeemable preference shares if as on the date of filing of draft offer document or final offer document as provided in these regulations:  
(a) the issuer or the person in control of the issuer or its promoter or its director is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities; or  
(b) the issuer or any of its promoters or directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of non-convertible redeemable preference shares issued by it to the public, if any, for a period of more than six months.”
  - (III) In Schedule I, after paragraph III, the following paragraph shall be inserted namely, -  
“IV. Disclosures pertaining to wilful default  
(1) In case of listing of non-convertible redeemable preference shares made on private placement, the following disclosures shall be made:
    - (a) Name of the bank declaring the entity as a wilful defaulter;
    - (b) The year in which the entity is declared as a wilful defaulter;
    - (c) Outstanding amount when the entity is declared as a wilful defaulter;
    - (d) Name of the entity declared as a wilful defaulter;
    - (e) Steps taken, if any, for removal the from the list of wilful defaulter;
    - (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions;
    - (g) Any other disclosure as specified by the Board.

- (2) The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages.
- (3) Disclosures specified herein shall be made as a separate chapter or section distinctly identifiable in the Index / Table of Contents."

U.K. Sinha  
Chairman

## 22 The Securities and Exchange Board of India (Intermediaries) (Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide No.SEBI/ LAD-NRO/GN/2016-17/006, dated 25.05.2016. Published in the Gazette of India Extraordinary Part – III – Section 4]

In exercise of the powers conferred under 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 (Intermediaries) Regulations, 2008, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Intermediaries) (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 (Intermediaries) Regulations, 2008: -
  - (I) In regulation 2, in sub-regulation (1),-
    - (1) in clause (m), for the symbol “.”, the symbol “;” shall be substituted;
    - (2) after clause (m), the following clause shall be inserted namely, -  
“(n) “wilful defaulter” means any person who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any person whose director, promoter or principal officer is categorized as such.”
  - (II) In Schedule II,
    - a) after the words “principal officer” and before the words “and the key management persons”, the words and symbol “the director, the promoter” shall be inserted;
    - b) in clause (c), for the symbol “.”, the symbol “;” shall be substituted;
    - c) after clause (c), the following clause shall be inserted namely,-  
“(d) absence of categorization as a wilful defaulter.”

U.K. Sinha  
Chairman



## 23 Clarifications issued on Patents (Amendment) Rules, 2016

[Issued by the Office of the Controller General of Patents, Designs & Trade Marks, Mumbai vide CG/F/Public Notice/2016, dated 18.05.2016.]

### PUBLIC NOTICE

In view of the notification regarding the Patents (Amendment) Rules, 2016 published on 16-05-2016 by the Government of India, Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) dated 16/05/2016 in Part II, Section 3, Sub-Section (i) of the Gazette Of India, Extraordinary having been made effective from the date of publication, the following clarifications are issued for the General public and all the stakeholders:

- 1) The documents that are required to be submitted by the Patent Agent in original after filing them electronically as per the provisions of rule 6(1A) of the Patents(Amendments) Rules, 2016, are as under:
  - (a) The Authorization of Patent Agent or Power of attorney (under rule 135)
  - (b) Proof of the right to make an application (under rule 10)
  - (c) Deed of assignment, certificate regarding change in name of the applicant, license agreement, etc.(under rule 91)
  - (d) Declaration regarding inventorship (under Rule 13(6)) Priority document (under section 138 or Rule 21)
- 2) Rule 24B(6) - Time to put the application in order for grant under section 21 of the Act
  - a) The time for putting the applications in order for grant under section 21 of the Act in cases where the First statement of objections has been issued by the Office before 16-05-2016, shall remain 12 months from the date on which the said first statement of objections is issued to comply with all the requirements imposed under the Act and Rules made there under in accordance with the earlier provisions.
  - b) The time for putting an application in order for grant in cases where the First statement of objections has been issued by the Office on or after 16-05-2016, shall be 6 months from the date on which the said first statement of objections is issued to applicant to comply with all the requirements imposed under the Act and Rules made there under in accordance with Rule 24B(5) of the Patents (Amendments) Rules, 2016.

Dr K. S. Kardam  
Senior Joint Controller of Patents  
Designs & Trade Marks

# 5

## NEWS FROM THE INSTITUTE & REGIONS



- Members Admitted / Restored
- Certificate of Practice Issued/Cancelled
- Company Secretaries Benevolent Fund
- Form-D Application for Issue/Renewal/Restoration of COP
- List of Practising Members/Companies Registered for Imparting Training
- Regional News



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

SOUTHERN  
INDIA  
REGIONAL  
COUNCIL

## **41<sup>st</sup> Regional Conference of Company Secretaries**

**September 2 - 3, 2016, (Friday and Saturday)  
under the auspices of Kochi Chapter**

**Members are requested to block their dates  
and make other arrangements.**

**Detailed brochure with the delegate form will be sent shortly.**



**11<sup>th</sup>**



### **INTERNATIONAL PROFESSIONAL DEVELOPMENT FELLOWSHIP PROGRAMME - 2016**

The Institute of Company Secretaries of India (ICSI) is organizing 11th International Professional Development Fellowship Programme - 2016 from Sunday, the 26th June, 2016 to Monday, the 04th July 2016 at Greece.



## Members Admitted

S. No.	Name	Membership No.	Region
<b>FELLOWS*</b>			
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2	MS. MUKTI AGARWAL	FCS - 8560	WIRC
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5	SH. TIRUVIDAIMARUTHUR VENKATRAMAN VENKATA SUBRAMANYAM	FCS - 8563	SIRC
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11	SH. ANWAR ABDULLA LAMBAY	FCS - 8569	WIRC
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13	MS. KALPANA JAIN	FCS - 8571	NIRC
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17	SH. AMARENDRA KUMAR RAI	FCS - 8575	NIRC
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19	MS. SHILPA SOGANI	FCS - 8577	NIRC
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21	MR. SALIL VINAYAK KARMARKAR	FCS - 8579	WIRC
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34	SH. AKHILESH GAUTAM	FCS - 8592	WIRC
35	SH. AKSHAYA KUMAR PANDA	FCS - 8593	EIRC
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51	MR. ANKIT GUPTA	FCS - 8609	NIRC
52	SH. K DHANDAPANI	FCS - 8610	SIRC

### ASSOCIATES\*

1	MR. RITESH OJHA	ACS - 44561	EIRC
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31	MR. NIKUNJ MAHENDRA BHAI KANABAR	ACS - 44591	WIRC
32	MS. SHETH KRUTI TUSHARKUMAR	ACS - 44592	WIRC
33	MS. DHWANI DILIP BAHU SHAH	ACS - 44593	WIRC
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35	MR. DEEPANSHU ARORA	ACS - 44595	NIRC
36	MS. DIPIKA DILIP KOTHARI	ACS - 44596	WIRC
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38	MR. KUSHAL SHAW	ACS - 44598	EIRC
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46	MR. SANNY	ACS - 44606	NIRC
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48	MS. VAISHALI TEJWANI	ACS - 44608	NIRC
49	MR. A SENTHIL KUMAR	ACS - 44609	SIRC
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54	MS. RUCHA GOKUL MULEY	ACS - 44614	WIRC
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58	MS. HEMA LALCHANDBHAI CHHATANI	ACS - 44618	WIRC
59	MR. KOPPALA ACHYUTANANDA REDDY	ACS - 44619	WIRC
60	MR. DHRUVIL ALKESHBHAI SHAH	ACS - 44620	WIRC
61	MR. RAHUL VERMA	ACS - 44621	NIRC
62	MR. T N GIRISH	ACS - 44622	SIRC
63	MS. ANAGHA DEEPAK PATKI	ACS - 44623	WIRC
64	MS. SHWETA VASHIST	ACS - 44624	EIRC
65	MR. MANOJ KUMAR GUPTA	ACS - 44625	EIRC
66	MS. NEHA DAGA	ACS - 44626	EIRC
67	MR. BIRAJA PRASAD PANDA	ACS - 44627	EIRC
68	MS. POONAM KHIRIA	ACS - 44628	EIRC
69	MS. NAVJYOT KAUR	ACS - 44629	EIRC
70	MS. SWEETY AGARWAL	ACS - 44630	EIRC
71	MS. ROSHNI BARAI	ACS - 44631	EIRC
72	MS. REETIKA SHAW	ACS - 44632	EIRC

\*Admitted during the period from 20.04.2016 to 19.05.2016.

73	MR. ASIF KHAN	ACS - 44633	EIRC	144	MR. SANAND SINGH	ACS - 44704	EIRC
74	MS. AYUSHI GUPTA	ACS - 44634	NIRC	145	MS. BASUDHA BINANI	ACS - 44705	WIRC
75	MS. ASHNEET KAUR MAKKAR	ACS - 44635	NIRC	146	MR. RANJIT KUMAR BEHERA	ACS - 44706	NIRC
76	MR. SHASHI KANT RANJAN	ACS - 44636	NIRC	147	MS. VINITA AGARWAL	ACS - 44707	EIRC
77	MR. NIMESH KUMAR SARASWAT	ACS - 44637	NIRC	148	MS. DEBASHREE DAS	ACS - 44708	EIRC
78	MR. SAGAR SARSWAT	ACS - 44638	NIRC	149	MS. BHAWNA ARORA	ACS - 44709	NIRC
79	MR. DEEPESH SINGHAL	ACS - 44639	NIRC	150	MS. JYOTI GOYAL	ACS - 44710	WIRC
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82	MS. RUCHIKA UPADHYAY	ACS - 44642	NIRC	153	MR. NISHANT TAYAL	ACS - 44713	NIRC
83	MR. VINAY VERMA	ACS - 44643	NIRC	154	MR. AJAY KUMAR THAKUR	ACS - 44714	NIRC
84	MS. SARVAGYA GOEL	ACS - 44644	NIRC	155	MR. MAHENDRA KUMAR CHANDA	ACS - 44715	NIRC
85	MR. MOHIT MAHESHWARI	ACS - 44645	NIRC	156	MS. ANITA KUMARI PANDAY	ACS - 44716	NIRC
86	MR. HARSH SHARMA	ACS - 44646	NIRC	157	MR. VIPIN DAGAR	ACS - 44717	NIRC
87	MS. KIRAN PREET KAUR KHUSHAL	ACS - 44647	NIRC	158	MS. MISBA KHAN	ACS - 44718	NIRC
88	MS. SHREYA SRIVASTAVA	ACS - 44648	NIRC	159	MS. JYOTI RAWAT	ACS - 44719	NIRC
89	MR. AJAY SHARMA	ACS - 44649	NIRC	160	MS. SWATI KHANDELWAL	ACS - 44720	NIRC
90	MS. REETU AGGARWAL	ACS - 44650	NIRC	161	MS. ANKITA MAHAJAN	ACS - 44721	NIRC
91	MS. PRIYANKA VYAS	ACS - 44651	NIRC	162	MS. ISHITA GANDHI	ACS - 44722	NIRC
92	MR. MOHIT NAGPAL	ACS - 44652	NIRC	163	MS. PRIYANKA BEHL	ACS - 44723	NIRC
93	MS. HARSIMRAN PAHWA	ACS - 44653	NIRC	164	MS. BHUMIKA SEHGAL	ACS - 44724	NIRC
94	MR. HIMANSHU YADAV	ACS - 44654	NIRC	165	MR. NEERAJ JAIN	ACS - 44725	NIRC
95	MR. KHUSHAL JOSHI	ACS - 44655	NIRC	166	MR. ANKIT TAPARIA	ACS - 44726	NIRC
96	MR. PIYUSH JAIN	ACS - 44656	NIRC	167	MS. BHOOMIKA MANGAL	ACS - 44727	NIRC
97	MR. AKASH BANSAL	ACS - 44657	NIRC	168	MR. SANJIV VIJAY NAIDU	ACS - 44728	WIRC
98	MS. BANDARU GEETHIKA	ACS - 44658	SIRC	169	MS. MANISHA	ACS - 44729	NIRC
99	MR. K LAKSHMI RAMI REDDY	ACS - 44659	SIRC	170	MS. PRIYANKA CHOPRA	ACS - 44730	NIRC
100	MS. SNEHA HEGDE	ACS - 44660	SIRC	171	MS. SHRIYA SOOD	ACS - 44731	NIRC
101	MS. AMRITHAMANI K	ACS - 44661	SIRC	172	MS. NAINA KAUSHAL	ACS - 44732	NIRC
102	MR. KRISHNA MASHETTI	ACS - 44662	SIRC	173	MS. AYUSHI SINGHAL	ACS - 44733	NIRC
103	MS. ASHA V K	ACS - 44663	SIRC	174	MS. GULSHAN CHAUDHARY	ACS - 44734	NIRC
104	MS. KANCHAN SHARMA	ACS - 44664	SIRC	175	MR. RAVINDRA KUMAR RAWAL	ACS - 44735	NIRC
105	MR. VIKRAM RAJ G A	ACS - 44665	SIRC	176	MR. DINESH SHARMA	ACS - 44736	NIRC
106	MR. RAHUL KUMAR BHANGADIYA	ACS - 44666	SIRC	177	MR. ESHU ANEJA	ACS - 44737	NIRC
107	MS. SUMITRA PRADHAN	ACS - 44667	EIRC	178	MS. SHIVANSHI SINGH	ACS - 44738	NIRC
108	MS. JYOTI CHAWLA	ACS - 44668	NIRC	179	MR. PAWAN KUMAR LAKHOTIA	ACS - 44739	NIRC
109	MS. SWEETY JAIN	ACS - 44669	NIRC	180	MR. VIKAS GUPTA	ACS - 44740	NIRC
110	MS. VINUTA NARAYAN HEGDE	ACS - 44670	SIRC	181	MS. NEHA SHARMA	ACS - 44741	NIRC
111	MR. VIGNESH KUMAR S M	ACS - 44671	SIRC	182	MS. ANAMIKA	ACS - 44742	NIRC
112	MR. TAPAS NARESH RUPARELIA	ACS - 44672	WIRC	183	MS. LEKHKA SHARMA	ACS - 44743	NIRC
113	MR. YASH RAMESHBHAI SHAH	ACS - 44673	WIRC	184	MR. SAGAR MEHRA	ACS - 44744	NIRC
114	MS. SARIKA AJAY GUPTA	ACS - 44674	WIRC	185	MS. SHUBHANGI SINGH	ACS - 44745	NIRC
115	MS. GAYATRI PRAMOD KULKARNI	ACS - 44675	WIRC	186	MS. PRATIBHA SHARMA	ACS - 44746	NIRC
116	MS. PURVA HARSHAL BHOKRE	ACS - 44676	WIRC	187	MR. VINOD KUMAR JANGIR	ACS - 44747	NIRC
117	MR. VISHNU JANGHELA	ACS - 44677	WIRC	188	MS. NISHA KUKREJA	ACS - 44748	NIRC
118	MS. MAYURA MILIND SHINDE	ACS - 44678	WIRC	189	MS. YUGAMI ARORA	ACS - 44749	NIRC
119	MS. NEELAM ANANDRAO TASGAONKAR	ACS - 44679	WIRC	190	MS. CHITRA NARANIWAL	ACS - 44750	NIRC
120	MR. RAMESH RAMCHANDRA PATIL	ACS - 44680	WIRC	191	MS. JAGJEET KAUR	ACS - 44751	NIRC
121	MR. AKSHAY PRADEEP RANE	ACS - 44681	WIRC	192	MS. AMREEN KHAN	ACS - 44752	NIRC
122	MR. RAKESH MOHANLAL GANGWANI	ACS - 44682	WIRC	193	MS. PALAK SHARMA	ACS - 44753	NIRC
123	MR. DHANANJAY ARVIND THIGALE	ACS - 44683	WIRC	194	MS. NEETIKA GUPTA	ACS - 44754	NIRC
124	MS. KOMAL RUPCHAND BINWANI	ACS - 44684	WIRC	195	MS. KAMINI GOYAL	ACS - 44755	NIRC
125	MS. MANALI BHAVESH PAREKH	ACS - 44685	WIRC	196	MR. NITIN NANDWANI	ACS - 44756	NIRC
126	MS. ARPITA SHASHIKANT SHAH	ACS - 44686	WIRC	197	MS. DEEPIKA	ACS - 44757	NIRC
127	MS. KOMAL MAHESHBHAI SHAH	ACS - 44687	WIRC	198	MS. ANJALI GUPTA	ACS - 44758	NIRC
128	MR. DHEERAJ TYAGI	ACS - 44688	NIRC	199	MS. POOJA JAIN	ACS - 44759	NIRC
129	MR. AKSHAY GOYAL	ACS - 44689	WIRC	200	MS. SANDHYA S	ACS - 44760	SIRC
130	MS. PREETI ANIL KUMAR SINGH	ACS - 44690	WIRC	201	MR. PAVAN KUMAR KURUMADDALI	ACS - 44761	SIRC
131	MR. U KALIDOSS	ACS - 44691	SIRC	202	MS. BARGAVI S	ACS - 44762	SIRC
132	MR. RAJNIKANT VASANT SAWANT	ACS - 44692	WIRC	203	MR. N V RAMBABU CHOPALLA	ACS - 44763	SIRC
133	MS. TANVI SHRIKRISHNA NAIK	ACS - 44693	WIRC	204	MS. POOJA BUNG	ACS - 44764	SIRC
134	MS. SIVA SARANYAS DEVI R	ACS - 44694	SIRC	205	MS. SHREYA MANGAL	ACS - 44765	SIRC
135	MR. RAHUL ANANDA SHINDE	ACS - 44695	WIRC	206	MS. NIRMALA L	ACS - 44766	SIRC
136	MS. DIMPLE KUMAWAT	ACS - 44696	NIRC	207	MS. ABIRAMI A	ACS - 44767	SIRC
137	MS. HARNEET SALUJA	ACS - 44697	NIRC	208	MR. ARJUN T V	ACS - 44768	SIRC
138	MR. ANIL KUMAR C	ACS - 44698	SIRC	209	MS. NAYANA GOPI	ACS - 44769	SIRC
139	MR. AKARSHAK MAHESHWARI	ACS - 44699	WIRC	210	MS. VAHINI K N	ACS - 44770	SIRC
140	MS. GARGI SARKAR	ACS - 44700	NIRC	211	MR. VINOD K	ACS - 44771	SIRC
141	MR. MOHIT SALUJA	ACS - 44701	EIRC	212	MR. PAGATUR ASHOK VISHNUKUMAR	ACS - 44772	SIRC
142	MR. ROHIT SHAW	ACS - 44702	EIRC	213	MS. NISHITA KALANTRI	ACS - 44773	SIRC
143	MS. SUSMA SHAW	ACS - 44703	EIRC	214	MS. PRASANNA KUMARI C	ACS - 44774	SIRC

215	MR. GOURISH GANAPATI HEGDE	ACS - 44775	SIRC	285	MS. ASHRITA AGARWAL	ACS - 44845	EIRC
216	MR. GADE BALA SUMANTH REDDY	ACS - 44776	SIRC	286	MS. KRITI KHEMKA	ACS - 44846	EIRC
217	MS. POOJA KADEL S	ACS - 44777	SIRC	287	MR. GOURAB KUMAR NAYAK	ACS - 44847	EIRC
218	MS. RUCHI BUNG	ACS - 44778	SIRC	288	MR. JOYDIP CHAKRABORTY	ACS - 44848	EIRC
219	MS. LAXMI SOWJANYA ALLA	ACS - 44779	SIRC	289	MR. GURPRIT SINGH	ACS - 44849	NIRC
220	MR. AMOL BHARAT SHRIMALI	ACS - 44780	WIRC	290	MS. RICHA MANDHANIA	ACS - 44850	EIRC
221	MR. RAJESH PRABHAKARAN	ACS - 44781	WIRC	291	MR. VISHAL SHARMA	ACS - 44851	NIRC
222	MS. RUCHA MILIND RANADE	ACS - 44782	WIRC	292	MS. ANKITA SAJJAN	ACS - 44852	NIRC
223	MR. PRAVIN RAMBHAU DHAPODKAR	ACS - 44783	WIRC	293	MS. ALPI JAIN	ACS - 44853	NIRC
224	MR. ANIL ANANT GURAV	ACS - 44784	WIRC	294	MS. NEHA SHARMA	ACS - 44854	NIRC
225	MS. MANDAKINI RAJARAM JADHAV	ACS - 44785	WIRC	295	MR. LALIT JAIN	ACS - 44855	WIRC
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228	MR. CHAITANYA VASANT POL	ACS - 44788	WIRC	298	MS. SEEMA YADAV	ACS - 44858	NIRC
229	MS. NIKITA LAXMANA SHETTGAR	ACS - 44789	WIRC	299	MS. GUNJAN GUPTA	ACS - 44859	NIRC
230	MR. PARAS SHAILESH PAREKH	ACS - 44790	WIRC	300	MR. RAHUL KUMAR	ACS - 44860	NIRC
231	MR. VIPUL JAIN	ACS - 44791	WIRC	301	MS. SUPRIYA SINGH	ACS - 44861	NIRC
232	MS. ZIRAL PANKAJKUMAR SONI	ACS - 44792	WIRC	302	MS. DEEPIKA CHAUHAN	ACS - 44862	NIRC
233	MR. KALPESH YASHWANT PADWAL	ACS - 44793	WIRC	303	MS. NEHA PANDEY	ACS - 44863	NIRC
234	MR. DEVANSH GIRISHBHAI GALA	ACS - 44794	WIRC	304	MS. SHWETA SINGH	ACS - 44864	NIRC
235	MR. MANDAR BIMALBHAI DESAI	ACS - 44795	WIRC	305	MS. DIVYA KHERA	ACS - 44865	NIRC
236	MS. NIDHI JAYANTIBHAI THAKAR	ACS - 44796	WIRC	306	MS. SHREYA SORAL	ACS - 44866	NIRC
237	MR. ANIRUDH RAJIV DHARWADKAR	ACS - 44797	WIRC	307	MS. RUBY SWAMI	ACS - 44867	NIRC
238	MS. DRISHTI SHAILESH THAKKER	ACS - 44798	WIRC	308	MR. ANKIT SAINI	ACS - 44868	NIRC
239	MR. NIKHIL SURESHCHANDRA MISTRY	ACS - 44799	WIRC	309	MS. DIVYA SRIVASTAVA	ACS - 44869	NIRC
240	MS. NEELAM RAMESH PRAJAPATI	ACS - 44800	WIRC	310	MS. KIRTI MEHTA	ACS - 44870	SIRC
241	MS. MONIKA SINGH	ACS - 44801	NIRC	311	MS. TANVEE KHANNA	ACS - 44871	NIRC
242	MS. SETA NAMRATA JAGDISHBHAI	ACS - 44802	WIRC	312	MS. MANISHA KUMARI PATIDAR	ACS - 44872	NIRC
243	MS. PRANALI PURUSHOTTAM KADAM	ACS - 44803	WIRC	313	MR. KAMLESH KUMAR	ACS - 44873	NIRC
244	MS. REENA RANMAL VIRWADIA	ACS - 44804	WIRC	314	MR. BALVINDER SINGH	ACS - 44874	NIRC
245	MS. NEELAM DILIP CHOTRANI	ACS - 44805	WIRC	315	MS. TAKKELLA SASIKALA	ACS - 44875	SIRC
246	MS. RITU AJAY AGRAWAL	ACS - 44806	WIRC	316	MR. AGILESH R	ACS - 44876	SIRC
247	MR. PARTH MAHENDRAKUMAR PANDYA	ACS - 44807	WIRC	317	MS. RIMPY CHOUDHURY	ACS - 44877	SIRC
248	MR. TEJENDRA RAJANIKANT NAYAK	ACS - 44808	WIRC	318	MR. SRINIVASAN P	ACS - 44878	SIRC
249	MR. ARUN THAPAR	ACS - 44809	WIRC	319	MS. NEHA DAS A	ACS - 44879	SIRC
250	MR. NIKHIL NIRMAL MEHTA	ACS - 44810	WIRC	320	MR. LIJESH K	ACS - 44880	SIRC
251	MR. SAURABH BRIJRAJ SINGH	ACS - 44811	WIRC	321	MS. PAYAL MEHTA	ACS - 44881	SIRC
252	MR. JUDE ASHLEY PATRICK DSOUZA	ACS - 44812	WIRC	322	MS. D ANUSHA	ACS - 44882	SIRC
253	MS. JHANVI VIJAYDEEP AILSINGHANI	ACS - 44813	WIRC	323	MR. RAMA SATYANARAYANA VENKATA PEELA	ACS - 44883	SIRC
254	MS. CHETANABEN VORA	ACS - 44814	EIRC	324	MS. PAYAL JAIN	ACS - 44884	SIRC
255	MS. RUCHI SAMIRBHAI SHAH	ACS - 44815	WIRC	325	MS. SIDDHI JAYENDRA SHAH	ACS - 44885	WIRC
256	MR. PRAJAPATI NARESHKUMAR	ACS - 44816	WIRC	326	MR. KETAN HARILAL BAMBHANIYA	ACS - 44886	WIRC
257	JASWANTBHAI			327	MS. NEELAM KUMARI JAIN	ACS - 44887	WIRC
258	MR. SAGAR HIMTHANI	ACS - 44817	WIRC	328	MR. GOPAL SUNILCHANDRA RATHI	ACS - 44888	WIRC
259	MS. ADITI ARUN MAHAMUNKAR	ACS - 44818	WIRC	329	MS. MADHURI K SHARMA	ACS - 44889	WIRC
260	MS. ANKITA TRIPATHI	ACS - 44819	WIRC	330	MR. ROHAN VINESH PURECHA	ACS - 44890	WIRC
261	MR. HIMALAYDAS AMARDAS DUDHAREJIYA	ACS - 44820	WIRC	331	MR. PARIN KIRTIKUMAR SHAH	ACS - 44891	WIRC
262	MR. ADITYA KOTHARI	ACS - 44821	WIRC	332	MS. KRUPA DILIP SHAH	ACS - 44892	WIRC
263	MR. ROHAN SURESH MEHRA	ACS - 44822	WIRC	333	MR. SWAPNIL CHANDRAKANT PANDE	ACS - 44893	WIRC
264	MR. GOSAI VISHALGIRI DHARMENDRAGIRI	ACS - 44823	WIRC	334	MR. MAYUR DINESH PARMAR	ACS - 44894	WIRC
265	MR. PIYUSHKUMAR JIVARAJBHAI GEVARIYA	ACS - 44824	WIRC	335	MR. GAURAV SOMABHAI MAHYAVANSHI	ACS - 44895	WIRC
266	MR. BHAVESHBHAI MANGILAL THAKKAR	ACS - 44825	WIRC	336	MS. ANKITA KAUSHAL KUMAR SHRIVASTAV	ACS - 44896	WIRC
267	MS. NAMRATA BAFNA	ACS - 44826	NIRC	337	MS. SHWETA PRAKASH MANE	ACS - 44897	WIRC
268	MS. SEJAL ANJUMANBHAI DESAI	ACS - 44827	WIRC	338	MR. SHREEKANT PATIDAR	ACS - 44898	WIRC
269	MR. VINEET SUBHASH SINGH	ACS - 44828	WIRC	339	MS. GLYNIS SALIS	ACS - 44899	WIRC
270	MR. NIHAR GAURANG SHETH	ACS - 44829	WIRC	340	MR. SAGAR KANAKRAI MEHTA	ACS - 44900	WIRC
271	MS. AMRUTA PRAKASH KHAMBETE	ACS - 44830	WIRC	341	MR. KRISHNA LAHOTY	ACS - 44901	WIRC
272	MS. SINDHUJA P	ACS - 44831	SIRC	342	MS. SHEFALI SHARMA	ACS - 44902	NIRC
273	DR. M CHANDRASEKARAN	ACS - 44832	SIRC	343	MR. ESHAN DUTT	ACS - 44903	NIRC
274	MS. RAGEE RAJU	ACS - 44833	SIRC	344	MR. KUNAL SIPPY	ACS - 44904	NIRC
275	MS. BHUVANA M S	ACS - 44834	SIRC	345	MR. HIMANSHU KHOSLA	ACS - 44905	NIRC
276	MS. CHITRA VENKATARAMAN	ACS - 44835	SIRC	346	MR. ANKIT GHORAWAT	ACS - 44906	NIRC
277	MR. SANTOSH KUMAR AGARWAL	ACS - 44836	EIRC	347	MS. NIKITA SHIVHARE	ACS - 44907	NIRC
278	MS. ESHA SEN	ACS - 44837	EIRC	348	MS. RAMDULARI SAINI	ACS - 44908	NIRC
279	MR. ASHUTOSH KUMAR DUBEY	ACS - 44838	EIRC	349	MS. NAMRATA VAID	ACS - 44909	NIRC
280	MR. SHIV PUSP KUMAR	ACS - 44839	EIRC	350	MR. HARDEEP SINGH NIJHER	ACS - 44910	NIRC
281	MR. BISWAJIT KAR	ACS - 44840	EIRC	351	MS. SURBHI KAUSHAL	ACS - 44911	NIRC
282	MR. DIPAK KUMAR SHAW	ACS - 44841	EIRC	352	MS. MINAL DUDEJA	ACS - 44912	NIRC
283	MR. ATUL KUMAR SINGH	ACS - 44842	NIRC	353	MS. LABDHI KOCHAR	ACS - 44913	NIRC
284	MS. RASHMI RANJAN PANDA	ACS - 44843	EIRC	354	MR. NIRBHAY ROCHWANI	ACS - 44914	NIRC
	MS. NISHTHA TEWARI	ACS - 44844	NIRC	355	MS. FAGUNI KAPOOR	ACS - 44915	NIRC

356	MS. DEEPANSHI JAIN	ACS - 44916	NIRC	427	MR. DARSHIT NAVINBHAI AHYA	ACS - 44987	WIRC
357	MS. PRABHSIMRAT KAUR	ACS - 44917	NIRC	428	MR. SANTOSH KUMAR SIDIRI	ACS - 44988	WIRC
358	MR. VIKAS AGGARWAL	ACS - 44918	NIRC	429	MS. KRISHNA PRADEEP RAI	ACS - 44989	WIRC
359	MR. VISHAL SARAWAGI	ACS - 44919	NIRC	430	MR. RAVI KUSHWAH	ACS - 44990	WIRC
360	MS. MEENA MENGHANI	ACS - 44920	NIRC	431	MS. PAYAL SURESH JEERAWALA	ACS - 44991	WIRC
361	MS. PRERNA GUPTA	ACS - 44921	NIRC	432	MR. PRATIK VITHTHALDAS DHANESHA	ACS - 44992	WIRC
362	MS. GEETANJALI MALHOTRA	ACS - 44922	NIRC	433	MS. MEGHANSHI GARG	ACS - 44993	WIRC
363	MS. ARCHANA ADHIKARI	ACS - 44923	NIRC	434	MS. PRABHAVI MUNGEE	ACS - 44994	WIRC
364	MS. KARISHMA DIXIT	ACS - 44924	NIRC	435	MS. RITIKA KHAJANCHI MAHAVEER	ACS - 44995	NIRC
365	MS. SAHIBA ANAND	ACS - 44925	NIRC	436	MR. JATIN LAKHISARANI	ACS - 44996	WIRC
366	MR. DEVENDRA SHARMA	ACS - 44926	NIRC	437	MS. JANU CHANDRAKANT PADIA	ACS - 44997	WIRC
367	MR. PANKAJ MOOLRAJANI	ACS - 44927	NIRC	438	MR. SAMEER PRAHLADBHAI DEVDA	ACS - 44998	WIRC
368	MR. VINAY SINGH	ACS - 44928	NIRC	439	MS. DIKSHA SINGH	ACS - 44999	NIRC
369	MS. NEHA FATEHPURIA	ACS - 44929	NIRC	440	MR. VARUN KAUL	ACS - 45000	NIRC
370	MS. JYOTSNA NAGAR	ACS - 44930	NIRC	441	MS. PREETI MAHESHWARI	ACS - 45001	WIRC
371	MS. PRIYANKA SHARMA	ACS - 44931	NIRC	442	MR. AMIT KUMAR PAL	ACS - 45002	EIRC
372	MR. ROHIT RAWAT	ACS - 44932	NIRC	443	MS. PRIYA KUMARI	ACS - 45003	NIRC
373	MR. SANJAY PRAJAPAT	ACS - 44933	NIRC	444	MS. MONAL KISHOR KAPADIYA	ACS - 45004	SIRC
374	MR. VINEET JAIN	ACS - 44934	NIRC	445	MR. LAMBOLE SAGAR KANTILAL	ACS - 45005	WIRC
375	MR. RANJEET SINGH	ACS - 44935	NIRC	446	MS. DEEPALI GARG	ACS - 45006	NIRC
376	MS. MAHIMA TULSIAN	ACS - 44936	NIRC	447	MS. AARTI VIMAL PUNMIYA	ACS - 45007	WIRC
377	MS. DIMPLE JASWANI	ACS - 44937	NIRC	448	MR. SACHIN MEHTA	ACS - 45008	NIRC
378	MS. BARKHA AGARWAL	ACS - 44938	NIRC	449	MR. ABHISHEK JHUNJHUNWALA	ACS - 45009	EIRC
379	MS. SHRUTIKA AGARWAL	ACS - 44939	NIRC	450	MR. ANIL KUMAR SAH	ACS - 45010	NIRC
380	MR. KARTIK VIJAY	ACS - 44940	NIRC	451	MR. CHANDRA KANTA NAYAK	ACS - 45011	EIRC
381	MS. CHANDNI	ACS - 44941	NIRC	452	MS. KHUSHBOO NAVIN CHHATBAR	ACS - 45012	EIRC
382	MS. RIYA JAIN	ACS - 44942	NIRC	453	MR. BANABIHARI SAHOO	ACS - 45013	EIRC
383	MR. SONU SAINI	ACS - 44943	NIRC	454	MR. AVIK CHAKRABORTY	ACS - 45014	EIRC
384	MS. RITIKA GARG	ACS - 44944	NIRC	455	MS. EKTA GUPTA	ACS - 45015	NIRC
385	MR. YOGESH SAHU	ACS - 44945	NIRC	456	MS. NAMRATA DHANDHANIA	ACS - 45016	EIRC
386	MR. S SHANMUGAVEL	ACS - 44946	SIRC	457	MS. ANKITA BENGANI	ACS - 45017	EIRC
387	MS. DEEPA JOSEPH KOKKANDATHIL	ACS - 44947	SIRC	458	MS. T RITALI PATRO	ACS - 45018	EIRC
388	MS. R SOUNDARIA	ACS - 44948	SIRC	459	MS. PREETI MURARKA	ACS - 45019	EIRC
389	MR. RAJESH VANKADARA	ACS - 44949	SIRC	460	MS. POOJA DASGUPTA	ACS - 45020	EIRC
390	MS. NATHI BAI SARDA	ACS - 44950	SIRC	461	MS. AKANKSHA ARYA	ACS - 45021	EIRC
391	MS. VIJAYA MAHESH RAO	ACS - 44951	SIRC	462	MS. SURABHI JAIN	ACS - 45022	EIRC
392	MS. MADHUBALA DAVE	ACS - 44952	SIRC	463	MS. SUMATI HITENDRA SOMANI	ACS - 45023	NIRC
393	MS. KORINI LAXMI LAVANYA	ACS - 44953	SIRC	464	MR. PARSHOTAM KUMAR	ACS - 45024	NIRC
394	MR. ROHAN SHANKAR HADWALE	ACS - 44954	WIRC	465	MS. SHWETA SHARMA	ACS - 45025	NIRC
395	MR. SHRIKANT MADHUKAR JOSHI	ACS - 44955	WIRC	466	MS. SARISHTY KUKREJA	ACS - 45026	NIRC
396	MS. SHAJJAL JAIN	ACS - 44956	EIRC	467	MS. NIKITA KHANDLWAL	ACS - 45027	NIRC
397	MS. KUSUM GARG	ACS - 44957	WIRC	468	MR. ANOOP KHANDLWAL	ACS - 45028	NIRC
398	MS. NEETU DUBEY	ACS - 44958	WIRC	469	MS. SONIA BHATIA	ACS - 45029	WIRC
399	MS. KHYATI KISHOR PANCHAL	ACS - 44959	WIRC	470	MR. VIJAY BISHNOI	ACS - 45030	NIRC
400	MR. RAHUL VENKATESH KASHYAP	ACS - 44960	WIRC	471	MR. RAVI PRAKASH	ACS - 45031	NIRC
401	MR. RAGHAV PANCHAL	ACS - 44961	WIRC	472	MS. SAKSHI KHOKHA	ACS - 45032	NIRC
402	MS. BAGESHREE SANJIV KELKAR	ACS - 44962	WIRC	473	MR. KESHAV BANSAL	ACS - 45033	NIRC
403	MS. SUKHVINDER KAUR PABLA	ACS - 44963	EIRC	474	MR. SORABH JAIN	ACS - 45034	NIRC
404	MR. VIPUL VASANT BHOY	ACS - 44964	WIRC	475	MS. MIKITA GUTPA	ACS - 45035	NIRC
405	MR. BHAVYA ARVIND SHAH	ACS - 44965	WIRC	476	MR. NITESH SHARMA	ACS - 45036	NIRC
406	MR. JAY AJAY SURTI	ACS - 44966	WIRC	477	MS. DEEPIKA DADHEECH	ACS - 45037	NIRC
407	MS. JAYAKUMARI KRISHNA KANHAIYA RANGA	ACS - 44967	WIRC	478	MR. RAVI KUMAR GUPTA	ACS - 45038	NIRC
408	MR. MILIN JAGDISHKUMAR RAMANI	ACS - 44968	WIRC	479	MS. BHUMIKA AGARWAL	ACS - 45039	NIRC
409	MS. PRIYANKA TEKCHANDANI	ACS - 44969	WIRC	480	MS. SHAISTA PARVEEN	ACS - 45040	NIRC
410	MR. HIMANSHU KESHUBHAI TOGADIYA	ACS - 44970	WIRC	481	MR. PRAVEEN PRABHAKER TIWARI	ACS - 45041	NIRC
411	MS. DISHA NARENDRAKUMAR PATEL	ACS - 44971	WIRC	482	MR. SUMIT BAJAJ	ACS - 45042	NIRC
412	MR. RAHUL PATIDAR	ACS - 44972	WIRC	483	MS. VISHAKHA ARORA	ACS - 45043	NIRC
413	MS. SHWETA SHIVDHARI SINGH	ACS - 44973	WIRC	484	MR. BHARAT SINGH CHARAN	ACS - 45044	NIRC
414	MS. DEVYANI ARVINDLAL KHAMBHATI	ACS - 44974	WIRC	485	MR. SANTHOSHKUMAR REDDY MEDA	ACS - 45045	SIRC
415	MS. NAMRATA NARESH KUMAR JAIN	ACS - 44975	WIRC	486	MR. CHANDAN KAPOOR	ACS - 45046	NIRC
416	MS. IRIS GUSTUV	ACS - 44976	WIRC	487	MS. HIRAL DAVE	ACS - 45047	NIRC
417	MR. SHARVIL BHARAT KUMAR SUTHAR	ACS - 44977	WIRC	488	MS. EVA SRIVASTAVA	ACS - 45048	NIRC
418	MR. DILIP CHANDWANI	ACS - 44978	WIRC	489	MR. MANISH KUMAR	ACS - 45049	NIRC
419	MS. SAKINA BOHRA	ACS - 44979	WIRC	490	MS. DIVYA GUPTA	ACS - 45050	NIRC
420	MS. SIMONI SAGAR SHROFF	ACS - 44980	WIRC	491	MR. PRATEEK JAIN	ACS - 45051	NIRC
421	MRS. MANISHA GAURAV KUDTARKAR	ACS - 44981	WIRC	492	MS. POOJA NAMDHARANI	ACS - 45052	NIRC
422	MR. SANKET SHIVKANT SHARMA	ACS - 44982	WIRC	493	MR. YAGYA DEV SHARMA	ACS - 45053	NIRC
423	MS. TRUSHA PIYUSH KUMAR THAKKAR	ACS - 44983	WIRC	494	MS. SOMALI JAIN	ACS - 45054	NIRC
424	MR. RAVI PRAKASH SINGH	ACS - 44984	WIRC	495	MR. ABHINAV KAUSHIK	ACS - 45055	NIRC
425	MS. DIVYA JAIN	ACS - 44985	WIRC	496	MS. AARTI GUPTA	ACS - 45056	NIRC
426	MS. GARIMA JAIN	ACS - 44986	WIRC	497	MS. DIVYA REEJWANI	ACS - 45057	NIRC



498	MR. SRIJAN KUMAR GUPTA	ACS - 45058	NIRC	569	MR. MIHIR SHAILESH SANGANI	ACS - 45129	WIRC
499	MS. KARISHMA JAIN	ACS - 45059	WIRC	570	MS. KIRTI AIREN	ACS - 45130	WIRC
500	MS. NEELAM TARAWAT	ACS - 45060	NIRC	571	MR. AVINASH PRAKASH GANDHEWAR	ACS - 45131	WIRC
501	MS. RITU KUMARI	ACS - 45061	NIRC	572	MS. SHIRIN KAUR KOHLI	ACS - 45132	EIRC
502	MS. DIVYA GUPTA	ACS - 45062	NIRC	573	MS. SHAHIN PARVEEN	ACS - 45133	EIRC
503	MR. SAJID HUSSAIN	ACS - 45063	NIRC	574	MR. ASHWANI TEKWANI	ACS - 45134	NIRC
504	MS. AKSHITA GOYAL	ACS - 45064	NIRC	575	MS. LOVEY GUPTA	ACS - 45135	EIRC
505	MR. AJAY KUMAR SHARMA	ACS - 45065	NIRC	576	MS. PRIYA SHARMA	ACS - 45136	NIRC
506	MS. SIDHI KUMARI KOCHAR	ACS - 45066	NIRC	577	MS. RAKSHA PANDEY	ACS - 45137	NIRC
507	MS. RIDHI KUMARI KOCHAR	ACS - 45067	NIRC	578	MS. KRATIKA SHARMA	ACS - 45138	NIRC
508	MS. GUNJAN JAIN	ACS - 45068	NIRC	579	MR. ADITYA MADHOGARHIA	ACS - 45139	EIRC
509	MS. SHILPA SURESH G	ACS - 45069	SIRC	580	MR. ANKIT JAIN	ACS - 45140	NIRC
510	MR. MOHAN REDDY	ACS - 45070	SIRC	581	MS. SUVARNA GOVIND MARATHE	ACS - 45141	WIRC
511	MR. B MUTHUSAMY	ACS - 45071	SIRC	582	MS. DIVIYA MAHALINGAM NADAR	ACS - 45142	WIRC
512	MR. KIRAN KODURI	ACS - 45072	SIRC	583	MR. ABHISHEK PRAFUL KUMAR CHHAG	ACS - 45143	WIRC
513	MR. SHANKAR BANERJEE	ACS - 45073	EIRC	584	MS. HIMANDRI MAHESHBHAI KEWLANI	ACS - 45144	WIRC
514	MR. ASHISH MAHENDRAKUMAR SHAH	ACS - 45074	WIRC	585	MS. NEHA GUPTA	ACS - 45145	NIRC
515	MR. ARUN AUGUSTINE	ACS - 45075	SIRC	586	MR. BRAJESH KUMAR CHAUHAN	ACS - 45146	EIRC
516	MS. TAMMANA RAVALI	ACS - 45076	SIRC	587	MS. MADHUSMITA SAHU	ACS - 45147	EIRC
517	MS. ANU G	ACS - 45077	SIRC	588	MR. PINTU KUMAR BISWAL	ACS - 45148	EIRC
518	MS. MOSAMI BHARATKUMAR GOHIL	ACS - 45078	WIRC	589	MR. RAKESH KUMAR PALATASINGH	ACS - 45149	EIRC
519	MS. SUNAYANA VIJAYKUMAR CHANDWANI	ACS - 45079	NIRC	590	MS. PAPIYA BISWAS	ACS - 45150	EIRC
520	MS. MONIKA SURYAKANT PAWAR	ACS - 45080	WIRC	591	MR. SUMIT KUMAR JAIN	ACS - 45151	EIRC
521	MS. SMITA HARISH BANG	ACS - 45081	SIRC	592	MS. AMBALIKA SARKAR	ACS - 45152	EIRC
522	MR. TANMAY PRAMOD BHAT	ACS - 45082	WIRC	593	MR. RAHUL TEWARI	ACS - 45153	EIRC
523	MS. RADHIKA LAXMIKANT VARKHEDKAR	ACS - 45083	WIRC	594	MS. HARSH LATA	ACS - 45154	EIRC
524	MR. ANIL RAMBHUPRASAD GUPTA	ACS - 45084	WIRC	595	MS. MEGHA SUREKA	ACS - 45155	EIRC
525	MS. RUPALI SHAILESH KOTHARI	ACS - 45085	WIRC	596	MS. SHWETA MEHTA	ACS - 45156	NIRC
526	MS. BAGADIYA JINAL DHIRENDRABHAI	ACS - 45086	WIRC	597	MR. ANKUR AGRAWAL	ACS - 45157	NIRC
527	MR. RAVIKUMAR VIJAYKUMAR LODAYA	ACS - 45087	WIRC	598	MR. JITENDRA CHATURVEDI	ACS - 45158	WIRC
528	MS. MONIKA BOTHRA	ACS - 45088	WIRC	599	MS. MAHEK PURI	ACS - 45159	NIRC
529	MR. CHANDRA PRAKASH JUGANI	ACS - 45089	WIRC	600	MS. MONIKA RANI	ACS - 45160	NIRC
530	MS. KOSHA BHADRESHBHAI SHAH	ACS - 45090	WIRC	601	MR. DIVYA MOHAN PALIWAL	ACS - 45161	NIRC
531	MS. SWATI SHARMA	ACS - 45091	WIRC	602	MS. AKSHITA DAVE	ACS - 45162	NIRC
532	MR. DHANESHWAR	ACS - 45092	WIRC	603	MS. AKANKSHA GOYAL	ACS - 45163	NIRC
533	MS. MADHAVI ARUN UBHE	ACS - 45093	WIRC	604	MR. NEERAJ KAPOOR	ACS - 45164	NIRC
534	MS. ISHITA SUNIL PATHAK	ACS - 45094	WIRC	605	MS. PARIDHI SOMANI	ACS - 45165	WIRC
535	MR. SHINIL UNNIKRISSHAN NAMBRATH	ACS - 45095	WIRC	606	MS. PRIYA AGIWAL	ACS - 45166	NIRC
536	MS. DHRUTI ATUL DHRUV	ACS - 45096	WIRC	607	MS. REEMA SHARMA	ACS - 45167	NIRC
537	MR. KISHOR ARUN TAKMOGE	ACS - 45097	WIRC	608	MS. MANISHA SINGH RATHORE	ACS - 45168	NIRC
538	MR. AKSHAY ABHAY CHIKODIKAR	ACS - 45098	WIRC	609	MS. HEENA BEDI	ACS - 45169	NIRC
539	MS. TRISHA AMAR ROOPCHANDANI	ACS - 45099	WIRC	610	MR. GYAN DEV BHARDWAJ	ACS - 45170	NIRC
540	MR. HARSH MAHENDRA GALA	ACS - 45100	WIRC	611	MS. HIMANDRI VERMA	ACS - 45171	NIRC
541	MS. PADMAJA PANDIT CHANDAKKAR	ACS - 45101	WIRC	612	MR. KONARK PIYUSHBHAI PATEL	ACS - 45172	WIRC
542	MS. ROSHNI NIKHIL SHAH	ACS - 45102	WIRC	613	MS. PRIYANKA PATHAK	ACS - 45173	NIRC
543	MS. PALLAVI ANKUSH KAMBLE	ACS - 45103	WIRC	614	MR. PRASHANT KUMAR PANDEY	ACS - 45174	EIRC
544	MR. YASH GOVIND DHRONA	ACS - 45104	WIRC	615	MS. NIMISHA SHARMA	ACS - 45175	NIRC
545	MS. JAIN MALINA PRAKASH	ACS - 45105	WIRC	616	MS. NIKITA VIJAYVERGIYA	ACS - 45176	NIRC
546	MR. ABHISHEK CHANDRESHBHAI TRIVEDI	ACS - 45106	WIRC	617	MS. LAVANYA RASTOGI	ACS - 45177	NIRC
547	MS. ANNU DUSEJA	ACS - 45107	WIRC	618	MS. ANJALI MEHRA	ACS - 45178	NIRC
548	MR. REAGAN ALVIT ANTHONY SAMPAYO	ACS - 45108	WIRC	619	MR. MOHIT VANAWAT	ACS - 45179	NIRC
549	MR. PURVANG NITIN TRIVEDI	ACS - 45109	WIRC	620	MR. KARAN SINGH CHOUHAN	ACS - 45180	NIRC
550	MS. RUCHITA PRAFULLKUMAR SHAH	ACS - 45110	WIRC	621	MS. DARSHANA KAKANI	ACS - 45181	NIRC
551	MS. SHILPITA BAJORIA	ACS - 45111	WIRC	622	MS. PRAGYA LALWANI	ACS - 45182	NIRC
552	MR. HARSH HIREN SHAH	ACS - 45112	WIRC	623	MS. NEHA JAIN	ACS - 45183	NIRC
553	MS. SHREEYA SATISHCHANDRA SHAH	ACS - 45113	WIRC	624	MS. ANKITA AGARWAL	ACS - 45184	NIRC
554	MS. POONAM BARSAIYAN	ACS - 45114	WIRC	625	MS. PRIYA DUBEY	ACS - 45185	NIRC
555	MR. DHARMENDRA PAWAR	ACS - 45115	WIRC	626	MS. JAGRATI KASTURI	ACS - 45186	NIRC
556	MS. ESSAKIAMMAL	ACS - 45116	WIRC	627	MS. TULIKA GAHARWAR	ACS - 45187	NIRC
557	MR. JAIN THANESH MOTILAL	ACS - 45117	WIRC	628	MS. NEHARIKA SODHI	ACS - 45188	NIRC
558	MS. DHWANI RAJESH PANCHAL	ACS - 45118	WIRC	629	MS. ISHITA TIWARI	ACS - 45189	EIRC
559	MS. SONALI BALKRISHNA PAWASKAR	ACS - 45119	WIRC	630	MS. KRITIKA TRIPATHI	ACS - 45190	NIRC
560	MR. BHARAT KUMAR PRAJAPAT	ACS - 45120	WIRC	631	MS. NEETI JAIN	ACS - 45191	WIRC
561	MS. SHRISHTI B C SHAH JAGATI	ACS - 45121	WIRC	632	MS. SEEMA SARAF	ACS - 45192	NIRC
562	MS. SHREYA AGARWAL	ACS - 45122	EIRC	633	MS. PRIYANKA BANSAL	ACS - 45193	NIRC
563	MS. TANUSHREE GAUR	ACS - 45123	NIRC	634	MR. AYUSH JAIN	ACS - 45194	NIRC
564	MS. POOJA MATHUR	ACS - 45124	NIRC	635	MS. DEEKSHA RAJPAL	ACS - 45195	NIRC
565	MR. DARSHAN RAGHUNATH KAREKAR	ACS - 45125	WIRC	636	MS. PRIYANKA SATYWALI	ACS - 45196	NIRC
566	MS. SHABANA	ACS - 45126	NIRC	637	MS. TRISHILA AGRAHARI	ACS - 45197	NIRC
567	MR. KEDAR KASHINATH NATU	ACS - 45127	WIRC	638	MS. ANSHU CHOUHAN	ACS - 45198	NIRC
568	MR. DORAISWAMY KRISHNAMOORTHY	ACS - 45128	SIRC	639	MS. SHRUTI MAHAJAN	ACS - 45199	NIRC

640	MS. SANGEETA KUMARI BIRLA	ACS - 45200	NIRC	710	MR. MILIND MANOHARRAO SATFALE	ACS - 45270	WIRC
641	MS. POOJA JAIN	ACS - 45201	NIRC	711	MS. KAJAL VALLABH BHAI SUDANI	ACS - 45271	WIRC
642	MS. AKSHI KATARIA	ACS - 45202	NIRC	712	MS. NATASHA MANOJ KAPSE	ACS - 45272	WIRC
643	MR. GAGANDEEP SINGH	ACS - 45203	SIRC	713	MS. PRACHI ASHOK RATHORE	ACS - 45273	WIRC
644	MR. C KATHIRAVAN	ACS - 45204	SIRC	714	MS. KRUTI SATISHBHAI VYAS	ACS - 45274	WIRC
645	MR. T R RAMESH	ACS - 45205	SIRC	715	MS. RITU UMESH KUMAR RAVAL	ACS - 45275	WIRC
646	MR. PRATHAP C P	ACS - 45206	SIRC	716	MR. SHANU MATA	ACS - 45276	WIRC
647	MR. ASHWIN G R	ACS - 45207	SIRC	717	MS. KOYAL GEHANI	ACS - 45277	WIRC
648	MS. ANNAPOORNA KAMATH M	ACS - 45208	SIRC	718	MS. MOKSHA RAJESH SHAH	ACS - 45278	WIRC
649	MR. EMIL ALEX	ACS - 45209	SIRC	719	MS. PINKI SHARMA	ACS - 45279	WIRC
650	MR. PRASANNAKUMAR BHAGAVANTH BEDI	ACS - 45210	SIRC	720	MR. SATISH KUMAR RAMASHRAY PRAJAPATI	ACS - 45280	WIRC
651	MS. PREETHI S	ACS - 45211	SIRC	721	MS. TEJAL SUNIL SHAH	ACS - 45281	WIRC
652	MR. SWATHI KUMAR B.	ACS - 45212	SIRC	722	MS. POOJA PANKAJ SHAH	ACS - 45282	WIRC
653	MS. ASHWINI CHANABASAPPA BUDAPPANAVAR	ACS - 45213	SIRC	723	MS. DARSHITA YOGESHBHAI WAGHELA	ACS - 45283	WIRC
654	MS. ROJA PAUL AMBOOKEN	ACS - 45214	SIRC	724	MR. SHAH PARSHWA BHAVIKBHAI	ACS - 45284	WIRC
655	MS. JAGRATI MOTWANI	ACS - 45215	SIRC	725	MS. AASHKA MANOJ KUMAR MODI	ACS - 45285	WIRC
656	MR. JOJO MATHEW	ACS - 45216	SIRC	726	MS. ASHWINI VIJAY KUMAR RATHI	ACS - 45286	WIRC
657	MR. AKSHAY THATTARAKAL	ACS - 45217	SIRC	727	MR. PRITESH NARANDAS BETAI	ACS - 45287	WIRC
658	MS. CHARMY HARISH VARIA	ACS - 45218	WIRC	728	MS. RUKSAR SALIMBAI DAKWALA	ACS - 45288	WIRC
659	MR. AADITYA NANDKUMAR MAHADIK	ACS - 45219	WIRC	729	MR. UMESH VIDYADHAR CHINCHAWADE	ACS - 45289	WIRC
660	MR. CHINTAN PANKAJ SHAH	ACS - 45220	WIRC	730	MS. AANCHAL BEDI	ACS - 45290	WIRC
661	MR. MAHESHKUMAR BHIVRAJ SHARMA	ACS - 45221	WIRC	731	MS. VAISHALI R UPADHYAY	ACS - 45291	WIRC
662	MS. SONAM SOMANI	ACS - 45222	EIRC	732	MR. RAVI PRAVIN NISAR	ACS - 45292	WIRC
663	MS. ESHA SINHA	ACS - 45223	SIRC	733	MS. JINAL DILIPBHAI DOSHI	ACS - 45293	WIRC
664	MS. AKANSHA GUPTA	ACS - 45224	NIRC	734	MR. AKHALESH SAHU	ACS - 45294	WIRC
665	MS. KOMAL GALANI	ACS - 45225	NIRC	735	MS. HENA KETAN SHAH	ACS - 45295	WIRC
666	MS. BHARTI JANGID	ACS - 45226	NIRC	736	MS. ANITTHA R	ACS - 45296	SIRC
667	MS. GARIMA JHALANI	ACS - 45227	NIRC	737	MS. SNEHAL KAMALAKAR SAWANT	ACS - 45297	WIRC
668	MS. ANKITA JAIN	ACS - 45228	WIRC	738	MS. VAISHALI GUPTA	ACS - 45298	NIRC
669	MS. AMRITA KUMARI BAPNA	ACS - 45229	NIRC	739	MS. B VIDYA LAKSHMI	ACS - 45299	SIRC
670	MS. KRATIKA PAREEK	ACS - 45230	NIRC	740	MR. KUMAR S	ACS - 45300	SIRC
671	MS. NEETI ALWANI	ACS - 45231	NIRC	741	MS. SHWETA SUNDARIA	ACS - 45301	SIRC
672	MS. DIVYA RATHI	ACS - 45232	NIRC	742	MR. RAM PRASAD M N	ACS - 45302	SIRC
673	MR. AKASH PHALSWAL	ACS - 45233	NIRC	743	MR. ABHISHEK REDDY RACHUR	ACS - 45303	SIRC
674	MS. SUDHA MALPANI	ACS - 45234	SIRC	744	MR. AVDHESH KUMAR VARSHNEY	ACS - 45304	NIRC
675	MS. AMALA S MAKAM	ACS - 45235	SIRC	745	MR. SHIV PAL	ACS - 45305	NIRC
676	MR. BONNY BOPIAIAH K B	ACS - 45236	SIRC	746	MR. MAHESH PUROHIT	ACS - 45306	WIRC
677	MR. MUKESH KUMAR TIWARI	ACS - 45237	WIRC	747	MR. MUNJAL GHANSHYAM DHANANI	ACS - 45307	WIRC
678	MS. HEERAL MAHESH GONDALIA	ACS - 45238	WIRC	748	MS. ADITI PATNAIK	ACS - 45308	EIRC
679	MR. SONU VERMA	ACS - 45239	WIRC				
680	MR. KARTIK VISWANATHAN	ACS - 45240	WIRC				
681	MS. KRUTIKA PRAFUL DESAI	ACS - 45241	WIRC				
682	MR. MAYANK MAHESHWARI	ACS - 45242	WIRC				
683	MR. RAHUL SARJERAO GAIKWAD	ACS - 45243	WIRC				
684	MS. ANURADHA ASHOK KUMAR TIWARI	ACS - 45244	WIRC				
685	MS. JANHAVI ATUL SAWANT	ACS - 45245	WIRC				
686	MR. SAHIVE ALAM KHAN	ACS - 45246	WIRC				
687	MS. PRITI DALVI	ACS - 45247	WIRC				
688	MS. ARPITA SURESH SHAH	ACS - 45248	WIRC				
689	MS. SIDDHI SAMIR MEHTA	ACS - 45249	WIRC				
690	MS. POOJA ADHIKARI	ACS - 45250	WIRC				
691	MS. GUNAALAM KHURANA	ACS - 45251	SIRC				
692	MS. PRIYANKA JAIN	ACS - 45252	WIRC				
693	MS. RADHIKA PURUSHOTTAM HULAUALE	ACS - 45253	WIRC				
694	MS. RASHMI KISHOR MHASKE	ACS - 45254	WIRC				
695	MR. MUSAB DASTGIR SHAIKH	ACS - 45255	WIRC				
696	MR. MANDAR DEEPAK AWASARE	ACS - 45256	WIRC				
697	MS. STUTI KISHORE MARU	ACS - 45257	WIRC				
698	MR. SANDESH SAKHARAM BARASKAR	ACS - 45258	WIRC				
699	MS. SHAHANA ISTAK KHAN	ACS - 45259	WIRC				
700	MR. RAMESHKUMAR PANNALAL SUTHAR	ACS - 45260	WIRC				
701	MS. KAVITA NAMDEV SHARMA	ACS - 45261	WIRC				
702	MS. ANKITA DINESHKUMAR SONI	ACS - 45262	WIRC				
703	MR. SAMBHAV SHRIVASTAVA	ACS - 45263	WIRC				
704	MS. STEFFI K BINOY	ACS - 45264	WIRC				
705	MS. JADHAV ANUJA KAILAS	ACS - 45265	WIRC				
706	MS. NIRALI HARESH SHAH	ACS - 45266	WIRC				
707	MR. MEHTA YASH HINESHKUMAR	ACS - 45267	WIRC				
708	MS. POORVI SAMAIYA	ACS - 45268	WIRC				
709	MR. VINEET SHRIKANT PARANJAPE	ACS - 45269	WIRC				

## MEMBERS RESTORED\*

Sl.No.		ACS/FCS No.	Name	Region
1	A	35380	ANU SHARMA	NIRC
2	A	5806	UPENDRA GOEL	NIRC
3	A	12473	RAJENDRA A PAWAR	WIRC
4	A	13488	SHARAD AGRAWAL	NIRC
5	A	27255	KIRTI TEJKARAN KOTHARI	WIRC
6	A	30928	ARCHIT AGARWAL	NIRC
7	A	23429	AKSHAYA KUMAR PANDA	EIRC
8	A	15624	NATARAJAN HARITHEERTHAM	WIRC
9	A	26379	B THAMIZH SELVAN	SIRC
10	A	6532	M N PALEKAR	WIRC
11	A	17077	KISHOR KUMAR KAPOOR	NIRC
12	A	16256	AARTI ARORA	NIRC
13	A	6012	MOHAN LAL NAGDA	NIRC
14	A	11657	SANJAY KUMAR GUPTA	NIRC
15	A	22459	MANISH KUMAR TIWARI	EIRC
16	A	9722	K B V L NARASIMHAM	SIRC
17	A	22725	GURPREET SINGH	NIRC
18	A	11112	INDRAJYOTI BOSE	EIRC
19	A	26446	SUMANT KHEDEKAR	WIRC
20	A	38327	AYUSHI SHARMA	NIRC
21	A	25150	SAURABH MISRA	NIRC
22	A	22818	SWAPNA APURVA RANADE	WIRC
23	F	7214	RAKESH KUMAR PRUSTI	NIRC
24	A	15760	GARIMA GOEL	SIRC
25	A	10790	KALYAN GHOSH	NIRC
26	A	33478	NIDHI BANSAL	NIRC

\*Restored from 01.04.2016 to 30.04.2016.

27	A	26335	SONALI MAHESHWARI	NIRC	52	MR. RONAK VIJAYBHAI AADESHRA	ACS - 41899	WIRC	16242
28	A	19427	SUNIL KUMAR CHOUDHURY	SIRC	53	MS. SHILPY JAISWAL	ACS - 41239	WIRC	16243
29	A	10293	GHANSHYAM KAUSHIK	NIRC	54	MS. HEENA KHURANA	ACS - 41549	NIRC	16244
<b>Certificate of Practice**</b>									
SL. No.	NAME	MEMB NO	COP NO.	REGION					
1	MS. RAMADEVI R IYER	FCS - 4592	WIRC	16190	55	MS. MADHURIMA SANE	ACS - 44449	SIRC	16245
2	MR. MUFFADDAL ASGARALI	ACS - 30840	WIRC	16191	56	MS. SONAM AGARWAL	ACS - 41973	EIRC	16246
3	MS. KIRAN KUMARI	ACS - 32855	NIRC	16192	57	MS. SHIWANI MAHESHWARI	ACS - 42718	NIRC	16247
4	MS. PRACHI SANJAYBHAI SHAH	ACS - 39300	WIRC	16193	58	MR. AKASH SHETTY	ACS - 42324	SIRC	16248
5	MR. NAKKA VENKATESHWAR RAO	ACS - 40884	SIRC	16194	59	MR. VISHAL MISHRA	ACS - 43036	NIRC	16249
6	MS. ABHILASHA MUKESH RAJANI	ACS - 41898	WIRC	16195	60	MS. ANJALI NARULA	ACS - 43234	EIRC	16250
7	MR. HASNAIN SAJJADHUSSAIN KALWANI	ACS - 43446	WIRC	16196	61	MR. AZAD SINGH YADAV	ACS - 43305	NIRC	16251
8	MS. SHIKHA AGGARWAL	ACS - 43574	NIRC	16197	62	MS. POORVA MUKUND ARANKALLE	ACS - 43442	WIRC	16252
9	MS. KHUSHBOO BANSAL	ACS - 43610	NIRC	16198	63	MS. SONAM JAIN	ACS - 43566	NIRC	16253
10	MS. ATIKA AGARWAL	ACS - 43670	NIRC	16199	64	MS. JYOTI GARG	ACS - 43672	NIRC	16254
11	MS. MANISHA JAIN	ACS - 43864	NIRC	16200	65	MS. SEEMA KUNDU	ACS - 43715	NIRC	16255
12	MS. SHIKHA HITENDRA PATEL	ACS - 43955	WIRC	16201	66	MS. STUTI SAXENA	ACS - 44149	NIRC	16256
13	MR. NITESH GOEL	ACS - 43971	NIRC	16202	67	MR. ADVITIYA VYAS	ACS - 44150	NIRC	16257
14	MR. RAJAT KASLIWAL	ACS - 44052	NIRC	16203	68	MS. SONAL POPLI	ACS - 44167	NIRC	16258
15	MS. MONIKA BHANDARI	ACS - 44166	NIRC	16204	69	MS. NISHA KUMARI	ACS - 44218	NIRC	16259
16	MR. SATISH UPPALAPATI	ACS - 44306	SIRC	16205	70	MR. VINOTH JAGADEESAN	ACS - 44273	SIRC	16260
17	MR. ROHIT RAVIKIRAN KULKARNI	ACS - 33568	WIRC	16206	71	MR. SURESH MARPU	ACS - 44304	SIRC	16261
18	MR. TRIBHUWNESHWAR KAUSHIK	ACS - 37322	WIRC	16207	72	MS. SMITHA AITHAL	ACS - 44329	SIRC	16262
19	MR. MUDASSIR AHMAD PADDER	ACS - 38942	NIRC	16208	73	SH. SATISH CHANDRA JAIN	FCS - 4070	WIRC	16263
20	MR. SACHIN KUMAR	ACS - 40575	NIRC	16209	74	MS. RACHITA GOHIL	ACS - 31302	WIRC	16264
21	MS. RACHANA JAYANTILAL MARU	ACS - 41825	WIRC	16210	75	MS. SHABINA FATIMA	ACS - 43129	NIRC	16265
22	SH. RAMESH YEDLURI	ACS - 12464	SIRC	16211	76	MS. REENA ROY	ACS - 44278	NIRC	16266
23	MR. RAKESH KHATRI	ACS - 31439	WIRC	16212	77	MR. VIKRAM RAVINUTHALA	ACS - 44361	SIRC	16267
24	MR. ROHIT PRAKASH PRIT	ACS - 33602	EIRC	16213	78	MR. SHAILESH KUMAR TIWARY	ACS - 44387	EIRC	16268
25	MS. DEEPA MALIK	ACS - 35664	NIRC	16214	79	MR. KAMAL GURNANI	ACS - 44400	NIRC	16269
26	MS. NEHA OJHA	ACS - 36822	NIRC	16215	80	MR. SHASHANK SHEKHAR DUBEY	ACS - 44414	NIRC	16270
27	MS. POOJA JAIN	ACS - 38495	EIRC	16216	81	MR. HRUSHIKESH AUDUMBAR TABE	ACS - 44442	WIRC	16271
28	MR. HARPREET SINGH MUCHHAL	ACS - 41052	NIRC	16217	82	MS. REENA	ACS - 33044	NIRC	16272
29	MS. CHANDNI AGARWAL	ACS - 42292	EIRC	16218	83	SH. SUBRATA PANDA	FCS - 7083	NIRC	16273
30	MR. ASHISH MAHAWAR	ACS - 44147	EIRC	16219	84	SH. ANKIT SINGHI	ACS - 20642	NIRC	16274
31	MR. RAJEEV RANJAN	ACS - 42840	EIRC	16220	85	MR. NITESH CHOUDHARY	ACS - 28511	WIRC	16275
32	MS. ANU MALHOTRA	ACS - 39971	NIRC	16221	86	MR. NITESH LATWAL	ACS - 32109	NIRC	16276
33	SH. PAWAN KUMAR MISHRA	FCS - 4305	NIRC	16222	87	MR. ANKIT GUPTA	ACS - 33245	NIRC	16277
34	MS. DEEPIKA AGARWAL	ACS - 19588	WIRC	16224	88	MR. ANKIT MEDATWAL	ACS - 35420	WIRC	16278
35	MS. SWATI KHATTER	ACS - 40594	NIRC	16225	89	MR. SANJEEV SHARMA	ACS - 38027	NIRC	16279
36	MR. IYAPPAN KANNAN	ACS - 40603	SIRC	16226	90	MR. VIVEK KUMAR SHARMA	ACS - 38127	EIRC	16280
37	MR. HARIKRISHNAN MUNDANCHERY	ACS - 42281	SIRC	16227	91	MR. ABHINAV GARG	ACS - 39239	NIRC	16281
38	MS. DIVYA JAIN	ACS - 42795	NIRC	16228	92	MR. SMIT KUMAR	ACS - 39431	NIRC	16282
39	MR. ANKIT RANA	ACS - 43144	NIRC	16229	93	MS. DEEPIKA K	ACS - 40527	SIRC	16283
40	MS. PRIYANKA HARSHADBHAI VALAND	ACS - 43191	WIRC	16230	94	MR. SOHAL YADAV	ACS - 40906	NIRC	16284
41	MS. Aaftab FATEMA	ACS - 43515	NIRC	16231	95	MS. RASHMI S	ACS - 41127	SIRC	16285
42	MR. SIDHARTH YADAV	ACS - 35095	NIRC	16232	96	MS. RINKI AGARWAL	ACS - 42344	NIRC	16286
43	SH. E S SRESHTA	ACS - 4517	SIRC	16233	97	MR. JOTANIYA SAHUL NATAVARBHAI	ACS - 43006	WIRC	16287
44	SH. NAUBAHAR SINGH	ACS - 18202	NIRC	16234	98	MR. ASHISH GUPTA	ACS - 43401	NIRC	16288
45	SH. SHAILESH KUMAR SINGH	ACS - 21211	NIRC	16235	99	MR. ROHIT GUPTA	ACS - 43486	EIRC	16289
46	MRS. DIVYA JALLA	ACS - 29631	SIRC	16236	100	MR. NISHANT BALKRISHNA OVHAL	ACS - 43917	WIRC	16290
47	MS. PARUL GUPTA	ACS - 29939	NIRC	16237	101	MS. RUCHI	ACS - 43932	NIRC	16291
48	MS. ADITI PRATIK SHAH	ACS - 32209	EIRC	16238	102	MS. ANJALI SINGH	ACS - 44103	NIRC	16292
49	MR. PRAKASH KUMAR SHAW	ACS - 32895	EIRC	16239	103	MS. NEHA JAIN	ACS - 44178	NIRC	16293
50	MR. SAILENDRA KUMAR JHA	ACS - 35394	NIRC	16240	104	MS. JANAKI SHINKRE	ACS - 44181	WIRC	16294
51	MS. HEENABEN DEVENDRABHAI PATEL	ACS - 40323	WIRC	16241	105	MR. ASHWIN ASHOK AHIR	ACS - 44257	WIRC	16295
					106	MS. SHIWANGI BHIMRAJKA	ACS - 44348	EIRC	16296
					107	MS. VIDYA SRIDHARAN	ACS - 44354	SIRC	16297
					108	MR. RAGHAVENDRA REDDY BANA	ACS - 44356	SIRC	16298
					109	MS. SUNITA RAJKUMAR NANDWANI	ACS - 44454	WIRC	16299

\*\*Issued during the month of April, 2016.



# Company Secretaries Benevolent Fund



## MEMBERS ENROLLED REGIONWISE AS LIFE MEMBERS OF THE COMPANY SECRETARIES BENEVOLENT FUND\*

Region	LM No.	Name	Membership No.	City	Region	LM No.	Name	Membership No.	City
<b>EIRC</b>					31	11274	MR. RAGHAVENDRA RAO DOGIPARTHI	ACS - 31363	HYDERABAD
1	11284	MR. RAJU PATRO	ACS - 37271	JAMSHEDPUR	32	11276	MR. K CHAKRAVARTHI CHALLAGALI	ACS - 38026	HYDERABAD
2	11308	SH. NEERAJ KUMAR PANDEY	ACS - 18031	KOLKATA	33	11278	MR. DINIL T B	ACS - 27674	ERNAKULAM
3	11320	SH. SAMARENDRA MAHAPATRA	ACS - 14354	KOLKATA	34	11280	MR. RAJU NETHAVATH	ACS - 37315	WARANGAL
<b>NIRC</b>					35	11281	DR. M CHANDRASEKARAN	ACS - 44832	CHENNAI
4	11270	MR. SANJEEV SHARMA	ACS - 38027	MOHALI	36	11283	MR. RAJAPANDIAN S	ACS - 44502	DINDUGAL DISTT.
5	11271	SH. SUMIT SINGH	ACS - 18004	LUCKNOW	37	11286	MS. KORINI LAXMI LAVANYA	ACS - 44953	HYDERABAD
6	11277	MR. NAYAN GUPTA	ACS - 38481	ALIGARH	38	11287	MR. S SHANMUGAVEL	ACS - 44946	CHENNAI
7	11285	MS. PRERNA GUPTA	ACS - 44921	DELHI	39	11288	MS. D ANUSHA	ACS - 44882	HYDERABAD
8	11293	SH. VIVEK KUMAR	ACS - 21295	NEW DELHI	40	11290	MR. MANU POTHAN	ACS - 34611	PALAKKAD
9	11295	MS. MANISHA DHANIWALA	ACS - 41533	DELHI	41	11291	MR. AMIT AJIT CHOUGULE	ACS - 38165	BELGAUM
10	11296	MS. MANISHA SURANA	ACS - 41158	DELHI	42	11306	MR. SANTHOSHKUMAR REDDY MEDA	ACS - 45045	MANCHERIAL
11	11297	MS. SHRISTHI GUPTA	ACS - 37728	GHAZIABAD	43	11307	MR. PHANI DATTA D N	ACS - 37212	MYSORE
12	11298	MS. AKANSHA GOEL	ACS - 38343	DELHI	44	11311	MS. ANITHA CHINNAIYA	ACS - 32953	CHENNAI
13	11299	MR. ABHISHEK	ACS - 36677	GHAZIABAD	45	11313	MR. SANTOSH DATTATRAYA HEGDE	ACS - 38251	UTTARA KANNADA
14	11300	MR. LAKHAN GUPTA	ACS - 36583	NEW DELHI	46	11317	MR. PRASANNAKUMAR BHAGAVANTH BEDI	ACS - 45210	BANGALORE
15	11301	MR. SHASHIKANT TIWARI	ACS - 28994	DELHI	47	11326	MR. RAJESH N	ACS - 26442	MYSORE
16	11302	MR. RAVI KUMAR MISHRA	ACS - 43076	FARIDABAD	48	11327	MR. BIBIN M CHERIAN	ACS - 32866	KOTTAYAM
17	11304	MR. PAVAN KUMAR MISHRA	ACS - 40301	KASGANJ DISTT	<b>WIRC</b>				
18	11305	MR. HITESH KUMAR DROLIA	ACS - 33286	JHAJJAR DISTT	49	11272	MR. GOPAL RUKIYA KADAWAT	ACS - 32687	PUNE
19	11310	MR. SAJU PHILIP MANALEL	FCS - 7712	DELHI	50	11275	MS. MEENAKSHI SHARMA	ACS - 33826	BHOPAL
20	11312	MR. VAIBHAV GUPTA	ACS - 30490	KANPUR	51	11279	MR. HIMANSHU NAVINCHANDRA PARMAR	ACS - 32574	VADODARA
21	11314	MR. DINESH AGGARWAL	ACS - 28513	DELHI	52	11282	MR. PAL LAL BAHADUR	ACS - 40812	MUMBAI
22	11315	MS. RINKI AGARWAL	ACS - 26423	NEW DELHI	53	11289	MR. CHAITANYA VASANT POL	ACS - 44788	INDORE
23	11316	MS. RUPALI KUKREJA	ACS - 44154	SONEPAT	54	11292	MR. MAHESH MUKUNDRAI TANNA	ACS - 42692	MUMBAI
24	11318	MR. AKSHAT GARG	ACS - 22637	GHAZIABAD	55	11294	MR. KETAN KUMAR GUPTA	ACS - 42729	RAIPUR
25	11319	MR. VIKAS GANDHI	ACS - 35924	SONEPAT	56	11303	MS. BASUDHA BINANI	ACS - 44705	THANE WEST
26	11321	MS. TINA SAMUEL	ACS - 36415	NEW DELHI	57	11309	MR. BABURAO MARUTI TUPARE	ACS - 30195	PUNE
27	11325	SH. MANISH TULLY	FCS - 8117	NEW DELHI	58	11322	MR. ASHISH MAHENDRAKUMAR SHAH	ACS - 45074	BHAYANDER
<b>SIRC</b>					59	11323	MRS. POOJA MAYANK JAIN	FCS - 8160	MUMBAI
28	11268	MR. V RAMRAJ VITTAL	ACS - 28390	COIMBATORE	60	11324	MR. MILIND JANAK GUJAR	ACS - 33432	NASHIK
29	11269	MS. SHILPA VEERESH H M	ACS - 30611	BANGALORE					
30	11273	SH. JASMINDER SINGH SARDAR	ACS - 20640	HYDERABAD					

\*Enrolled during the period from 21/04/2016 to 20/05/2016.

**FORM – D**  
**APPLICATION FOR THE ISSUE/RENEWAL/RESTORATION**  
**OF CERTIFICATE OF PRACTICE**  
**See Reg. 10, 13 & 14**

To  
 The Secretary to the Council of  
 The Institute of Company Secretaries of India  
 'ICSI HOUSE', 22, Institutional Area, Lodi Road, New Delhi  
 -110 003  
 Sir,

I furnish below my particulars :

(i) Membership  
 Number FCS/ACS:

(ii) Name in full  
 (in block letters) Surname Middle Name Name

(iii) Date of Birth:

iv) Professional  
 Address:

(v) Phone Nos. (Resi.) (Off.)

(vi) Mobile No Email id

(vii) Website of the member, if any

(viii) Additions to or change in qualifications, if any

Submitted for (tick whichever is applicable):  
 (a) Issue \_\_\_\_\_ (b) Renewal \_\_\_\_\_ (c)  
 Restoration \_\_\_\_\_

(a) Particulars of Certificate of Practice issued / surrendered/  
 Cancelled earlier

Sl. No.	Certificate of Practice No.	Date of issue of CP	Date of surrender / Cancellation of CP

(b) Unique Code Number  
 (i) Individual/Proprietorship concern (ii) Partnership firm

3. Area of Practice

Sl. No.	Area of Practice	Please tick (If Applicable)
1	Corporate Law	
2	Financial Service and Consultancy	
3	Securities/Commodities Exchange Market	
4	Finance including Project/Working Capital/Loan Syndication(Specify the areas handling)	
5	Corporate Restructuring (Handling Merger, acquisitions, demerger issues etc). Specify the areas handling as drafting of scheme, appearing before various regulatory bodies for approval of scheme, getting the scheme implemented, legal compliances with various regulatory bodies etc)	
6	Excise/CUSTOMS (Filling of returns, Handling assessment, appearing before the appellate authority)	
7	Sales Tax/VAT Practice (Filling of returns, Handling assessment, appearing before the appellate authority)	

8	Income Tax Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
9	Company Law Practice (Filling of returns, Handling assessment, appearing before the appellate authority)		
10	Foreign Exchange Management (Specify the areas being handled i.e. filling of various forms/returns, appearing before RBI etc)		
11	Foreign Collaborations & Joint Ventures		
12	Intellectual Property Rights (Specify the areas being handled)		
13	Depositories		
14	Monopolies/Restrictive Trade Practices/Competition Law		
15	Consumer Protection Laws		
16	Arbitration and Conciliation		
17	Import and Export Policy & Procedure		
18	Environment Laws(Specify the areas)		
19	Labour & Industrial Laws (Specify the areas)		
20	Societies/Trusts/Co-operative Societies & NCTs (Non Co-operative Trust Societies)		
21	Financial Consultancy		
22	Other Economic Laws		
23	SEBI / Securities Appellate Tribunal		
24	Banking and Insurance		
25	Any Other Service (Please specify)		

4. i. I state that I am/shall be engaged in the profession of Company Secretary only on whole-time basis and not in any other profession, business, occupation or employment. I am not enrolled as an Advocate on the rolls of any Bar Council and do not hold certificate of practice from any professional body including ICAI and the ICWAI.
- ii. I state that as and when I cease to be in practice, I shall duly inform the Council and shall surrender forthwith the certificate of practice as required by the Company Secretaries Act, 1980, and the regulations made thereunder, as amended from time to time.
- iii a. I hereby undertake that, I shall adhere to the mandatory ceiling as regards issuing of Secretarial Audit Report (pursuant to Section 204 of the Companies Act, 2013) and certification/ signing of Annual Return (pursuant to Section 92 of the Companies Act, 2013) in terms of the GUIDELINES FOR ISSUING SECRETARIAL AUDIT REPORT, SIGNING AND CERTIFICATION OF ANNUAL RETURN respectively issued by the Institute from time to time.
- iii b. Accordingly, I state that I have issued \_\_\_\_\_ Secretarial

Audit Report and certified \_\_\_\_\_ Annual Returns during the financial year 2015-16\*.

- iv. I state that I have issued / did not issue \_\_\_\_\_ advertisements during the year 20\_\_ in accordance with the **Guidelines for Advertisement by Company Secretary in Practice** issued by the Institute\*.
- v. I state that I issued \_\_\_\_\_ Corporate Governance compliance certificates under Clause 49 of the Listing agreement during the year 20\_\_\_\_ ... \*
- vi. I state that I have / have not undertaken \_\_\_\_\_ Audits under Section 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 during the year 20... - ... \*
- vii. I state that I have / have not maintained a register of attestation/certification services rendered by me/my firm in accordance with the **Guidelines for Requirement of Maintenance of a Register of Attestation/Certification Services Rendered by Practising Company Secretary/ Firm of Practising Company Secretaries** issued by the Institute\*.
- viii. I hereby declare that I have complied with KYC norms issued by the Council of the ICSI.
- ix. I undertake to subject myself to peer review as and when directed by the Peer Review Board.
5. I send herewith Bank draft drawn on \_\_\_\_\_ Bank \_\_\_\_\_ Branch bearing No. \_\_\_\_\_ dated \_\_\_\_\_ / online payment vide acknowledgement No. \_\_\_\_\_ dated \_\_\_\_\_ / Cash payment at ROs/Chapters vide Acknowledgement No. \_\_\_\_\_ dated \_\_\_\_\_ for Rs. \_\_\_\_\_ towards annual certificate of practice fee for the year ending 31st March \_\_\_\_\_.
6. I hereby declare that I attended the following professional development programmes held during the financial year \_\_\_\_\_:

Sr. No.	Name of Programme	Organised by	Place	Date	Duration*	No. of Program Credit Hours Secured**	Details of Certificate for Program Credit Hours ***

\* Please specify whether full day/half day/number of hour

\*\* Extra sheet can be attached....

\*\*\* The extracts from ICSI portal about the Credit hours with self certification

7. I further declare that the particulars furnished above are true and correct.

Yours faithfully,

(Signature)

Place:

Date :

\*\*\*Encl.

\* Applicable in case renewal or restoration of Certificate of

Practice

\*\* Rs. 1000/- Annual Certificate of Practice Fee (Rs. 500/- if applied during October-March)

\*\*\*

- Copy of the relieving letter in case earlier in employment.
- Copy of Form DIR 12 regarding cessation of employment in case working earlier as Company Secretary.
- Copy of letter of cancellation of Certificate of Practice of other professional bodies if applicable.

## Attention Members - Online donation to CSBF on a click now

For making donations to CSBF online, please click [www.icsi.in/ICSIDonation](http://www.icsi.in/ICSIDonation) You may also visit ICSI website [www.icsi.edu](http://www.icsi.edu) and click at "For donations to CSBF – click here".

For queries if any, you may write or call-

(Mr. Saurabh Bansal)

Executive, CSBF cell

ICSI House, 22 Institutional Area

Lodi Road, New Delhi – 110003

Phone: 011-45341088, Fax: 011-24626727

Email: [saurabh.bansal@icsi.edu](mailto:saurabh.bansal@icsi.edu)

[csbf@icsi.edu](mailto:csbf@icsi.edu)

Note: Donation to the CSBF qualifies for the deduction under section 80G of the Income Tax Act, 1961. The online receipt serves this purpose as well.

## PAYMENT OF ANNUAL LICENTIATE SUBSCRIPTION FOR THE YEAR 2016-2017

The annual Licentiate subscription for the year 2016-2017 will become due for payment w.e.f 1st April, 2016. The last date for payment of same is 30th June, 2016. The annual Licentiate subscription payable is Rs.1,000/- per year.

You are requested to remit at the Institute's Headquarters or Regional/ Chapter offices a sum of Rs.1000/- (Rupees One thousand only) by way of Demand Draft payable at New Delhi or cheque at par drawn in favour of "The Institute of Company Secretaries of India" indicating your name and Licentiate number on the reverse of the Demand Draft/ Cheque and the details of remittance may please be intimated at email id [licentiate@icsi.edu](mailto:licentiate@icsi.edu).



## List of Practising Members Registered For The Purpose of Imparting Training During The Month of April, 2016

ABHIJIT VISHWANATH GINIMAV  
# 535, GROUND FLOOR, 64TH CROSS, 5TH BLOCK,  
RAJAJINAGAR Pincode:560010, BANGALORE

AEJAZ AHMED  
# 10/1, 1ST FLOOR, 1ST MAIN, MUNISWAMAPPA  
LAYOUT, KAVALBYRASANDRA, R T NAGAR POST  
Pincode:560032, BANGALORE

ANKIT RANA  
24-KA-1, JYOTI NAGAR, Pincode:302004, JAIPUR

ANKITHA SUBRAMANIAN IYER  
OFFICE NO. 121, THE SUMMIT BUSINESS, BAY,  
ANDHERI KURLA ROAD, ANDHERI EAST Pincode:  
400093, MUMBAI

ASHISH KHANDELWAL  
8, RAMDASPURI, , PANKHA, KALWAR ROAD, ,  
JHOTWARA, Pincode:302012, JAIPUR

ASHWANI KUMAR DHIMAN  
B-4, 1ST FLOOR, ANAND TOWER, 33 HIRALAL MARG,  
RISHIKESH Pincode:249201, DEHRADUN DISTT

AVANI KIRTI VISARIYA  
A/1106, O2 COMMERCIAL COMPLEX, PLOT NO.23&24,  
OPP. ASHA NAGAR, MULUND (WEST) Pincode:400080,  
MUMBAI

DEEPAK SHARMA  
HOUSE NO. 275, , ST. NO. 6, SHIVPURI, VIJAY NAGAR,  
SECTOR -9 Pincode:201009, GHAZIABAD

DOLLY GAUR  
H.NO.1112, SECTOR-4, , Pincode:134112, PANCHKULA

GULSHAN KUMAR  
HOUSE NO. 1104, `B `BLOCK, JAHANGIR PURI  
Pincode:110033, DELHI

HARISH CHAWLA  
1ST FLOOR, C-12, HOTEL MALIK CONTINENTAL,  
VASANT KUNJ Pincode:110070, NEW DELHI

HARITA ISHWARBHAI SHAH  
G-5, CHIR TRUPTI APPT, BEHIND OLD HIGH COURT,  
NAVRANGPURA Pincode:380009, AHMEDABAD

JAANVI PARTH JOSHI  
A/5, OM SHREE LABH APARTMENT, TULSI BAUG NEAR  
VEERSAVARKAR, GARDEN OFF.L.T.ROAD BORIVALI (W)  
Pincode:400092, MUMBAI

JAY KIRITBHAI MEHTA  
409, JIMMY TOWER, OPP. SWAMI NARAYAN GURUKUL,  
GONDAL ROAD Pincode:360004, RAJKOT

JITENDRA JANGID  
46, KUMAWAT COLONY, AJMER ROAD, SODALA  
Pincode:302006, JAIPUR

K M PRAVEEN KUMAR  
SHANKER MUTT ROAD, RAGHAVENDRA COLONY,  
MADHUGIRI, TUMKUR (D) Pincode:572132, BANGALORE

KAWAL KISHORE KHURANA  
A-5 CHOTTEY LAL PARK, 1ST FLOOR, KIRTI NAGAR,  
(OPP. METRO PILLAR NO. 340) Pincode:110015, NEW  
DELHI

KIRAN PRAFULKUMAR DOSHI  
C/003, SONI PARK BUILDING, CHIKUWADI, BORIVALI  
(WEST) Pincode:400092, MUMBAI

LALCHAND KUMAWAT  
B-230, MALVIYA NAGAR, , Pincode:302017, JAIPUR

MANISH JAIN  
PLOT NO. HB-5A, GROUND FLOOR, RAM NAGAR -H,  
NEW SANGANER ROAD, SODALA Pincode:302019,  
JAIPUR

MANJU BALARAM BATHAM  
D-48/FLAT NO. 001, NIRMAL BUILDING, SECTOR 5,  
SHANTINAGAR, MIRA ROAD (E) Pincode:401107, THANE  
DISTT

MANSI SAMDANI  
40, VARDHMAN COLONY, 2ND FLOOR STREET,  
Pincode:311001, BHILWARA

MD ISHTIYAQUE ANSARI  
2ND FLOOR, MARYAM MANZIL, LALA COMPOUND  
MOHAMMED SHAH LANE, DARIYAPUR Pincode:800004,  
PATNA

NAMRATA SHARMA  
5786/6, NEW CHANDRAWAL, NEAR KAMLA NAGAR  
Pincode:110007, DELHI

POOJA M KOHLI  
H NO 655 STREET NO 4, PREET NAGAR, DUGRI  
Pincode:141002, LUDHIANA

PREETI JAIN  
E-21/286-287, SECTOR 3, ROHINI Pincode:110085, DELHI

PRIYA WASON  
D 6/1, FIRST FLOOR, ARDEF CITY, SECTOR 52,  
Pincode:122001, GURGAON



PUNITA SAHAL  
D-5/334, SANGAM VIHAR, Pincode:110080, NEW DELHI

RAGHAV BANSAL  
133-A, POCKET -F, MIG FLATS, GTB ENCLAVE, OPP GTB  
HOSPITAL, Pincode:110093, DELHI

RAHUL JAIN  
34, SANGHVI VILLA, PANNA VIHAR, KHARA KUA  
Pincode:313001, UDAIPUR

RAJIV KUMAR  
S-193, PANDAV NAGAR, Pincode:110092, DELHI

RAMSWAROOP JAT  
2ND FLOOR, BALAJI KI BAGICHI, ROOPANGARH ROAD,  
Pincode:305801, MADANGANJ-KISHANGAH

RAVINDER KUMAR  
SCO 26, 2ND FLOOR, MUGAL CANAL, Pincode:132001,  
KARNAL

RIDDHI AGRAWAL  
ARMS & ASSOCIATES, 24 KA A, JYOTI NAGAR, JAIPUR  
Pincode:302004, JAIPUR

SANDEEP MEHRA  
29 & 30, 2ND FLOOR, POCKET 9, ROHINI  
Pincode:110085, DELHI

SANGEETA RANA  
PLOT NO. 9/2/7, VAISHALI, Pincode:201010, GHAZIABAD

SANYAM GOEL  
ADDRESS: 69, SECTOR-27, Pincode:122002, GURGAON

SARAL NAITHANI  
139-D, POCKET-B, DILSHAD GARDEN, Pincode:110095,  
DELHI

SAVYASACHI SUSHIL JOSHI  
67/6, SAKET BLDG, J B NAGAR, ANDHERI (EAST)  
Pincode:400059, MUMBAI

SHAJARUL HASAN  
J-4/56, K, FIRST FLOOR, KHIRKI EXTENSION, MALVIYA  
NAGAR Pincode:110017, NEW DELHI

SHANU AGRAWAL  
SARASWATI NIWAS, NARAYAN GANJ, UJHANI  
Pincode:243639, BUDAUN DISTT

SHEFALI BHARTI  
557/199, OM NAGAR, ALAMBAGH Pincode:226005,  
LUCKNOW

SHILPA TANTIA  
SF-3, VISHNU PALACE, AJRONDA CHOWK, Pincode:.,  
FARIDABAD

SHITAL DARAK MANDHANA  
203, SIRI ELEGANCE, 11TH MAIN, UTTARAHALLI MAIN

ROAD, Pincode:560061, BANGALORE

SHRAYA JAISWAL  
7A/140, KATWARIYA SARAI, Pincode:110016, NEW DELHI

SILPA SREERAM  
#504, MULTI SAPPHIRE APARTMENT, NEAR SRI RAMA  
TEMPLE, S G PALYA, NEAR PRESTIGE TOWERS  
Pincode:560029, BANGALORE

SURESH KUMAR GUPTA  
204 (II FLOOR)SILVER COMPLEX, , A-73, OPP. METRO  
PILLAR NO.60, NR NIRMAN VIHAR METRO STN, LAXMI  
NAGAR Pincode:110092, DELHI

SURYA PRAKASH PERUMALLA  
FLAT NO. 101, SAPTAGIRI RESIDENCY, 1-10-98/A,  
CHIKOTI GARDENS, BEGUMPET Pincode:500016,  
HYDERABAD

SWAPNEEL VINOD PATEL  
198/A, JAYA NIWAS, , GR. FLOOR, BLOCK-1, GUJARAT  
SOCIETY SION WEST Pincode:400022, MUMBAI

T DURGA PRASAD  
S-1, VASANTHAM APARTMENTS, 53-J, W BLOCK, 4TH  
STREET, ANNA NAGAR Pincode:600040, CHENNAI

TEJPAL SINGH  
843/E LOHIYA GALI NO. 4, BABARPUR, SHAHDARA  
Pincode:110032, DELHI

TEJRAM DASHRATH PADOLE  
PLOT NO. 21-A, RAMANA MAROTI NAGAR,  
Pincode:440024, NAGPUR

VASUDEV BINDURAO SAVALGI  
FLAT NO. C-404, HUBTOWN, COUNTRYWOODS,  
TIEKAR NAGAR, S.NO. 45, OFF KAJRAJ- KONDHWA  
ROAD, KUNDHWA (RK) Pincode:411048, PUNE

VIJESH KUMAR  
SCO 26, 2DN FLOOR, MUGAL CANAL, Pincode:132001,  
KARNAL

YASHLOK DUBEY  
160, BASEMENT, VINOBA PURI, LAJPAT NAGAR II,  
Pincode:110024, NEW DELHI

YOGESH VIJAY JOSHI  
56, BRAHMIN LANE, OPP VETAL TEMPLE, SHAHAPUR,  
Pincode:421601, DIST. THANE

YOGINA KOCHAR  
20/5C, ARMENIAN STREET, FIRST FLOOR, Pincode:  
700001, KOLKATA



## List of Companies Registered for Imparting Training during the month of April, 2016

ADITYA BIRLA HEALTH INSURANCE COMPANY LTD  
A-4 ADITYA BIRLA CENTRE, S K AHIRE MARG, WORLI MUMBAI  
- 400 030

AGARWAL PACKERS AND MOVERS LIMITED  
49, GROUND FLOOR, EASTERN CHAMBER, 128/A, POONA  
STREET, DANA BUNDAR, MUMBAI

AMALGAMATED PLANTATIONS PRIVATE LIMITED  
1 BISHOP LEFROY ROAD, KOLKATA

AMBUJA NEOTIA HOLDINGS PRIVATE LIMITED  
216 AJC BOSE ROAD, KOLKATA

ARDEE FINVEST PVT LTD  
DR GOPAL DAS BHAWAN, 16 TH FLOOR, 28 BARAKHAMB  
ROAD, NEW DELHI-110001

BHOPAL E-GOVERNANCE LIMITED  
3RD FLOOR, AMBIENCE CORPORATE TOWER, AMBIENCE  
MALL AMBIENCE ISLAND, NATIONAL HIGHWAY NO. 8  
GURGAON

BOTHRA SHIPPING SERVICES PRIVATE LIMITED  
2, CLIVE GHAT STREET, SAGAR ESTATE, 2ND FLOOR, ROOM  
NO 10, KOLKATA

BRILLIANT ESTATES LIMITED  
BRILLIANT SOLITAIRE PLOT NO 6-A, SCHEME NO 78 PART  
II, INDORE

CREST PROMOTERS PRIVATE LIMITED  
PLOT NO. 01B, SECTOR 126, NOIDA-201303, (UP)

DAAJ HOTELS AND RESORTS PRIVATE LIMITED  
8-2-409, ROAD NO.6, BANJARA HILLS, HYDERABAD-500034

DREAM INDIA SOLUTIONS PRIVATE LIMITED  
B-401, LOTUS CORPORATE PARK, OFFW.E.HIGHWAY,  
JAYCOACH, MUMBAI

EATON POWER QUALITY PRIVATE LIMITED  
2 EVR STREET, SEDARAPET, PUDUCHERRY

ELECTRONICA FINANCE LIMITED  
128/A, PLOT NO. 3, KAILASHCHANDRA APARTMENTS, PAUD  
ROAD, KOTHRUD, PUNE

EQUITAS FINANCE LIMITED  
SPENCER PLAZA, 4TH FLOOR, PHASE II, NO. 769, ANNA  
SALAI, CHENNAI

GARHA GEARS LIMITED  
16 RACE COURSE ROAD, INDORE

HINDUSTHAN URBAN INFRASTRUCTURE LTD  
KANCHENJUNGA BLDG 7TH FLOOR, 18 BARAKHAMB  
ROAD, DELHI

INGRAM MICRO INDIA PRIVATE LIMITED  
5TH FLOOR, BLOCK B, GODREJ IT PARK, PIROJSHANAGAR,  
LBS MARG, VIKHROLI WEST, MUMBAI

JHARKHAND URJA SANCHARAN NIGAM LIMITED  
ENGINEERING BUILDING, H.E.C, DHURWA, RANCHI

JITF URBAN INFRASTRUCTURE LIMITED  
JINDAL ITF CENTRE, 28, SHIVAJI MARG, NEW DELHI

MADHYA PRADESH POORV KSHETRA VIDYUT VITARAN  
COMPANY LIMITED  
BLOCK NO.7, SHAKTI BHAWAN, RAMPUR, JABALPUR

MARYA DAY AGRO FOODS PRIVATE LIMITED  
CALIFORNIA CAMPUS, OPP. RATANDEEP COMPLEX, 97 CIVIL  
LINES, BAREILLY

NOVEX COMMERCIAL ENTERPRISES LIMITED  
S F 4 DEVPRIYA COMPLEX 2, OPP VISHAL RESIDENCY, NR  
ANANDNAGAR CROSS ROAD, SATELLITE, AHMEDABAD -  
380015

ODISHA STATE POLICE HOUSING & WELFARE CORPORATION  
LTD.  
JANAPATH, BHOINAGAR, BHUBANESWAR

OPPO MOBILES (RAJASTHAN) PRIVATE LIMITED  
503, 5TH FLOOR, MANGALAM JAIPUR ELECTRONIC MARKET,  
MANSAROVER LINK ROAD, GOPALPURA BYPASS, JAIPUR

PALKI FASHION PRIVATE LIMITED  
35, SUBURBAN SCHOOL ROAD, BHOWANIPUR, KOLKATA

PAN INDIA INFRAPROJECTS PRIVATE LIMITED  
135, CONTINENTAL BUILDING, DR. ANNIE BESANT ROAD,  
WORLI, MUMBAI - 40018

PURE BROKING PRIVATE LIMITED  
4TH FLOOR, OFFICE-402, MILESTONE LEONE, ATHWAGATE,  
NEAR JOLLY PLAZA, SURAT

RCJ INVESTMENT TRUST PRIVATE LIMITED  
505, PRAGATI DEEP BUILDING, DISTRICT CENTRE, LAXMI  
NAGAR, DELHI

RDC CONCRETE(INDIA)PRIVATE LIMITED  
VINMAR HOUSE 3RD FLOOR, A-41, MIDC ROAD NO. 2,  
ANDHERI (EAST) MUMBAI - 400093

RELIANCE HOME FINANCE LIMITED  
570 RECTIFIER HOUSE, NAIGAUM CROSS ROAD, WADALA,  
MUMBAI-400031

RELIGARE CAPITAL MARKETS LIMITED  
D3 P3B, DISTRICT CENTRE, SAKET, DELHI

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED  
605 SIXTH FLOOR, CENTRE POINT, J B NAGAR, ANDHERI  
EAST, MUMBAI

STEEL CITY SECURITIES LIMITED  
49-52-5/4, SHANTHIPURAM, VISAKHAPATNAM

TABLETS (INDIA) LIMITED  
NO 72, MARSHALLS ROAD, R A BUILDING, EGMORE, CHENNAI

UNIVERSAL COLLATERAL MANAGEMENT PRIVATE LIMITED  
103-103A, FIRST FLOOR, J D ARCADE, MEDICAL COLLEGE  
ROAD, JODHPUR

UTC FIRE & SECURITY INDIA LIMITED  
9TH FLOOR, MAGNUS TOWER, MINSPACE LINK ROAD,  
MALAD(W), MUMBAI 400064

ARFIN INDIA LIMITED  
B-302, 3RD FLOOR, PELICAN HOUSE, GUJARAT CHAMBER  
OF COMMERCE BUILDING, ASHRAM ROAD, AHMEDABAD

EBONY (INDIA) LTD  
OFFICE NO. C - 610, SIDDHI VINAYAK TOWERS, NR  
KATARIYA MOTERS, BH. DIVYA BHASKAR PRESS, MAKARBA,  
AHMEDABAD - 380051

ELLORA TRADING LTD  
A-307, 3RD FLOOR, TITANIUM CITY CENTER, NR SACHINE  
TOWER, 100 FT ROAD, SATELLITE, AHMEDABAD-380015

KONARK BUILDERS & DEVELOPERS LTD  
OFFICE NO. 711, DEV PRIME, NR DIVYABHASKAR, SG  
HIGHWAY, OPP. CORPORATE ROAD, PRAHLADNAGAR,  
AHMEDABAD

MAHAAN IMPEX LTD  
SHOP NO. T.F. 306, SARVOPARI MALL, OPP. UTASAV PARTY  
PLOT, NEAR BHUYANGDEV OCTROI NAKA, SOLA ROAD,  
AHMEDABAD

NORTH EASTERN CARRYING CORPORATION LIMITED  
"NECC HOUSE", 9062/47, RAM BAGH ROAD, AZAD MARKET,  
DELHI

NORTH EASTERN EXPORTERS LTD  
408, RADHA COMPLEX, ABOVE NATRAJ MEDICALS, NEAR  
NEELKANTH PALACE, ANAND NAGAR ROAD, AHMEDABAD

PUSHKAR BANIJYA LTD  
89, N. S. ROAD, 1ST FLOOR, KOLKATA-700001

REIL ELECTRICALS INDIA LIMITED  
8-2-409, ROAD NO.6, BANJARA HILLS, HYDERABAD-500034

THANGAMAYIL JEWELLERY LIMITED  
25/6 PALAMI CENTRE, III FLOOR, NEW NATHAM ROAD,  
MADURAI - 625014

VITESSE AGRO LIMITED  
B - 1205, 12TH FLOOR, TITANIUM CITY CENTRE BUILDING,  
ANANDNAGAR, 100 FT ROAD, SATELLITE, AHMEDABAD -  
380015

## Greetings & Congratulations




**Chartered Secretary greets and congratulates Shri Bhim Sain Bassi, an Indian civil servant and law enforcement officer and also a Member of the ICSI on his appointment as a Member of the Union Public Service Commission (UPSC) w.e.f. 31.5.2016. Earlier he was Commissioner of Police, Delhi.**




## NEWS FROM THE REGIONS


### EASTERN INDIA REGIONAL COUNCIL

Programme	QR Code/Web link
Full Day Seminar on "Insight on Annual Report - A Practical Approach" held on 28.5.2016 at Kolkata.	 <a href="https://www.icsi.edu/eiro/Archive.aspx">https://www.icsi.edu/eiro/Archive.aspx</a>
EIRC's Joint programme with its Chapters - Half Day Workshop at Deoghar on 22.05.2016.	
Study Circle Meeting on "Voting at General Meeting" held on 14.5.2016 at ICSI-EIRC House, Kolkata	
Campus Placement organised on 7.5.2016 at ICSI-EIRC House, Kolkata	
Half Day Workshop on 7.5.2016 at ICSI-EIRC House, Kolkata	
National Seminar on NCLT and NCLAT held on 23.4.2016 at Kolkata.	
Earth Day Celebrations at ICSI-EIRC House, Kolkata on 22.4.2016.	
Blood Donation Camp organised on 6.4.2016 at ICSI-EIRC House, Kolkata	
Programme on Compliance Management held on 2.4.2016 at Kolkata.	

### BHUBANESWAR CHAPTER

Programme	QR Code/Web link
Interactive session with President, the ICSI held on 8.5.2016 at Bhubaneswar	 <a href="https://www.icsi.edu/bhubaneswar/NewsEvents.aspx">https://www.icsi.edu/bhubaneswar/NewsEvents.aspx</a>
Webinar on Central Excise – Basic Concepts held on 13.5.2016	
Monthly webcast titled Precious You on 18.5.2016	


### HOOGHLY CHAPTER

Programme	QR Code/Web link
STUDY CIRCLE MEETINGS held on 10.4.2016 at Chapter premises on Practical Aspects with reference to New MCA Portal and MCA Filings and Discussion on Condonation and Compounding.	 <a href="https://www.icsi.edu/hooghly/Home/NewsEventsandAnnouncements.aspx">https://www.icsi.edu/hooghly/Home/NewsEventsandAnnouncements.aspx</a>
FULL-DAY WORKSHOP ON Changes in The Companies (Amendment) Bill, 2016 with Special Focus on Issue of Securities, Related Party Transaction, Sec.185 & 186, Deposits and Other Amendments Thereon held at Chapter premises on 8.5.2016	
FULL-DAY WORKSHOP held on 8.5.2016 covering topics "Role of Company Secretaries in Emerging Securitization and Asset Reconstruction" and "Mergers & Amalgamation".	

### NORTH EASTERN CHAPTER

Programme	QR Code/Web link
Seminar on "SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" held on 21.5.2016 at Guwahati	NA
Seminar on Companies Amendment Bill 2016 and Critical Issues in Companies Act 2013 held on 21.5.2016 at Guwahati	

### NORTHERN INDIA REGIONAL COUNCIL

Programme	QR Code/Web link
Special Session on Striking the Balance Between Work and Life held on 02.05.2016	 <a href="http://www.icsi.edu/Portals/70/nirc%20news%20may%202016.pdf">http://www.icsi.edu/Portals/70/nirc%20news%20may%202016.pdf</a>
Campus Placement for 236th & 237th MSOP participants held on 06.05.2016	
One Day Workshop on Labour Laws - Compliances & Procedures held on 07.05.2016	
Seminar on "Securities Law - Changing Landscape, Opportunities Galore" held on 14.05.2016	
Women Empowerment Session on Nurturing Parenting held on 16.05.2016	
Regional Residential Conference (Host: Bareilly Chapter) on "CS - Precision & Performance" held on 20-21.05.2016	

### ALWAR CHAPTER

#### New Address of the Chapter Office

Alwar Chapter of NIRC of ICSI has since been shifted and the new office address is as under:

#### Alwar Chapter of NIRC of ICSI

2nd Floor, Rajat Tower, Main Road, Ashok Vihar, Near Cross Point Mall, Alwar Bhiwadi National Highway, Alwar(Raj.)- 301001. (Contact Nos. will, however, remain the same.)


### BIKANER CHAPTER

Programme	QR Code/Web link
Ascentia 2016 (special drive to register more companies, PCS & other entities for imparting training to CS students)	[cid:image001.png@01D19A59.3AA761F0]

### FARIDABAD CHAPTER

Programme	QR Code/Web link
EARTH DAY celebration ON 22.4.2016 AT ICSI HOUSE, FARIDABAD	NA





### JAIPUR CHAPTER

Programme	QR Code/Web link
National Seminar on Entrepreneurship, skill Development and Governance in MSMEs Held on 28.5.2016 at Jaipur.	 <a href="https://www.icsi.edu/jaipur/Home.aspx">https://www.icsi.edu/jaipur/Home.aspx</a>

## LUCKNOW CHAPTER

Programme	QR Code/Web link
Full Day Seminar of Company Secretaries organised on 29.5.2016.	NA


## LUDHIANA CHAPTER

Programme	QR Code/Web link
Seminar held on 14.05.2016 on Critical Issues of Companies Act, 2013 & Art of Advocacy	 <a href="http://www.icsi.edu/Portals/12/Seminar_Report_14May.16.pdf">http://www.icsi.edu/Portals/12/Seminar_Report_14May.16.pdf</a>
3 Days e-Governance Program held from 15.05.2016 to 17.05.2016	 <a href="http://www.icsi.edu/Portals/12/3%20Days%20e-Governance_15.05.2016.pdf">http://www.icsi.edu/Portals/12/3%20Days%20e-Governance_15.05.2016.pdf</a>
Study Circle Meeting on New Amendments of Companies Act, 2013 held on 07.05.2016	 <a href="http://www.icsi.edu/Portals/12/SCM-07-05-2016.pdf">http://www.icsi.edu/Portals/12/SCM-07-05-2016.pdf</a>
Seminar held on 30.04.2016 on Companies Amendment Bill, 2016 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015	 <a href="http://www.icsi.edu/Portals/12/Seminar_Report_30%20Apr.16.pdf">http://www.icsi.edu/Portals/12/Seminar_Report_30%20Apr.16.pdf</a>


## MODINAGAR CHAPTER

Programme	QR Code/Web link
Seminar on NCLT and Recent Developments in the Companies Act, 2013 held on 1.5.2016.	NA


## SOUTHERN INDIA REGIONAL COUNCIL

Programme	QR Code/Web link
Study Circle Meeting on "Practical Issues in Payment of Dividend" held on 5.5.2016 at ICSI-SIRC House, Chennai.	 <a href="http://www.icsi.edu/WebModules/SIRC_May2016.pdf">http://www.icsi.edu/WebModules/SIRC_May2016.pdf</a>
Half Day Seminar on "Goods and Services Tax & Updates on VAT" held on 14.5.2016 at ICSI-SIRC House, Chennai.	
Half Day Seminar on Insolvency and Bankruptcy Code 2015 & Related Party Transactions and Latest changes in CARO 2016 held on 21.5.2016 at ICSI-SIRC House, Chennai.	
Contribution to CM Relief Fund	


## AMRAVATI CHAPTER

Programme	QR Code/Web link
Full day Seminar on Companies Act, 2013 & NCLT held on 07.05.2016	 <a href="http://www.icsi.edu/portals/153/sem%2007.05.2016.pdf">http://www.icsi.edu/portals/153/sem%2007.05.2016.pdf</a>


## BENGALURU CHAPTER

Programme	QR Code/Web link
National Seminar held on 28.5.2016 on Companies Act, 2013: National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) Convergence of Corporate Jurisdiction held on 28.05.2016	 <a href="http://bit.ly/25zZmxw">http://bit.ly/25zZmxw</a>


## COIMBATORE CHAPTER

Programme	QR Code/Web link
Participation in Mega Events - 4 Education Expos in three districts- Coimbatore, Erode & Tirupur	 <a href="http://www.icsi.edu/coimbatore/RecentProgrammes.aspx">http://www.icsi.edu/coimbatore/RecentProgrammes.aspx</a>


## HYDERABAD CHAPTER

Programme	QR Code/Web link
Half-a-day Seminar on Modern Company Secretary in the Tech World held on 6.5.2016 at the chapter premises.	 <a href="http://www.icsi.edu/portals/2/ARMAY2016.pdf">http://www.icsi.edu/portals/2/ARMAY2016.pdf</a>
The ICSI- Hyderabad Chapter has organized Embarking Upon the Voyage of Research Jointly with CCGRT Date: 19 - 21.5.2016 at NI-MSME, Yusufguda, Hyderabad.	





## KOCHI CHAPTER

Programme	QR Code/Web link
Study Circle meeting on One Person Company & Section 8 Company held on 11.5.2016	 <a href="http://www.icsi.edu/kochi/NewsEvents.aspx">http://www.icsi.edu/kochi/NewsEvents.aspx</a>
Study Circle meeting on Charges held on 18.5.2016	
Study Circle meeting on Nidhi Companies held on 26.5.2016	


## AHMEDABAD CHAPTER

Programme	QR Code/Web link
Study Circle Meeting on Producer Companies under Companies Act, 1956 vis a vis Companies Act, 2013 held on 21.5.2016	 <a href="http://www.icsi.edu/Portals/25/Presentations/Write%20Up%20from%2021.05.2016%20to%2031.05.2016.pdf">http://www.icsi.edu/Portals/25/Presentations/Write%20Up%20from%2021.05.2016%20to%2031.05.2016.pdf</a>


## SURAT CHAPTER


Programme	QR Code/Web link
Programme On "Whirlwind Plenary On Evangelizing The International Corporate Governance Day" held on 16.4.2016	 <a href="http://www.icsi.edu/surat/NewsEvent.aspx">http://www.icsi.edu/surat/NewsEvent.aspx</a>
Campus Placement, 2016 held on 25.5.2016	 <a href="http://www.icsi.edu/Portals/25/Presentations/Write%20Up%20from%2021.05.2016%20to%2031.05.2016.pdf">http://www.icsi.edu/Portals/25/Presentations/Write%20Up%20from%2021.05.2016%20to%2031.05.2016.pdf</a>
Open House Discussion on Practical Difficulties Faced By Professionals On MCA 21 Portal & Others held on 14.5.2016	 <a href="http://www.icsi.edu/Portals/25/Presentations/14_May.2016%20write%20Up.pdf">http://www.icsi.edu/Portals/25/Presentations/14_May.2016%20write%20Up.pdf</a>
National Seminar on NCLT & NCLAT held on 7.5.2016	 <a href="http://www.icsi.edu/Portals/25/Presentations/Write%20Up%20%20May_2016.1.pdf">http://www.icsi.edu/Portals/25/Presentations/Write%20Up%20%20May_2016.1.pdf</a>

## BHAYANDAR CHAPTER


Event Name	QR Code/Web link
Full day seminar held on 14.05.2016 on Appearance Before NCLT & Companies Amendment Bill 2016.	 <a href="http://www.icsi.edu/bhayander/NewsEvents.aspx">http://www.icsi.edu/bhayander/NewsEvents.aspx</a>

## PUNE CHAPTER


Event Name	QR Code/Web link
Swatchhta Pakhwada from 16th May, 2016 to 31st May, 2016	 <a href="http://www.icsi.edu/portals/32/CHARTERED_SECRETARY_21_31_05_2016.pdf">http://www.icsi.edu/portals/32/CHARTERED_SECRETARY_21_31_05_2016.pdf</a>
Career Fair – Times Education Boutique	

Full Day Program on Companies Amendment Bill, 2016 and FEMA updates	 <a href="http://www.icsi.edu/portals/32/CHARTERED_SECRETARY_DATA_01_10_05_2016.pdf">http://www.icsi.edu/portals/32/CHARTERED_SECRETARY_DATA_01_10_05_2016.pdf</a>
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## THANE CHAPTER

Event Name	QR Code/Web link
Seminar on Company Law Tribunal held on 28.5.2016	 <a href="http://www.icsi.edu/thane/NewsEvents.aspx">http://www.icsi.edu/thane/NewsEvents.aspx</a>
Career Fair at Mumbra held on 28.5.2016	
ICGC Day program held on 16.4. 2016	<a href="http://www.icsi.edu/thane/NewsEvents.aspx">http://www.icsi.edu/thane/NewsEvents.aspx</a>

## VADODARA CHAPTER

Event Name	QR Code/Web link
Seminar held on 28.05.2016 on "A Glance over Advocacy Skills before NCLT/NCLAT, Recent amendments in the FEMA provisions and Techniques for effective drafting of Arbitration Clause in Commercial Agreements".	 <a href="http://www.icsi.edu/Portals/37/Write-up_28.05.2016.pdf">http://www.icsi.edu/Portals/37/Write-up_28.05.2016.pdf</a>

## ICSI – CCGRT

Event Name	QR Code/Web link
Signing of MOU on 3.6.2016 between The ICSland National Institute of Securities Markets (NISM) for jointly conducting various workshops/conferences/seminars and carrying out research activities focusing on Corporate Laws; Capital Market & Securities Laws; Recent Developments in Indian and Foreign Capital Markets; Financial Services; Mercantile Laws etc. The MOU was signed between Dr.Rajesh Agrawal, Director, ICSI-CCGRT and Dr.Sandip Ghose, Director, NISM in the presence of CS Kaushik Jhaveri, Member, ICSI-CCGRT Management Committee and Practicing Company Secretary, Mumbai and Jitendra Kumar, Member of Faculty, NISM (On deputation from SEBI). The MOU will go a long way in fostering academics and research between the two institutes, thereby benefitting the Company Secretaries both in practice and employment, Industry experts, professionals from other fields and students pursuing company secretary and other professional courses.	 <a href="https://www.icsi.edu/Portals/86/Signing%20of%20MOU%20between%20ICSI%20&amp;%20NISM.pdf">https://www.icsi.edu/Portals/86/Signing%20of%20MOU%20between%20ICSI%20&amp;%20NISM.pdf</a>

# 6

## MISCELLANEOUS CORNER



- Ethics & Code of Conduct Corner
- Ethics and Sustainability Corner
- CG Corner
- NCLT Corner
- 17th National Conference of Practising Company Secretaries
- Replies to Brain Teasers

# COMPANY SECRETARIES BENEVOLENT FUND



The Company Secretaries Benevolent Fund (CSBF) provides safety net to Company Secretaries who are members of the Fund and their family members in distress.

## CSBF

- Registered under the Societies Registration Act, 1860
- 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
- Has a membership of about 11,000

## Eligibility

A member of the Institute of Company Secretaries of India is eligible for the membership of the CSBF.

## How to join

- By making an application in Form A (available at [www.icsi.edu/csbf](http://www.icsi.edu/csbf)) along with one time subscription of ₹ 7,500/-.
- One can submit Form A and also the subscription amount of ₹ 7500 ONLINE through Institute's web portal: [www.icsi.edu](http://www.icsi.edu). Alternatively, he can submit Form A, along with a Demand Draft or Cheque for ₹ 7500 drawn in favour of 'Company Secretaries Benevolent Fund', at any of the Offices of the Institute/ Regional Offices/Chapters.

## Benefits

- ₹ 5,00,000 in the event of death of a member under the age of 60 years
- Upto ₹ 2,00,000 in the event of death of a member above the age of 60 years
- Upto ₹ 40,000 per child (upto two children) for education of minor children of a deceased member in deserving cases
- 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](mailto:csbf@icsi.edu) or contact Mr. Saurabh Bansal, Executive on telephone no.011-45341088.

For more details please visit [www.icsi.edu/csbf](http://www.icsi.edu/csbf)



# PROFESSIONAL AND OTHER MISCONDUCT IN RELATION TO COMPANY SECRETARIES

First and Second Schedule to the Company Secretaries Act, 1980 contains professional and other misconduct in relation to Company Secretaries. The expression “professional and other misconduct” is defined in Section 22 of the Act.

First Schedule is divided into four parts and Second Schedule is divided into three parts.

Part I of the First Schedule which contains 11 items and Part I of the Second Schedule which contains 10 items are applicable to Company Secretaries in Practice.

Part II of the First Schedule which contains 2 items is applicable to members of the Institute in service.

Part III of the First Schedule which contains 3 items and Part II of the Second Schedule which contains 4 items are applicable to members of the Institute in generally.

Part IV of First Schedule and Part III of the Second Schedule deal with other misconduct in relation to members of the Institute generally.

This write-up elaborates Professional misconduct in relation to members of the Institute in service

## Part II of the First Schedule

A member of the Institute (other than a member in practice) shall be deemed to be guilty of professional misconduct, if he, being an employee of any company, firm or person—

***“(1) pays or allows or agrees to pay, directly or indirectly, to any person any share in the emoluments of the employment undertaken by him;”***

This item restricts a member in employment from sharing emoluments of the employment with any other person not even a member. Both direct and indirect sharing of the emoluments is prohibited.

This item is analogous to clause (2) of Part I of the First Schedule in some respect. A member in employment shall not share emoluments of the employment with any other person, not even a member. Both direct and indirect sharing of the emoluments is prohibited. However, it may be noted that under Part I of the First Schedule, a member in practice can share the fee, commission or brokerage or profits with any other member of the Institute who is his partner.

***“(2) accepts or agrees to accept any part of fees, profits or gains from a lawyer, a Company Secretary or broker engaged by such company, firm or person or agent or customer of such company, firm or person by way of***

***commission or gratification.”***

This item restricts a member of the Institute in service from accepting any secret benefit from the employment such as commission from its clients, customer, agent, broker; or any professional engaged by the employer. Employer can be a company, firm or person. It will maintain trust and confidence of the employer.

**In addition to Part II of the First Schedule as above, Part III and Part IV of the First Schedule, and of Part II and Part III of the Second Schedule, are applicable to the members of the Institute in service, as under, -**

**A) Part III of the First Schedule which deals with Professional misconduct in relation to members of the Institute generally**

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he –

***“(1) not being a Fellow of the Institute, acts as a Fellow of the Institute;”***

This clause prohibits a member to act as a Fellow of the Institute while in fact he is not a Fellow member. A person is entitled to have his name entered in the Register as a Fellow as per regulation 4 (2) of the Company Secretaries Regulations, 1982 which requires standing of five years as an Associate and a certain level of experience.

***“(2) does not supply the information called for, or does not comply with the requirements asked for, by the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority;”***

It is a duty of a member to supply information called for or to supply the requirements as asked for by the Council or any of its Committee and other authorities such as Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority. Non-compliance with this clause would tantamount to breach of code of conduct.

***“(3) while inviting professional work from another Company Secretary or while responding to tenders or enquiries or while advertising through a write up, or anything as provided for in items (6) and (7) of Part I of this Schedule, gives information knowing it to be false.”***

A member of the Institute, whether in practice or not, shall be guilty of professional misconduct if he gives any information which he knows it to be false, while inviting professional work from another Company Secretary or while responding to tenders or enquiries or while advertising through a write up, or anything as provided for in items (6) and (7) of Part I of the First Schedule.

**B) Part IV of the First Schedule which deals with Other misconduct in relation to members of the Institute in generally**

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct under Part IV of the First Schedule, if: -

***“(1) he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months;”***

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, under Part IV of the First Schedule, if he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months.

***“(2) in the opinion of the Council, he brings disrepute to the profession or the institute as a result of his action whether or not related to his professional work.”***

If a member of the Institute in the opinion of the Council brings disrepute to the profession or the institute as a result of his act/ omission whether the same relates to his professional work or not or such act/ omission does not fall under any of the items of the First and Second Schedule of the Act, the member shall be deemed to be guilty of other misconduct. However, such cases are to be decided by the Council keeping in view the facts and circumstances of each case.

**C) Part II of the Second Schedule which deals with Professional misconduct in relation to members of the Institute generally**

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

***“(1) contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council;”***

Every member of the Institute is expected to pay due obedience to the Act, the Regulations made thereunder and any Guidelines issued by the Council of the Institute from time to time. For example: acquiring requisite Programme Credit Hours (PCH).

***“(2) being an employee of any company, firm or person, discloses confidential information acquired***

***in the course of his employment, except as and when required by any law for the time being in force or except as permitted by the employer;”***

A member in employment is expected to maintain confidentiality of any information which may cause harm to the employer if disclosed to any undesirable person/ outsider. This clause emphasized on building a relationship of trust and confidence amongst a member of the Institute and its employer.

***“(3) includes in any information, statement, return or form to be submitted to the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing them to be false;”***

This clause prohibits any member of the Institute, to include any particulars which he knows it to be false, in any information, statement, return or form to be submitted to the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority.

***“(4) defalcates or embezzles moneys received in his professional capacity.”***

This clause covers defalcation or embezzlement of moneys received by a member of the Institute in his professional capacity, whether in practice or not. Misappropriation of funds received in his professional capacity by a member of the Institute, would amount to professional misconduct under this clause.

**D) Part III of the Second Schedule which deals with Other misconduct in relation to members of the Institute in generally**

***“A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, under Part III of the Second Schedule, if he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.”***

This write-up has been prepared and published for the reference of the members of the Institute. These views may be subject to judicial interpretation.

## CONGRATULATIONS

**Rajesh Kapadia, ACS** on conferment of CMA Achievers Awards 2015 under Public Sector-Manufacturing-Medium-Male category by the Institute of Cost Accountants of India.

# INTEGRATING INTEGRITY WITH SUCCESS FOR SUSTAINABILITY

(Contributed by Brahma Kumaris, Om Shanti Retreat Centre, Gurgaon)

"By the right choice and true application of thought, man ascends to the Divine Perfection; by the abuse and wrong application of thought, he descends below the level of a beast. Between these two extremes are all the grades of character; and man is their maker and master."

Since time immemorial, man has tried to master his skills, become the maker of his fate and achieve success in all his endeavors. Everything invented, designed, refined and practised by man in this world are for simplifying life by making things easy and creating things of comfort, which is commonly mis-perceived as attaining success. In this process of making things and life easy, we have simplified processes but has life become simple in true sense?

We are working under stress while creating easiness and hardly resting even while sleeping with the aid of pills on comfortable mattresses. One of the reasons for this 'global phenomenon' is a very common feeling experienced by every 'common' and 'uncommon' man— Fear. It is familiar because perhaps no one presently seems to be untouched by it. Moreover, this feeling is often used as a tool or a weapon to get our work done from others. But when this feeling bounces back at us, it hits really hard. The most common fear of all is the fear of loss (referred to as insecurity) and the fear of being exposed in front of others. In order to fight back the fear of being exposed in front of others, we grant ourselves a license to pretend, hide our feelings, put up masks and be the Hercules at all situations.

To safeguard ourselves from the fear of loss of identity or possessions, we take the support of multiple roles and worldly materials as backups— naming their acquisition as success, till the fear of their protection takes a toll over us. This also increases competition of acquiring more while adding on to the fear of the loss of these identities and possessions, entangling us in a vicious circle of fear and competition with few spurts of sense of being successful. This un-natural, fluctuating and un-sustainable success triggers our happy hormones for a few instants, leaving us at the mercy of adrenaline and cortisol for the rest of the day.

Attainment of success and maintaining it is a continuous process. But while working for, or in some cases, looking for success, seldom do we ask ourselves- "What is success?" Is attaining name, fame, money and the satisfaction of attaining all of these, success? If yes, we may not be considerate about the means to attain it. This transforms success from a journey to a destination and hands over the liberty to man to take any 'way' to get to this destination. Success may come and go but what is lost forever in this gain of success is the integral part of our identity- INTEGRITY.

Integrity is commonly defined as:

- ◆ The state of being whole and undivided.
- ◆ The quality of being uncompromisingly honest and having strong moral principles and always supporting what is right, whether or not others are supporting it.

Let's look at the role of integrity with respect to these definitions and appreciate its contribution to our success.

## 1. The state of being whole and undivided.

- Often, we feel 'unauthentic' about ourselves. Or more often, we don't even understand that what we are feeling about ourselves is un-authentic. When we go to a glass museum and stand in front of a convex - concave mirror, to watch a distorted image of the self, we do not shout or blame the mirror for showing the distortion in image nor do we cry at what is visible in the mirror. We enjoy looking at the mirror because we have the realization that whatever is visible in the mirror is not 'me' but 'my image', which is distorted due to the mirror properties and not due to any distortion of my true identity. Similarly, when people tell me their misconceptions about myself, do I need to tag myself with those 'reflections' from their mental mirrors which have different properties than mine? No one can make me feel inferior without my permission. But when I evaluate myself with the labels put on me by others, I give up my state of being whole or true and lose my integrity. Thus I land in the no-man's land where I am hunting for my self-worth and finding 'ways' to win back my original 'image'... anyhow!
- To be able to safeguard my integrity and also my originality, we need to make a shift from that no-man's land, to the silent chambers of the soul- where I introspect in solitude and find answers. There, I see myself in the mirror of truth. When I find my innate, integral, unique and imperishable identity, I come out stronger, equipped with enough courage to face challenging situations and tough people. Thus integrity is strength and then I no longer have to rely on others to grade me neither do I have to ask for any favors to attain success. Let me understand that my success is not dependent on what others think of me (because most of the times they are worried about what I think of them). My success wholly and solely relies on what I think and do with myself and others.

## 2. The quality of being uncompromisingly honest and having strong moral principles.

- We all feel and complain about the world going in a wrong direction and system or government being inefficient or corrupt. From newspapers and media channels to local discussions on bus stands or canteens/ cafeterias or family get-togethers, everyone is engaged in shifting fingers from one corner to another, blaming everyone for the current pitiable state of the moral structure of society and the world. Furthermore, it is believed that in the current global scenario, no one around us is trust-worthy. This reminds me of a child who looking out through the window of the room refuses to go to school because of the dusty and foggy weather outside. The mother then opens the window, only to find that the weather outside was perfectly alright and pleasant while

the child's spectacles were dusty. And as I do not suddenly wake up one morning to notice the dust accumulated on my spectacles, I don't convert suddenly into a 'bad person'. It happens by a thousand tiny surrenders of self-respect to self-interest. So if I don't clean my spectacles every day and allow dust to accumulate on it, I don't even realize or admit that my spectacles have a problem. Consequently, I continue to feel- why should I be so honest and upright in moral principles when no one around me is? Otherwise, I will be no more than a doormat, used by everyone to go up the stairs on the path of success. Then why should I go up the stream when flowing with the river is easier and seems 'natural'? I even justify my dishonest behavior projecting that it is right to be wrong with those who are practising wrong. However, I fail to appreciate that there can never be a wrong way of doing a right thing. And this basic misconception kills the mother of honesty- the very need for integrity.

Until I clear my consciousness and make it more positive and healthy, the world will always appear colored. But how does my thinking of the world to become better make it better? Simply hoping and praying or chanting that 'all is well' doesn't make anything well, as I will again look for someone else to set things straight. Honesty doesn't mean to scream at the top of the voice and preach others to be just and honest. Neither does it mean to simply follow the rules and refrain from engaging in some form of corruption or breaking someone's trust. Then what is honesty? How do we claim ourselves to be honest?

To understand this, let's explore on an inner subtle mechanism-

One fine day, while walking across the corridor from lift lobby to my cabin in the office, I was thinking about someone-mentally fighting/ competing with my thought-so-competitor, or cursing my boss/ subordinate for not so good code of conduct. To my surprise, the same person happens to appear from the other end of the corridor. Being a common place, I feel awkward as I can neither turn back to take a different route to my seat nor do I want to start my day showcasing my feelings for the 'gentleman'. Moreover, I don't want to make the other person aware of my feelings. As we come closer, I make up my mind and prepare myself for a casual and friendly greeting. Garnishing my face with a warm and amiable smile, I look at the person pleasantly. Crossing by, I think saying a gentle "Hello, how are you doing?" would make his day. Now, looking at the scenario from the other side of the table, the person glanced at my looks and heard my greetings. According to natural law of physics, the sound energy of my greetings were heard and perceived only after the light energy reflecting initially my awkward and uncomfortable looks and then the one garnished with a smile, was received by him! Moreover, we fail to realize and acknowledge the power and effectiveness of the thoughts we create, which travel at the speed faster than light and cross any distances in non-scalable fraction of a second. So whether or not the person came in front of me, whether or not he looked at me, whether or not he heard my polite words, he definitely received the 'signals' of my mind, enveloped with my true feelings. There is no escape route, no diversions and no misinterpretations for this transmission. Any other information coming after these

signals, be it in the form of looks or words, doesn't create a difference in my feelings because- first impression is mostly the last impression!!! So even though I have tried my best to be 'good' the other person still perceives me as dishonest, and now we know why...

This reflects that today, by and large, man has entangled himself in his own web of thoughts, words and actions and their outcomes respectively. We think of something else, speak what others want to listen and do something else. This is the major loop hole that drains out our natural virtue called honesty. To be honest is to be the same in the thoughts, dreams, words and actions.

- ✓ This is developed through a clear mind and clean heart, leading to a pure consciousness. As discussed, a pure consciousness will help me have a clear vision of the world. This clear vision with the sense of personal responsibility to work for it (stirred by spirituality and the practice of meditation) can ignite the change in the self. When I follow the conduct of being honest, I don't have to question myself about what am I up to. I don't need to worry about hiding something or remembering my statement the last night. It creates a positive and productive work environment as I save my time and energy from getting wasted in thinking about the alternative ways to hide my feelings.

But at the same time, it doesn't mean that if I have not-so-good feelings about someone, I continue to flaunt it or blabber it out to the world claiming myself to be 'honest'; because integrity is not mere honesty. Integrity means to know what you truly are and to be what you know. When I know my true ethical nature which is peaceful, loveful, truthful, powerful, blissful, unadulterated, clean-clear, constant, undivided and immortal and I fall in love with myself for it, I don't fall back even if others are not being honest to me. I realize that the problem was never outside. It is never the dishonesty or lack of integrity of others that troubled me. It was always a fight between my true self that pushed me forward to be upright in moral principles and my acquired and influenced self not allowing me to do so and holding me back due to fear of failure in competition or being cheated or being perceived as weak.

Also, I am just to everyone, in the sense that my decisions do not waver or change depending upon the recipient. I can standardize my behavior and this builds a deep trust of people on me. Initially I do need to protect my integrity, but later my virtue of integrity protects me.

This inner call for integrity in order to achieve success in personal, societal and professional spheres is heard and answered when a person connects with the self. Spirituality, the science of knowing and connecting to the authentic self enables us explore the deep rooted instincts and channelize them to make way for success. When we don't know the difference between the true and acquired self, a confused self emerges which fluctuates between these two. Due to this fluctuation in the state of mind of the self, success, peace, happiness also fluctuates. Because of this disconnection, we start establishing that being true, authentic and working through integrity doesn't work and is good as long as read in books. Spirituality practised through Rajyoga Meditation is the key to unlock and experience the true integral self and make use of our inner powers to attain constant and sustainable success.

## DEVELOPMENTS – APRIL 2016

### Financial Reporting Council has issued final draft updates to the UK Corporate Governance Code and Guidance for Audit Committees

In October 2015 Financial reporting Council has issued consultation paper seeking views on its proposed amendments to auditing standards, ethical standards for auditors, the UK Corporate Governance Code and its Guidance for Audit Committees.

The FRC has issued final draft of the UK Corporate Governance Code and the associated Guidance on Audit Committees on 27<sup>th</sup> April 2016.

Following major changes are made to Section C of the Code on Accountability in the context of audit committees and auditors-

- the amendment proposed in the consultation paper that at least one audit committee member should have competence in auditing and accounting is not being made and the existing requirement for recent and relevant financial experience is being retained.
- wording has been added to C.3.1 to provide that the audit committee as a whole is required to have competence relevant to the sector in which the company operates.
- the requirement for FTSE 350 companies to put the external audit contract out to tender at least every 10 years has been deleted as this is now covered by the EU's Regulation on the statutory audit of PIEs which takes direct effect from 17 June 2016
- the requirement that that the audit committee has primary responsibility for making the recommendation on the appointment, reappointment and removal of external auditors has been retained.
- the proposal that advance notice of retendering for the audit be included in the annual report has been adopted but qualified to say 'any retendering' to ensure reporting is only required when it is thought relevant.

Changes are also made to the Guidance on Audit Committees published in 2012 to take account of the changes to the Code. It has also been amended to reduce duplication with elements of the Code and should now be read in conjunction with Section C.3 of the Code.

The FRC has also stated that from 2017, the names of companies whose audits have been the subject of review by the FRC's Corporate Reporting Review and Audit Quality Review teams will be published. The Conduct Committee's operating procedures will need to be amended to allow this to happen.

The revised Code and Guidance on Audit Committees are likely to be effective for financial periods beginning on or after 17 June 2016.

The draft UK Corporate Governance Code is available at <https://frc.org.uk/Our-Work/Publications/Corporate-Governance/Final-Draft-UK-Corporate-Governance-Code-2016.pdf>

The draft guidance on Audit Committees <https://frc.org.uk/Our-Work/Publications/Corporate-Governance/Final-Draft-Guidance-on-Audit-Committees-2016.pdf>

### Dubai - Family Business Council-Gulf (FBCG) launches first GCC

#### family business governance code

The Family Business Council-Gulf (FBCG), the regional association of Family Business Network International (FBN), launched the first-ever GCC Family Business Governance Code which will serve as voluntary guide on how to organise the family and business together. The bilingual code will help family businesses set governance structures in the form of rules, policies, and procedures, which is one of the key solutions to manage the growing complexity of family and business dynamics in the GCC.

FBCG in association with McKinsey & Company conducted a study and concluded that family businesses in GCC have made significant progress in putting corporate governance structures in place, but are still lagging in strict implementation, which could eventually challenge the very existence of these entities. The study last year showed low adoption of governance policies to support next generation development integration. It stated that only 44 per cent of businesses had an employment policy in place, while 32 per cent had clarity on roles and responsibilities. Around 22 per cent had effective training programs while 17 per cent had effective assessment methods for next generation succession.

While many governments around the world have developed and issued governance principles and codes focused on corporate governance, only a small number of countries around the world, mainly in the Americas and Europe and to less extent in the Mena, have established governance codes specific for family businesses.

The code addresses a wide range of family business governance areas, it covers five governance areas:

- Family governance,
- ownership governance,
- corporate governance,
- wealth governance, and
- public engagement.

The code provides practical advice on relevant areas such as developing the next generation and succession planning. It also includes a checklist, which can be used as a simple framework to assess and guide the family governance development journey. The code is a comprehensive guide and reference for GCC families.

For detail news please see <http://gulftnews.com/business/economy/fbc-launches-first-gcc-family-business-governance-code-1.1833276>

#### Remember!!

- 1 June Global Day of Parents
- 5 June World Environment Day
- 8 June World Oceans Day
- 12 June World Day against Child Labour
- 14 June World Blood Donor Day
- 21 June International Day of Yoga

## FEEDBACK & SUGGESTIONS

Readers may give their feedback and suggestions on this page to Ms. Banu Dandona, Joint Director, ICSI ([banu.dandona@icsi.edu](mailto: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.

# CONSTITUTION OF NATIONAL COMPANY LAW TRIBUNAL AND NATIONAL COMPANY LAW APPELLATE TRIBUNAL.

The Ministry of Corporate Affairs has issued notification for constitution of the National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) with effect from 1st June, 2016 vide notification no. S.O. 1935(E) dated 1st June, 2016.

According to Press Information Bureau, Govt. of India, Hon'ble Mr. Justice S. J. Mukhopadhaya, Judge (Retd.), Supreme Court of India has joined as the Chairperson of the NCLAT and Hon'ble Mr. Justice M. M. Kumar, Judge (Retd.), Chief Justice, J&K High Court has joined as the President of the NCLT.

With the constitution of the NCLT, the Company Law Board constituted under the Companies Act, 1956 stands dissolved.

Initially, NCLT will have eleven Benches, two at New Delhi and one each at Ahmedabad, Allahabad, Bengaluru, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata and Mumbai.

## Notification of provisions under Companies Act 2013.

The Ministry has vide its notification no S.O.1934 (E) dated June 01, 2016 notified the following provisions of the Companies Act, 2013.

S.NO.	SECTION	PARTICULARS
1.	Sub-section(7) of section 7[except clause (c) and (d)]	Power of Tribunal to pass orders etc. where company has been incorporated by furnishing any false or incorrect information or representation etc.
2.	Second proviso to sub-section (1) of section 14	Provisions relating to conversion of public company into private company
3.	Section 14(2)	
4.	Section 55(3)	To approve issue of further redeemable preference shares when a company is unable to redeem its existing unredeemed preference shares or to pay dividend thereon.
5.	Proviso to clause(b) of section 61(1)	To approve consolidation or division of share capital resulting in change in voting percentage of shareholders.
6.	Section 62(4) to (6)	Order of government for conversion of loans/debentures into shares in public interest and Where the terms of conversion of debentures into shares of a company ordered by the Government are not acceptable to the company, the company may appeal to the Tribunal for making such order as it may deem fit.
7.	Section 71(9) to (11)	Where the assets of a company are insufficient to discharge the debentures,the debenture trustee may apply to the NCLT.  NCLT to order redemption of debentures forthwith by payment of principal and interest due thereon  Penalties for not complying with the order of the tribunal
8.	Section 75	Damages for fraud with respect to failure to repay deposits and interest thereon
9.	Section 97	Power of Tribunal to call annual general meeting
10.	Section 98	Power of Tribunal to call meetings of members, etc.i.e In case it is impracticable to call a meeting, the Tribunal may either suo moto, or on application of a director or member of the company who is entitled to vote at the meeting, order to call meeting i.e extra ordinary general meetings and give such directions as may be necessary.
11.	Section 99	Punishment for default in complying with provisions of sections 96to 98(i.e provisions relating to Annual General Meetings)
12.	Section 119(4)	Inspection of minute-books of general meeting:  Power of tribunal to order, direct an immediate inspection of the minute-books or direct that the copy required shall forthwith be sent to the person requiring it.

13.	Section 130	Re-opening of accounts on court's or Tribunal's orders
14.	Section 131	Voluntary revision of financial statements or Board's report.
15.	Second proviso to section 140(4) and section 140(5)	The provisions inter-alia includes: To restrict copies of representation of the auditor to be removed to be sent out. The Tribunal may, on the application of the company or any aggrieved person, order that copy of representation by the Auditor need not be sent to members nor read at the meeting. Where NCLT is satisfied that the Auditor has acted in a fraudulent manner, it may order that the Auditor may be changed
16.	Section 169(4)	This section inter-alia includes provisions conferring powers to tribunal to order that representation from the director need not be sent to the members and nor read at the meeting.
17.	Section 213	Investigation into company's affairs in other cases.
18.	Section 216(2)	Investigation of ownership of company
19.	Section 218	Protection of employees during investigation
20.	Section 221	Freezing of assets of company on inquiry and investigation.
21.	Section 222	Imposition of restrictions upon securities
22.	Section 224(5)	Actions to be taken in pursuance of inspector's report
23.	Section 241	Application to Tribunal for relief in cases of oppression, etc.
24.	Section 242 [except clause (b) of sub-section (1), clause (c) & (g) of sub-section (2)]	Certain powers of tribunals notified except for certain High Court matters such as reduction of capital etc.,
25.	Section 243	Consequence of termination or modification of certain agreements.
26.	Section 244	Right to apply under section 241 i.e application to tribunal in case of oppression etc.
27.	Section 245	Class Action
28.	Reference of word "Tribunal" in section 399(2)	Leave of the Tribunal required for issuance of certain documents
29.	Section 415 to 433 (both inclusive)	Provisions relating to Constitution of National Company Law Tribunal and National Company Law Appellate Tribunal
30.	Section 434 (1) (a) and (b)	Transfer of powers from Company Law Board to National Company Law Tribunal
31.	Section 434(2)	Powers of Central Government to make rules relating to transfer of cases from Company Law Board to National Company Law Tribunal.
32.	Section 441	Compounding of certain offences
33.	Section 466	Dissolution of Company Law Board and consequential provisions.

In addition the Ministry has already notified Section 2(41), 58, 59, 73, 74 under which the powers were exercised by Company Law Board and stood transferred to National Company Law Tribunal.



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

## 17<sup>TH</sup> NATIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES

PCS @ Startup – Accelerate – Outpace

8 PCH for  
Members  
16 PDP for  
Students

**Days & Dates:** Friday & Saturday, August 12-13, 2016  
**Venue:** Welcome Heritage Glenview Resort, Kasauli, Himachal Pradesh

### COVERAGE

1. Startup India – Professional Opportunities for PCS covering
  - Insolvency Laws
  - Goods and Services Tax
  - Arbitration Law
  - Real Estate Act
2. National Company Law Tribunal, Companies (Amendment) Bill, 2016, Competition Law
3. Spiritual Wellbeing / Self Motivation
4. Ease of Doing Business in India – Facilitations and Obstructions

### Key Takeaways

- Explore new opportunities in the areas of practice
- Share knowledge amongst the peer group
- Interact with experienced and expert faculty
- Update and sharpen technical and professional skills /
- Build Professional Networking
- Enjoy the scenic beauty of Kasauli and rejuvenate

### Speakers

- Eminent speakers and experts with comprehensive exposure to the practical aspects of the topics will address and interact with the participants.

### Participants

- Company Secretaries and other Professionals in Secretarial, Legal and Management disciplines would be benefited by participating in the Conference. **All are requested to participate in the National Conference in large numbers and make it a huge success.**

CHAIRMAN, PCS COMMITTEE	PROGRAMME DIRECTOR	PROGRAMME COORDINATOR	PROGRAMME FACILITATOR	PROGRAMME CO-FACILITATOR
CS Ashish Garg Council Member, ICSI	CS Vineet K Chaudhary Council Member, ICSI	CS Manish Gupta Chairman, NIRC of ICSI	CS G S Sarin Chairman, Chandigarh Chapter of ICSI	CS Smriti Sud Chairperson, Shimla Chapter of ICSI



<b>Tentative Programme Schedule</b>	
<b>Day-1: Friday, August 12, 2016</b>	
11:00 am to 1:00 pm	Delegate Registration
1:00 pm to 2:00 pm	Lunch
2:00 pm to 3:30 pm	Inaugural Session
3:30 pm to 04:00 pm	Tea / Coffee Break
04:00 pm to 05:30 pm	Session 1 Panel Discussion: Start Up India– Professional Opportunities for PCS <ul style="list-style-type: none"> <li>• Insolvency Laws</li> <li>• Goods and Services Tax</li> <li>• Arbitration Law</li> <li>• Real Estate Act</li> </ul>
05:30 pm to 07:00 pm	Session 2 Companies (Amendment) Bill, 2016 National Company Law Tribunal Competition Law
08:00 pm onwards	Cultural Evening & Networking Dinner
<b>Day-2: Saturday, August 13, 2016</b>	
9:00 am to 10:00 am	Interactive Session (for Members of ICSI only)
10:00 am to 11:15 am	Session 3 Spiritual Wellbeing / Self Motivation
11:15 am to 11:30 am	Tea / Coffee Break
11:30 am to 1:00 pm	Session 4 Panel Discussion: Ease of Doing Business in India- Facilitations and Obstructions
01:00 pm to 02:00 pm	Networking Lunch
02:00 pm to 03:00 pm	Closing Plenary

## Articles for Souvenir-cum-Backgrounder

A Souvenir-cum-Backgrounder containing theme articles and other relevant information will be brought out to mark the occasion. Members who wish to contribute papers for publication in the Souvenir-cum-Backgrounder are requested to send the same on or before July 15, 2016 through email to CS Saurabh Jain, Deputy Director, The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi–110003 at saurabh.jain@icsi.edu and devender.kapoor@icsi.edu.

The paper / article should not normally exceed 15 typed pages. Members whose papers/articles are published in the Souvenir-cum-Backgrounder of the Conference shall be entitled to grant of FOUR Programme Credit Hours and an honorarium of Rs. 2,500/-. The decision of the Institute shall be final in all respects. Members are also requested to mention their income tax PAN while submitting the articles, in order to enable us to expedite the payment of honourarium.

## DELEGATE REGISTRATION FEE AND REGISTRATION PROCEDURE

Delegate Registration Fees (Incl. of Service Tax)

<b>Delegate Category</b>	<b>Early Bird payment upto July 15, 2016</b>	<b>Early Bird payment upto July 31, 2016</b>	<b>Payment August 01, 2016 Onwards</b>
Members	4000	4500	5000
Non-Members	4500	5000	5500
Accompanying Spouse/Children above 12 years	3000	3500	4000
Students/CSBF Members/ Senior Members (60 years and above)/ Partners of Peer Reviewed Practice Units ( <i>Subject to the Presentation of Peer Review Certificate</i> )	3500	4000	4500

Registration fee is inclusive of service tax and covers Lunch (2), Dinner (1), Morning /Evening Tea/ Coffee with Cookies, Conference Kit & Backgrounder.

## Accommodation

Accommodation on 'first come first served basis' has been arranged at the conference venue, i.e., Welcome Heritage Glenview Resort, Kasauli, Himachal Pradesh for outstation delegates.

## Room Tariff (per delegate)

Room Occupancy basis	Accommodation charges for one night
Single Occupancy	Rs. 6000 (incl. of Taxes)
Double Occupancy / Twin Sharing (Delegates with Spouse or any other delegate)	Rs. 3500 (incl. of Taxes)
Triple Occupancy (Three delegates in one room)	Rs. 3200 (incl. of Taxes)

## Alternative Accommodation arrangements

In addition to the accommodation arrangements at Welcome Heritage Glenview Resort, special arrangements have also been made at Kasauli Resorts, Kasauli, Himachal Pradesh for stay of delegates during August 12-13, 2016.

## Room Tariff (per delegate)

Room Occupancy basis	Accommodation charges for one night
Single Occupancy	Rs. 5500 (incl. of Taxes)
Double Occupancy / Twin Sharing (Delegates with Spouse or any other delegates)	Rs. 2750 (incl. of Taxes)
Triple Occupancy (Three delegates in one room)	Rs. 2333 (incl. of Taxes)

## Important Instructions:

- Standard Check in: 12th August, 2016 (12:00 Noon) / Standard Check out: 13th August, 2016 (12:00 Noon).
- Limited rooms are available.
- Any extra stay will be charged separately, subject to availability of rooms and receipt of reservation charges in advance.
- Delegates with chauffeur driven cars will have to pay extra charges for accommodation and food arrangements for driver during the Conference. These charges have to be paid immediately on arrival.
- Any extra facilities availed by the delegate during the stay have to be paid directly to Hotel.
- The accommodation is to be booked directly by the delegates by filling in the accommodation request form available at the link [www.icsi.edu/17NationalConferenceofCS.aspx](http://www.icsi.edu/17NationalConferenceofCS.aspx).

## How to reach Kasauli:

- **By Air** - The most convenient option by air is to reach Chandigarh, 65 km away from Kasauli. The connecting flights to Chandigarh are available from Delhi, Mumbai, Hyderabad, Bengaluru, Srinagar, Kolkata and Indore.
- **By Train** - Kalka is the nearest railhead situated 40 km away. There are rail links available from cities like Amritsar, Delhi, Kolkata and Mumbai upto Kalka.
- **By Road** - Kasauli is well connected to Delhi and Chandigarh by road. Chandigarh is an hour's drive from Kasauli while Delhi can be reached in five and a half hours.

## Pickup and drop at Chandigarh / Kalka

Special arrangements are being made for the group pickup and dropping of delegates and their family members from the Chandigarh Airport and railway stations at Chandigarh junction and Kalka. The details about the same will be hosted on the ICSI website.

## Delegate Registration Procedure

Delegate Registration only through Online Mode: Delegates are requested to register for the Conference through Online Mode only. Please note that payments are not accepted through demand draft, cheque, cash, electronic transfer, etc. The entire fee is payable in advance and is not refundable once the nomination is accepted. For registration, please follow the link available at [www.icsi.edu/17NationalConferenceofCS.aspx](http://www.icsi.edu/17NationalConferenceofCS.aspx).

## Programme Credit Hours

Members of the Institute attending the National Conference on both days will be entitled to grant of 8 (Eight) Programme Credit Hours. Students attending the National Conference will be entitled to 16 (Sixteen) hours of Professional Development Programme.

## Advertisement in Souvenir-cum-Backgrounder

The Souvenir-cum-Backgrounder containing important information, programmes, lists, etc. would be widely circulated to professionals, corporate and regulatory authorities. Advertisement released in the Souvenir would receive wide publicity for Products, Services and Corporate Announcements. Members/Organisations are requested to release advertisements. Advertisement material/requests for stalls/sponsorship requests along with the cheque/demand draft drawn in favour of 'The Institute of Company Secretaries of India' may be sent to Ms. Preeti Kaushik Banerjee, Director, The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi – 110003, Tel: 011-45341077 and email: [preeti.banerjee@icsi.edu](mailto:preeti.banerjee@icsi.edu) on or before August 05, 2016.

## Advertisement Tariff

Color Ad	Rate (In Rs.)	Size	Black & White Ad	Rate (In Rs.)	Size
Back Cover	50,000	18cm x 24 cm	Full Page	15,000	18cm x 24cm
Inside Cover (Front/Back)	40,000	18cm x 24 cm	Half Page	10,000	18cm x 12cm
Special Page	25,000	18cm x 24 cm	Quarter Page	5,000	9cm x 12cm

## Privilege rates for advertisement in souvenir by firms of PCS

B/W Advertisement	Rate (In Rs.)	Size	Benefits
Full Page	20000	18x24 cm	Delegate fee (Non Residential) exemption for 2 delegates
Half Page	10000	18x12 cm	Delegate fee (Non Residential) exemption for 1 delegate

## Stalls

Stalls for display of products Sponsorships Rs. 25,000 per stall (maximum size 6' x 6')

## Sponsorships

1.	Principal Sponsor	Rs. 5,00,000 (One)
2.	Gold Sponsor	Rs. 3,00,000 (One)
3.	Silver Sponsor	Rs. 2,00,000 (Two)
4.	Lunch Sponsor	Rs. 2,50,000 (Two)
5.	Dinner Sponsor	Rs. 3,50,000 (One)
6.	High Tea Sponsor	RS. 1,00,000 (Three)
7.	Cultural Programme Sponsor	Rs. 1,00,000 (One)
8.	Sponsorship for Conference Kit	Rs. 1,25,000 (One)
9.	PCS Firm	Rs. 1,00,000 <sup>@</sup>

Service Tax Extra, if the sponsorship is from a body corporate / partnership firm, service tax would be deposited by the sponsor under the Reverse Charge Mechanism. Logo of all organizations providing sponsorships of Rs. 1,00,000/- and more will be put on the conference backdrop.

\* Co-sponsors may be considered

@ Delegate fee (Non Residential) exemption for Twelve delegates.

## For clarification or queries please contact the following:

- **Submission of articles for souvenir-cum-backgrounder & programme details**
  - o CS Saurabh Jain, Deputy Director – Tel: 011 – 45341035; email: saurabh.jain@icsi.edu
- **Advertisement material/requests for stalls/sponsorship requests**
  - o Ms. Preeti Kaushik Banerjee, Director – Tel: 011 – 45341077; email: Preeti.banerjee@icsi.edu
- **Delegate Registration and Accommodation**
  - o Mr. Devender Kapoor, Assistant Director – Tel: 011 -45341029; email: devender.kapoor@icsi.edu

## SPECIAL ISSUES OF CHARTERED SECRETARY

It is proposed to bring out the special issues of Chartered Secretary on the following topics:

1. NCLT ( July 2016 issue)
2. LODR( September, 2016 issue)
3. Competition Law (November 2016 issue) and
4. Social Audit and CSR (December 2016 issue).

Members and others having expertise on the aforesaid subjects are welcome to contribute articles for consideration by the Editorial Advisory Board for publication in the said special issues.

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

## OBITUARIES

“Chartered Secretary” deeply regrets to record the sad demise of the following Members:

**CS Hemant Hashukhlal Kashiparekh** (08.12.1941 – 26.01.2016), an Associate Member of the Institute from Ahmedabad.

**CS Rajinder Pal Jolly** (30.01.1938-23.01.2016), an Associate Member of the Institute from Jalandhar City.

May the almighty give sufficient fortitude to the bereaved family members to withstand the irreparable loss.

May the Departed souls rest in peace.

## PAYMENT OF ANNUAL MEMBERSHIP AND CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2016-2017

The annual membership fee and certificate of practice fee for the year 2016-2017 has become due for payment w.e.f 1st April, 2016. The last date for the payment of fee is 30th June, 2016.

The membership and certificate of practice fee payable is as follows:

1. Annual Associate Membership fee Rs.1125/- (\*)
2. Annual Fellow Membership fee Rs.1500/- (\*)
3. Annual Certificate of Practice fee Rs.1000/- (\*\*)

\* A member who is of the age of sixty years or above and is not in any gainful employment or practice can claim 50% concession in the payment of Associate/Fellow Annual Membership fee and a member who is of the age of seventy years or above and is not in any gainful employment or practice can claim 75% concession in the payment of Associate/Fellow Annual Membership fee subject to the furnishing of declaration to that effect.

\*\*The certificate of practice fee must be accompanied by a declaration in form D duly completed in all respects and signed. The requisite form 'D' is available on the website of Institute [www.icsi.edu](http://www.icsi.edu).

### MODE OF REMITTANCE OF FEE

The fee can be remitted by way of:

- (i) Online (through payment gateway of the Institute's website ([www.icsi.edu](http://www.icsi.edu)))
- (ii) Cash/Cheque at par/Demand draft/Pay order payable at New Delhi (indicating on the reverse name and membership number) drawn in favour of 'The Institute of Company Secretaries of India' at the Institute's Headquarter or Regional/Chapter offices.

For queries, if any, the members may please write to Mr. Jitendra Kumar, Executive Assistant at email id [jitendra.kumar@icsi.edu](mailto:jitendra.kumar@icsi.edu)

### ATTENTION!

#### MEMBERS HOLDING CERTIFICATE OF PRACTICE

The Institute has brought out a CD containing List of Members holding Certificate of Practice of the Institute as on 31st March 2016. The CDs are available at the headquarters of the Institute and will be supplied free of cost to the members holding Certificate of Practice on receipt of request.

Request may please be sent to the Directorate of Membership at e-mail id: [rajeshwar.singh@icsi.edu](mailto:rajeshwar.singh@icsi.edu)



## BRAIN – TEASERS!

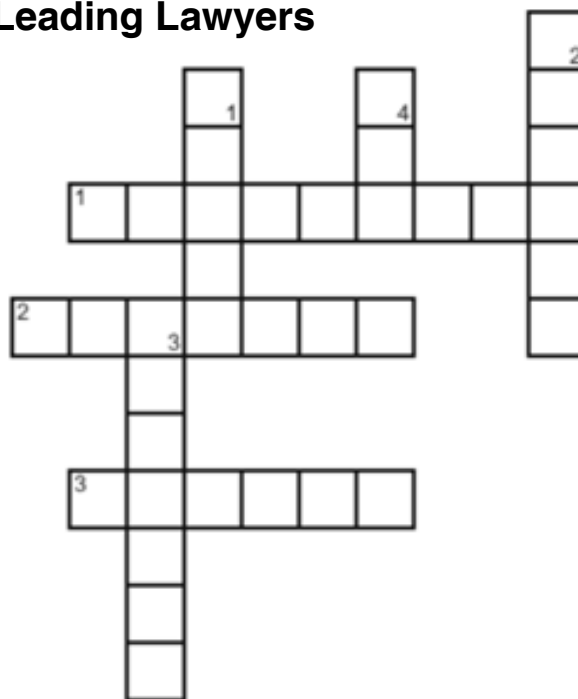
(Win Prizes)

To win prizes, a person has to send replies to both (i.e. Legal Puzzle & 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](mailto:ak.sil@icsi.edu) latest by 25th of June 2016 highlighting **Replies to June 2016 Brain Teasers Column.**

### Brain Teasers June 2016

#### Legal Puzzle

#### Leading Lawyers



#### Across

1. Leading Constitutional expert
2. Father of a Judge
3. SG

#### Down

1. ASG
2. BJP Finance Minister
3. AG
4. Sr. AP lawyer

#### CASE STUDY

- 1) A case study on Consumer Protection Act 1986.

Discuss how an action under the Act can be brought by a Delhite against the likes of Uber / Ola.... Aggregators. Is he a consumer, who will take action (consumer / tort) against the service provider or the Taxi driver (keeping aside any criminal liability), or will it be a common law remedy under Contract law / agency law: Critically comment.

# REPLIES TO BRAIN TEASERS PUBLISHED IN APRIL 2016 ISSUE OF CS

## WINNERS

### FIRST PRIZE

**Keshav Sadani**, FCS 8410  
Company Secretary  
VISA Steel Limited

### BRAIN TEASERS APRIL 2016

#### Q1)

- a) What phraseology is used to mean a class of things or persons? –  
Ans is coterie which means a small exclusive group of friends or people with common interests.
- b) Exchange of a financial instrument by two contracting parties is called?–  
Ans is Swap.
- c) When a Government agency acts on its own cognizance it is called? –  
Ans is Suo Moto.

Q2) On what grounds did Lord Buckmaster & Lord Tomlin express their dissents in Donoghue v. Stevenson, [1932] AC 562. How could dissents assist in modern day consumer cases?

Ans – The majority in the aforesaid judgment consisted of Lord Atkin, Lord Thankerton and Lord Macmillan and the minority consisted of Lord Buckmaster and Lord Tomlin. Views and grounds of dissent expressed by Lord Buckmaster and Lord Tomlin are given hereunder:

#### Lord Buckmaster

"Although (common law) principles are capable of application to meet new conditions not contemplated when the law was laid down, these principles cannot be changed nor can additions be made to them because any particular meritorious case seems outside their ambit". He further stated that there were only the two recognised exceptions to the finding of a duty of care that "the only safe rule is to confine the right to recover to those who enter into the contract; if we go one step beyond that, there is no reason why we should not go fifty". He further clarified that there was no common law in support for Donoghue's claim and supported similar judgment made by Lord Anderson's in Mullen v AG Barr & Co Ltd, 1929 SC 461 (Scot CS 20 March 1929).

#### Lord Tomlin

Lord Tomlin agreed with Lord Atkin that the duty of care a manufacturer owed to its consumers was the same regardless of the product they produced, he held that no general duty of care existed and that the fact the product was in a sealed container made no difference to the finding of a such duty. He further endorsed concerns that Lord Atkin's broader test of liability would have allowed everyone injured in the Versailles rail accident to be able to claim compensation from the manufacturer of the axle that broke and caused the crash.

#### How could dissents assist in modern day consumer cases?

The importance of dissent can be ascertained from the fact that the neighbor principle as laid down in the instant case could not have been intended to be applied in all circumstances and that it could only be used to determine to

whom a duty of care is owed rather than if one exists. This will provide a relief to the respondent from malicious motives of the applicant and save them from undue harassment.

### SECOND PRIZE

**Jui Deshpande**  
420969309/07/2011

- 1(a). Corpus  
1(b). Swap  
1(c). Suomoto

#### 2. Lord Buckmaster dissented on following grounds:

- (a) He stated the case of Blacker v. Lake Elliot, Ltd. wherein it was held by Lord Sumner that - "The breach of the defendant's contract with A. to use care and skill in and about the manufacture or repair of an article does not of itself give any cause of action to B. when he is injured by reason of the article proving to be defective." Lord Buckmaster therefore stated that from this general rule there are two wellknown exceptions: (1.) In the case of an article dangerous in itself; and (2.) where the article not in itself dangerous is in fact dangerous, by reason of some defect or for any other reason, and this is known to the manufacturer. As to (1.), in the case of things dangerous in themselves, there is, "a peculiar duty to take precaution imposed upon those who send forth or install such articles when it is necessarily the case that other parties will come within their proximity". And as to (2.), this depends on the fact that the knowledge of the danger creates the obligation to warn, and its concealment is in the nature of fraud. In this case no one can suggest that ginger-beer was an article dangerous in itself.
- (b) He cited the case of Mullen v. Barr Co. wherein it as stated by Lord Anderson "In a case like the present, where the goods of the defenders are widely distributed throughout Scotland, it would seem little short of outrageous to make them responsible to members of the public for the condition of the contents of every bottle which issues from their works. It is obvious that, if such responsibility attached to the defenders, they might be called on to meet claims of damages which they could not possibly investigate or answer."

#### Lord Tomlin dissented on following grounds:

- (a) He stated "if the appellant is to succeed it must be upon the proposition that every manufacturer or repairer of any article is under a duty to every one who may thereafter legitimately use the article to exercise due care in the manufacture or repair. and it is logically impossible to stop short of this point. There can be no distinction between food and any other article. Moreover, the fact that an article of food is sent out in a sealed container can have no relevancy on the question of duty; it is only a factor which may render it easier to bring negligence home to the manufacturer."

**In today's competitive world, a businessman can win and capture big share in the market only if he is able to satisfy the needs of the customers. Hence the views taken above cannot survive in today's market as also the laws are quite strict and therefore the Government shall intervene into the working of the businessman.**

# REVISED GUIDELINES FOR NAME OF A PROPRIETORSHIP CONCERN / FIRM / TRADE

**The Guidelines of the Council for name of a Proprietorship concern / Firm / Trade under Regulation 169 of the Company Secretaries Regulations, 1982.**

1. A trade or firm or concern name shall be restricted to the name(s) of the proprietor/partners or a name which is already in use.
  2. A trade/firm name may include the name(s) of the member(s) as it/ they appear in the Register of Members in the following manner:
    - (i) For Sole proprietorship concern:
      - (a) Name comprising first name and/or middle name and/ or surname of the member, in any order, with or without commonly used suffix or prefix
      - (b) Initials of the first name and/or middle name and/or surname, in whichever order
      - (c) Combination of (a) and (b) above, in any order
      - (d) Parts of or prevalent abbreviations of or acronyms of commonly used names alongwith any combination referred to in (c) above
    - (ii) For Partnership firm:
      - (a) Full surnames of two or more partners
      - (b) Full first names of two or more partners
      - (c) Combination of first names and / or middle names and/or surnames of two or more partners with or without commonly used suffix or prefix
      - (d) Combination of initials of first names and/or middle names and/or surnames of the two or more partners
      - (e) Combination of (c) and (d) above, in any order
  3. General
    - (i) A trade or firm name shall not be approved if the same or similar or nearly similar name is already used by a Company Secretary in practice or which resembles the name of Company Secretary in practice or firm of such Company Secretaries and has been entered in the Register of office of firms.
    - (ii) A trade/firm name shall not contravene the provisions of The Names and Emblems (Prevention of Improper Use) Act, 1950 or any modification/re-enactment thereof.
    - (iii) The trade or firm name may be suffixed by the suffixes "& Co.", "& Company" or "& Associates". However, any suffixes that may be considered undesirable by the Council shall not be allowed.
    - (iv) The word "and"/ "&" could be used in between the first name/middle name/surname including initials thereof, of the partners of the firm.
    - (v) A firm name may also be allowed without the use of the suffixes "& Co.", "& Company" or "& Associates" provided full first names and/ or full middle names and/or full surnames of the partners are used. Also, in such cases, the word "&"/"and" is compulsorily to be used either in between the full first names and/or full middle names and/ or full surnames of the partners or before the last full first name/full middle name/full surname of the partners.
    - (vi) The name of a sole proprietorship concern shall not be allowed without the use of suffixes "& Co." / "and Company" / "& Associates".
    - (vii) A trade/firm name, which has no relationship with the name of member(s) as above, shall not be allowed.
- (viii) Descriptive trade/firm names viz. Fire, Smash, Leader, Champion, Mastermind, Super, Supreme etc. shall not be allowed.
  - (ix) Trade/firm names denoting publicity shall not be allowed. Any trade/firm name, regardless of reason or logic, using the initials, acronyms or full forms of any profession whether used individually and/or collectively and/or in any order, shall not be allowed. The use, therefore, of CA, CS, CMA, MBA, CACMA, CACS, CSCA, CSCMA, CMAACS, CMACA, Secretary, Accountant, Management, Chartered Accountant, Cost Accountant, Chartered Secretary etc., shall not be allowed. However, trade/firm names matching with the group name/ theme shall be allowed, if the same is not in contradiction with any other criteria.
  - (x) The name, middle name and surname of the member shall conform to the name, middle name and surname as they appear in the register of members.
  - (xi) In case any change in the status of the firm from individual firm to partnership firm or vice-versa, the firm name already been in use by any of the partner or individual could be approved provided there is no objection by any of the partners or individual.
  - (xii) A trade/firm name which was in use by a proprietor or partners shall not be allowed to any other member or members for a period of three years of the closure of firm. The name may be re-allotted to the same member or members' upto a period of three years of the closer of the firm. In the event of removal of name of a practising member, after the expiry of the period of three years, the said trade/firm may be allowed to any member or members who are eligible for allotment of such name under the guidelines.
  - (xiii) After various permutations and combinations under guidelines 2(i) and (ii) have been exhausted and the member is not able to get approval of firm/trade name in accordance with the same, he may be permitted to adopt or coin a firm/trade name out of the names of his/her family members provided that such name was not already registered by some other members. The terms "family" for this purpose means husband, wife, father, mother, son and daughter. An affidavit or other evidence to the satisfaction of the Secretary is to be produced in such cases.
  - (xiv) Any reconstitution of the firm with the same firm name shall not have effect except with the prior approval of the Council pursuant to Regulation 170.
  - (xv) Approval accorded by the ICSI for any trade/firm name shall not tantamount to any protection by the ICSI in case of any dispute arises affecting to Intellectual Property Rights between any trade/firm with any other brand, entity, business etc., outside the profession and in relation to the name in dispute. The responsibility and liability in such cases shall solely be of the concerned trade/firm and at its own risk and costs and not of the ICSI. The ICSI shall not be any party to any kind of dispute that may arise in this regard.

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236th meeting of the Council held on 29-30th March, 2016

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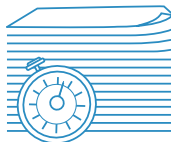
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