



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)



NAGPUR CHAPTER OF WIRC OF ICSI

STUDENT MONTH EDITION

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Chairperson's Message



CS Khushboo Pasari,
Chairperson,
Nagpur Chapter of ICSI

**“If everyone is moving forward,
then success takes care of itself”
- Henry Ford.**

Dear Professional Colleagues and my dear students,

I hope my letter finds you all happy, safe, and healthy.

“Whole Life is an Experiment. The more Experiments you make the Better. Do more of what makes you happy.”

I am glad to share that even in mid of the continuous restrictions in Nagpur due to COVID -19 Pandemic we were actively engaged in professional programs for members and educational programs for students. This is the best time where we can identify our weaknesses and can work on them along with sharpening our Strengths to become the one who is competent to face the challenging future.

As you all are aware July month was celebrated as student month. During the month we have taken following initiatives for the students of Nagpur Chapter.

Student month initiatives

1. **Webinars:** We have organised 11 Webinars on various topics of educational interests which were very well attended by

the students. I am pleased to state that the enthusiasm of the students attending these webinars makes it worthwhile and we would be happy to conduct more such events to keep our students at the forefront of knowledge application and information.

2. **ODOP:** During the month we have conducted virtual one day orientation program which was attended by more than 100 students.
3. **Faculty Induction Program:** With a view to expand the scope of reaching out for professional guidance, we conducted a Faculty Development Program jointly with Govindram Seksaria college of Commerce, Wardha.
4. **Career awareness program:** We are aware that there are many bright students who are not aware about the practicality of our profession. To help these students see beyond just a graduation towards an actual career. Nagpur Chapter of WIRC of ICSI, conducted five career awareness programs during the month.
5. **Parents se charcha initiative:** In this session parents were briefed about the prospects of their children as Company Secretaries. They were informed about the initiatives of ICSI for students.

Gratitude: I take this opportunity to appreciate these endeavors by CS Rohan Mehra, CS Rashmi Mitkary, CS Shantanu Jog, CS

Deepti Joshi, CS Aniket Devdhar, CS Manish Rajvaidya, CS Piyush Katariya, CS Priyanka Srinivas, CS Priyanka Mundhada, CS Vikas Chedge, CS Bhavesh Thadani, CS Rahul Thakwani, CS Jay Sodani, ICSI Nagpur Chapter staff Mr. Sudhakar Aisalwaru and Mr. Deepak Bhosale.

ICSI Academic Collaborations:

ICSI “Academic Collaborations with Universities and Academic Institutions” initiative is aimed to establish a connect between ICSI and various Universities and institutions of national repute, through a memorandum of understanding (MoU) covering several schemes under one umbrella towards learning and development of students, academicians, and professionals.

Nagpur Chapter of WIRC of ICSI facilitated and coordinated for the said collaboration. During the month of July,2021 following MoU’s under the Academic Collaborations with Universities and Academic Institutions initiative of ICSI, were signed with the following institutions:

1. Gondwana University, Gadchiroli.
2. Mahatma Gandhi Antarshtriya, Hindi Vishwavidhyalaya, Wardha

Members program:

During the month Nagpur Chapter of WIRC of ICSI organised a webinar on Investor awareness- Do’s and Don’ts of Capital Markets jointly with CDSL. It was attended by around... members. Mr. Yogesh Kundnani, Senior Vice President, CDSL was the chief guest for the webinar. Mr. Sanjay Nunes, Assistant Manager, CDSL briefed the members about making cautious investment. The session was very informative and interactive.

At Nagpur Chapter, we look forward to continue educating members and students via virtual & physical seminars, conferences and workshops.

I request you to share your thoughts, ideas and suggestions at khushboo.cs@gmail.com

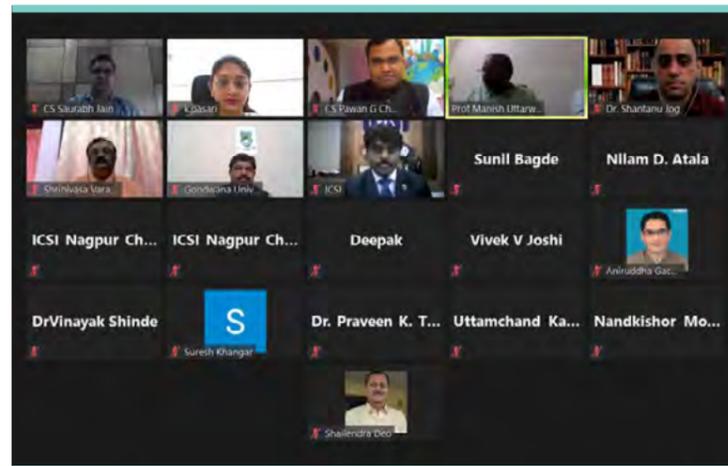
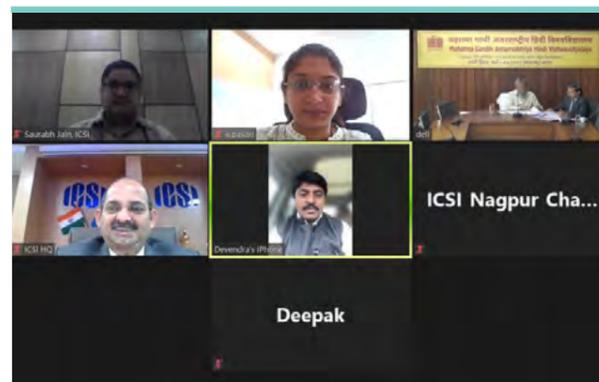
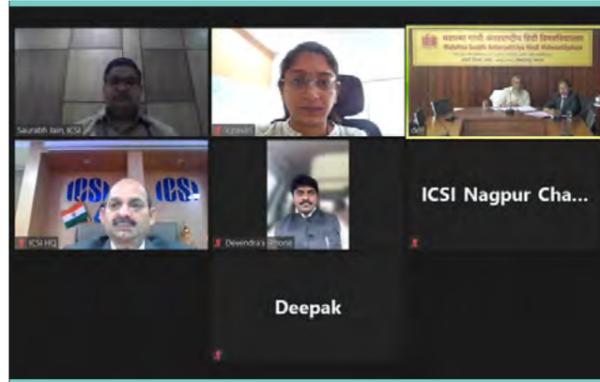
Since “Prevention is Better then Cure”, please take care, stay safe and remain healthy

Thanks & Regards

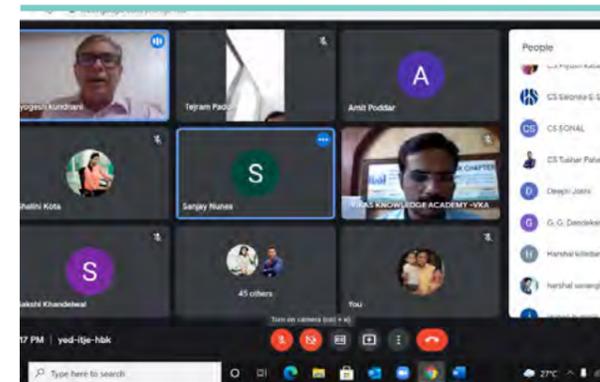
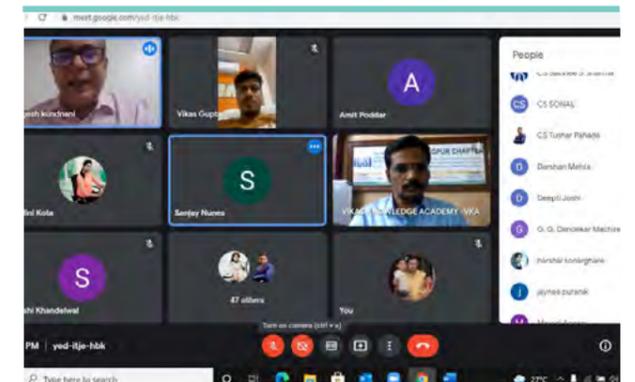
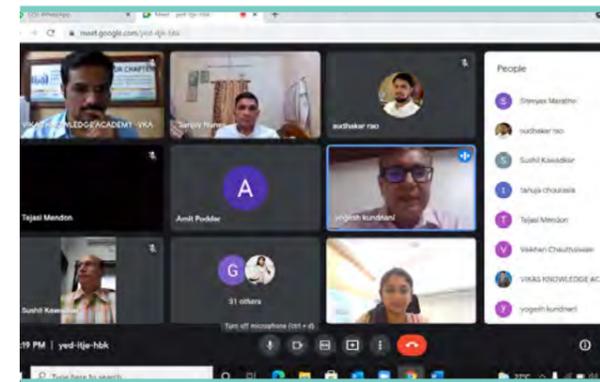
CS Khushboo Pasari
Chairperson, Nagpur Chapter of WIRC of ICSI



MOU Signing Ceremony



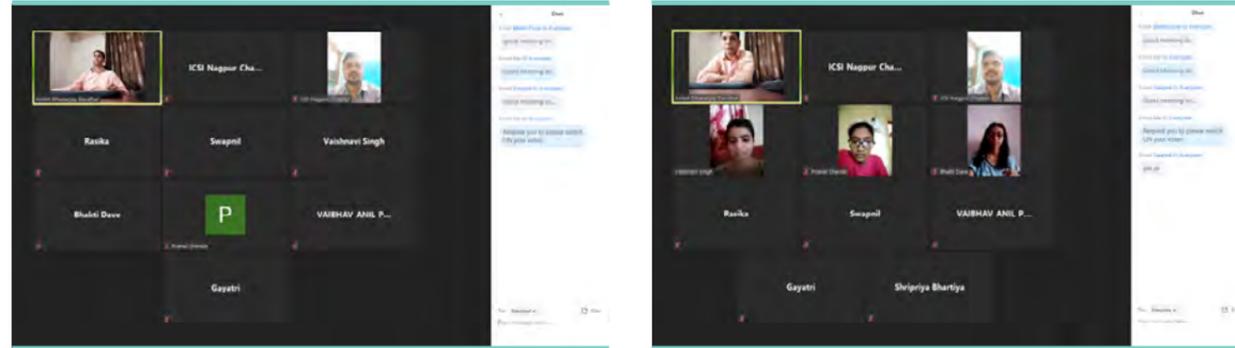
Investor awareness program jointly with CDSL



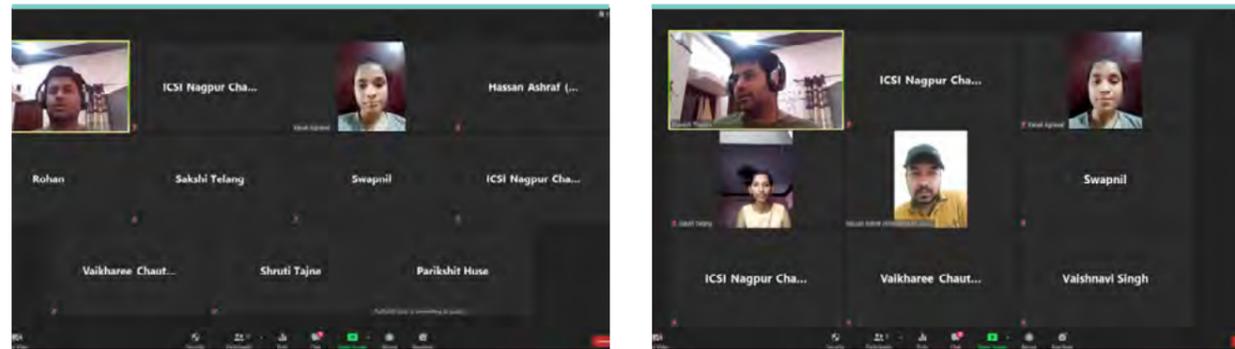
Student Month Celebration 2021

by Nagpur Chapter of ICSI.

Online Session on Life Skills



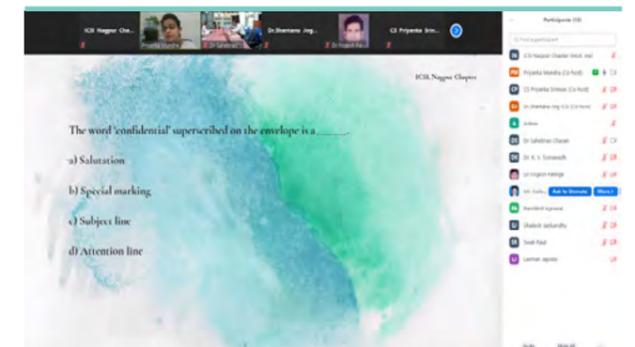
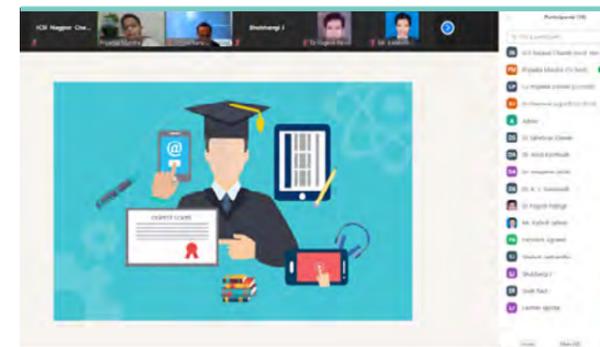
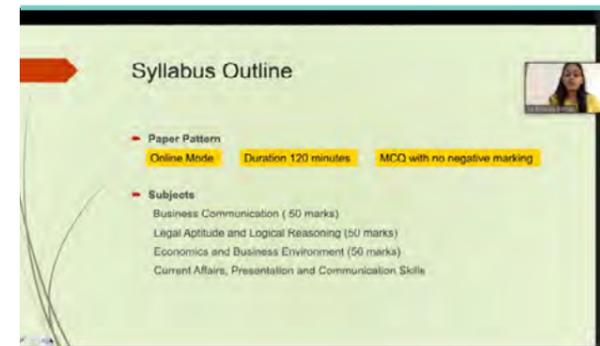
Three Hours Exam Pressure



Webcast on Company Law



Faculty Induction Program



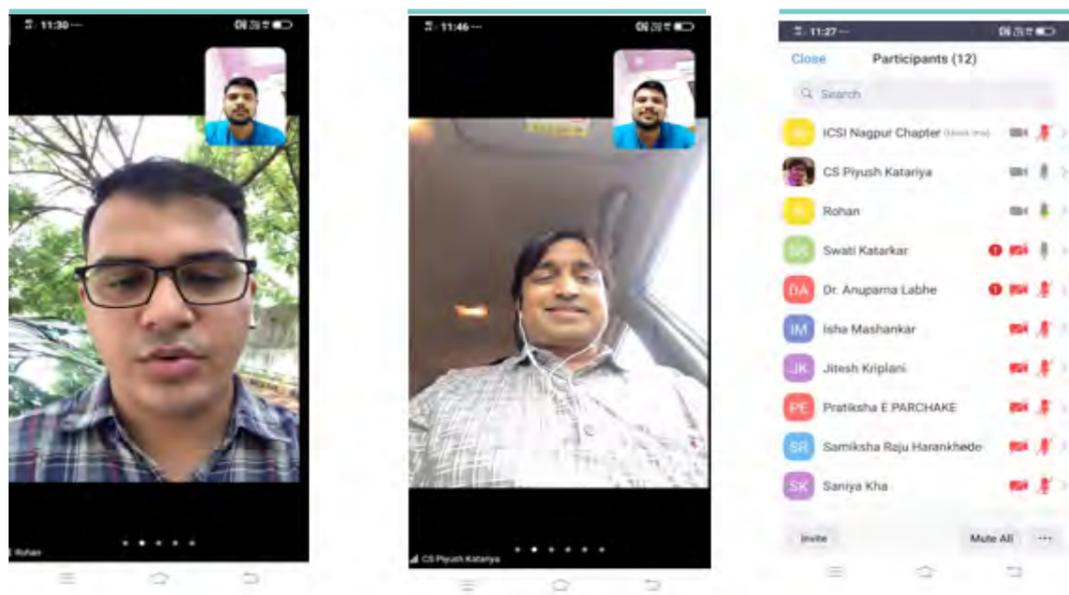
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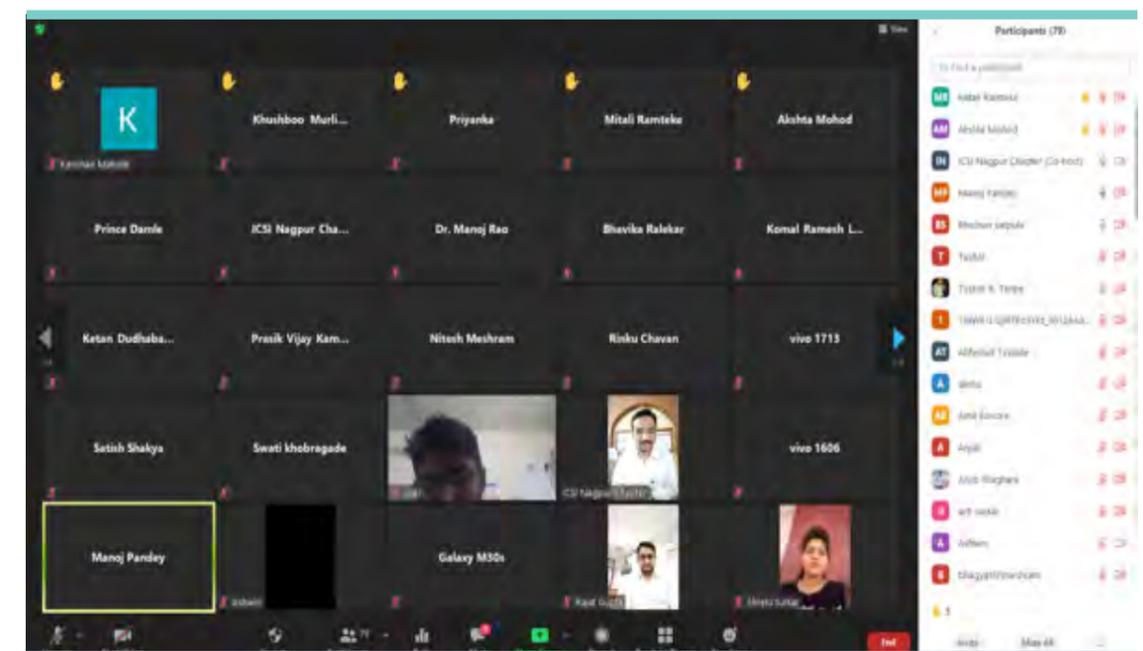
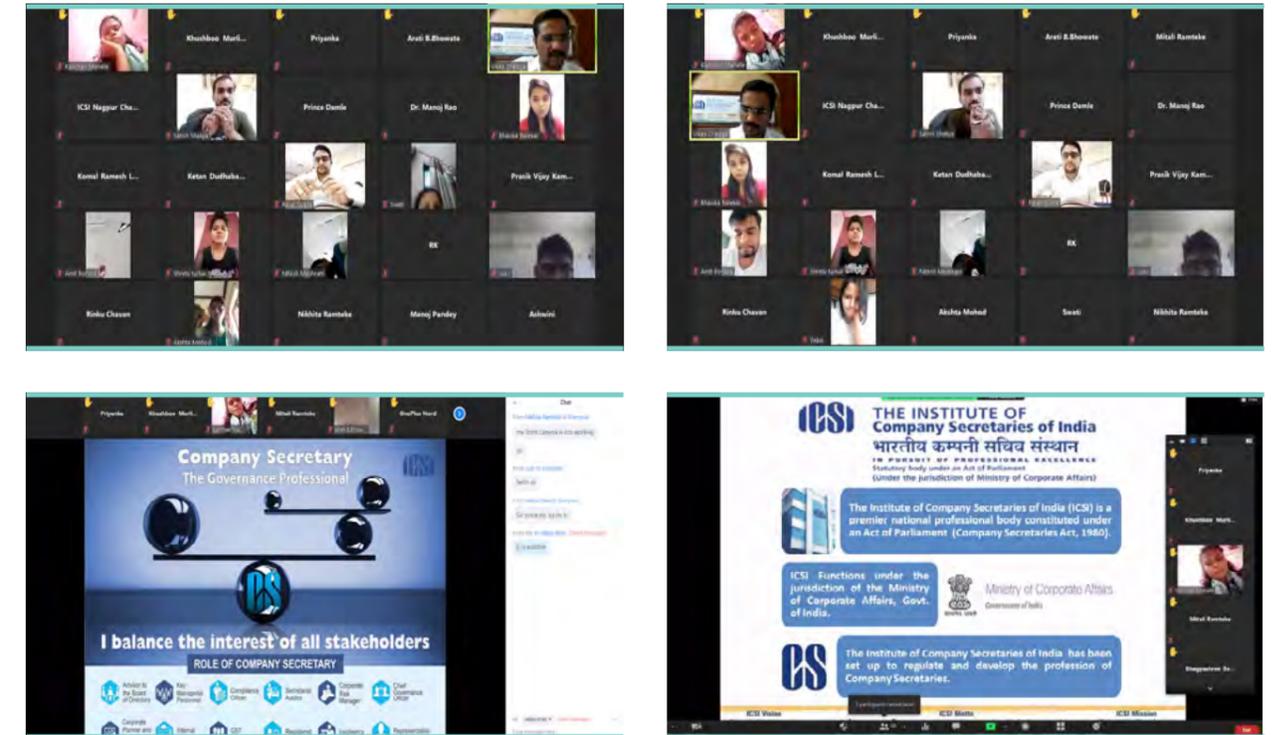
Soft Skills Development Program



Parents se Charcha



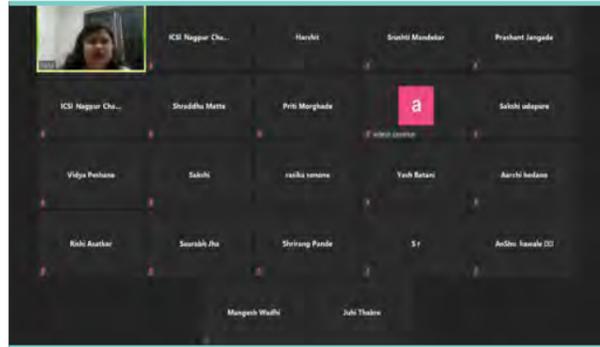
CAP at Central India College of Business Management and Studies, Nagpur



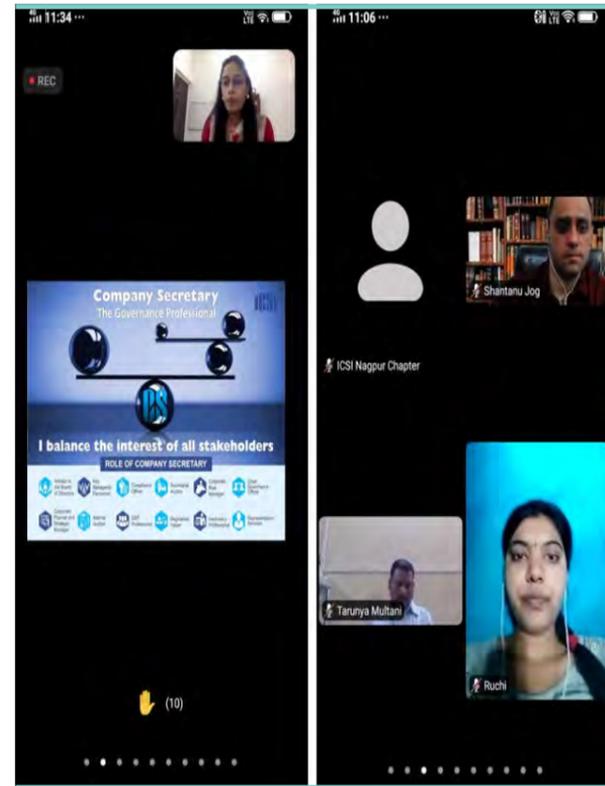
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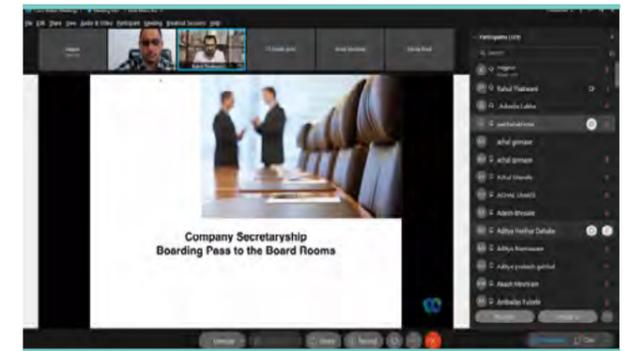
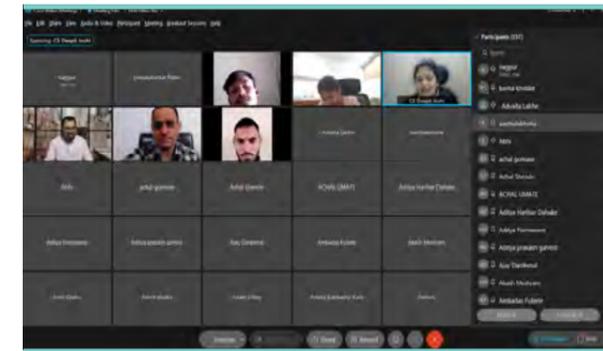
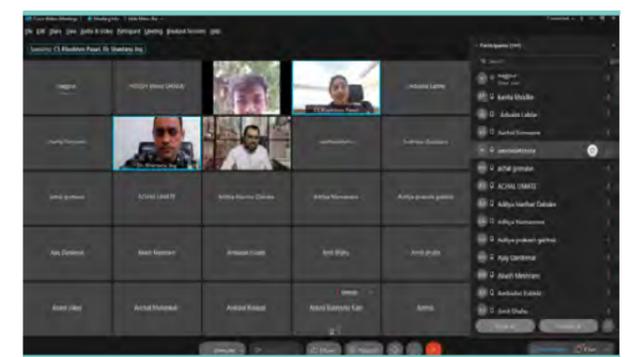
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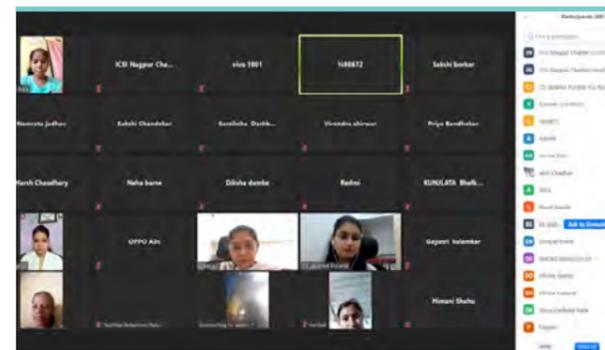
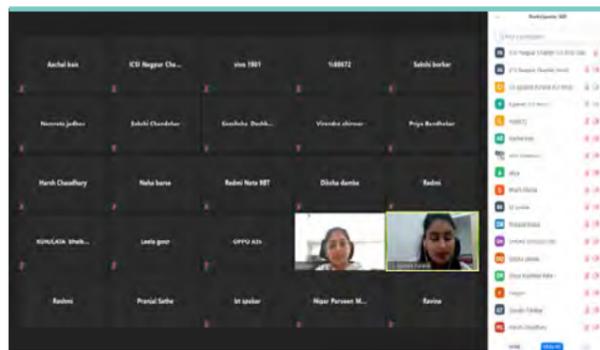
CAP at Seth Kesrimal Porwal College



MEGA Career Awareness Program



CAP at Womens Arts and Commerce College





ARTICLES

Valuation in the COVID period



FCS SUNIL KUMAR SHARMA

Registered Valuer (SFA)

Independent Director,

Certified CSR Professional

Email: registeredvaluers2018@gmail.com

Contact No. 91-7709885236

The global spread of COVID-19 is having a significant impact on the global economy and financial markets, with increased volatility and business disruption worldwide. These unprecedented times do not only bring serious threats to the world's health, but also a number of economic challenges. As it stands today, the true impact of the crisis is impossible to measure: current market conditions may only be temporary, and it is difficult to estimate the time required for economic recovery. While some of the risks may be temporary and muted, other risks would be more heightened reflecting expectations of severe/permanent disruptions in these businesses and the sectors in which they operate.

The most relevant factors and risks to be referred to when valuing a company

Volatility in Global Markets: We have observed significant market convulsions and increased volatility over the past couple

of months, and this will impact valuations in the form of higher discount rates. These rates will likely rise along with debt margins and betas as investors become more risk averse.

Uncertainty of Business specific Cash Flows: On a company level, the uncertainty surrounding the true economic impact of Covid-19 has resulted in corresponding difficulties with business plan forecasting. Forecast estimates would usually take the impact of the crisis into account. However, without reliable economic forecasts available, companies will need to look to other company-specific risks so as to produce a reasonable business forecast.

Financial Risk Factors: The ongoing operational and economic uncertainties will likely lead to an increase in counterparty risk, and we may see a number of companies defaulting on their outstanding obligations. This will further increase the risk of investing through counterparties that either operate in high-risk industries or have low credit ratings. Many companies are reporting a rise in liquidity risk as they find themselves unable to deliver on short term obligations. Due to these heightened risk factors, we will likely see a rise in debt covenant breaches, insolvencies and asset impairments in the short- and medium-term

Other Factors: How the crisis will affect revenues and company operations in the near term. How the crisis will affect the business the company is in and its standing in that business over the longer term. New probabilities for the company's "Failure Risk." How the crisis has affected the price of risk and likelihood of default by updating the ERP and default spreads.

General Valuation Considerations

The short-, medium- and long-term impacts of the crisis, whether they be macro-economic or business-specific, will need to be taken into consideration. The market disruption observed today may be temporary, and the adjustments we make could potentially overstate or understate the crisis' impact on the company's valuation.

- Fair value is based on what is known and knowable at the measurement date. The assumptions taken into consideration today may no longer be applicable tomorrow, which means that the procedures and rationale for any valuations you perform should be documented in full.

- Assessing the going concern status of companies' company based on what is known and knowable at the valuation date. will also be key, so valuations should focus on companies' short-term cash flows and liquidity needs.

- Consider company specific premiums and liquidity risks in your discount rates. Greater market volatility and high levels of uncertainty in the recent past may mean higher betas and debt margins.
- Consider scenarios adjusted based on market evidence in your business plans and financial metrics by integrating what is known and knowable at the valuation date.
- Widen the range of your valuations and monitor your assumptions regularly. The ranges themselves may be subject to volatility as the regular valuations you are performing will rely on projections that are subject to

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- Widen the range of your valuations and monitor your assumptions regularly. The ranges themselves may be subject to volatility as the regular valuations you are performing will rely on projections that are subject to constant change. Robust documentation procedures are required as valuations may be performed based on assumptions that that may no longer be valid in the future.

How should valuation adjustments be applied

The value of an asset is intimately linked to its ability to generate future probable gains: however, in times of crisis, the future is much more uncertain and the field of possibilities much wider. Similarly, in times of crisis, common value approaches present their own set of difficulties. Despite these difficulties, not all valuation exercises can be postponed in the expectation that a business will soon gain visibility of when a crisis will end.

Valuation in the COVID period

Income Approach

- Fair value is based on what is known and knowable at the measurement date. As such, it is recommended that companies estimate potential performance shortfalls for Q1, Q2 and beyond in so far as is possible.
- It may be judicious to consider adjusting your business to cater for performance shortfalls that result from supply chain disruption, volatility in commodity prices, workforce restrictions, temporary curtailment of operations or delays in payments by your customers.
- Financial projections and metrics should consider any government incentives and short-term measures applicable.
- As investors become more risk averse, adjustments to discount rates in the form of additional risk premiums may become necessary. The income from these risk premiums may set off the financial impact of any other company risk factors which aren't covered in forecast cash flows or market indicators. Care should be taken to avoid any double counting of risks, for example additional risk premiums aren't required for factors that have already been addressed in cash flows or included in market inputs.

Market Approach

- When applying market approach, ongoing metrics and earnings should be looked at on a market participant basis and therefore one-off impacts can be excluded.
- However, expected adverse performance in Q1 and Q2 2020 and beyond, if deemed one-time, would still impact cash balances and would be reflected as a deduction from enterprise value in estimating fair value.
- An appropriate multiple should be congruent with the metric to which it is applied. The percentage change in Market Capitalization of comparable companies may provide a good proxy for the magnitude of the change to be expected in the multiple.
- It may no longer be appropriate to consider application of recent transaction prices, especially those from before the expansion of the pandemic.
- Care should be taken to avoid any double counting with respect to downward adjustments (i.e. penalizing the metric as well as multiples considered)

Other Adjustments

- Investors and companies may need to reassess liquidity needs (i.e., likelihood of a debt covenant breaches, impact of the extended reduced cash flow, funding of working capital required).
- A re-assessment of credit quality and repayment risk needs to be considered for debt investments.
- Emphasis needs to be placed on scenario analysis.

Multi Criteria Approach

The various valuation approaches are all affected by a global and pan -sectoral crisis. It is customary, in normal times, to recommend a "multi -criteria" approach to perform a valuation, a term used to designate a methodology consisting of:

- Consider all valuation approaches,
- Analyze them individually, dismiss them or retain them according to the adequacy of the approach considered in the particular context of the asset to be evaluated,
- Implement the selected approaches,
- Compare the different results obtained, gauge the advantages and disadvantages of each method,
- Finally exercise expert judgment in order to arbitrate a range of reasonable values. The underlying premise for such an approach is that no valuation method alone, is able to provide in all circumstances "the correct and accurate result". Thus, the implementation of several approaches is useful as it diversifies the pros and cons of each approach, it helps the valuation practitioner to identify the effects of each strength and weakness in the particular case that is being studied, so that they shall eventually better neutralize any flaws.

Parameters emulating the effects of the crisis

All valuations should match performance expectations, taking into account the risk-reward balance that may be associated to these expectations. Thus, reversely, market capitalizations may be rationalized as a series of flows (and their risk reward couple) in a DCF-like approach. The impact of the crisis may be calibrated through considering pre-crisis forecasts (that would then emulate crisis forecasts), so that, under identical risk reward couple, these new forecasts would match the post-crisis

market capitalisation¹⁵. As to the transformations leading from pre-crisis forecasts to emulated crisis-forecasts, a compromise must be found between accuracy, practicalities, ability to reasonably calibrate the parameters of the said transformation. For illustrative purpose, the following may be contemplated:

- The initial magnitude (intensity) of the drop of performance: this intensity may differ from one company to the other, depending of the nature of the crisis and the business model etc.
- The duration of the crisis: such a parameter is more likely to be common to a whole sector, it is certainly a very sensitive parameter
- The possibility (or not) of a catch-up: the pre-crisis plan may be considered as indefinitely delayed (the delay would thus match the duration of the crisis); but in certain few sectors, it may be considered that a catch-up is possible (the parameter being then the required duration for actually catching-up)
- The possibility of an everlasting shift in the level of demand: such a situation should concern certain few sectors; some could on the contrary experience an upside thanks for example to demonstrated shortages in certain equipment that the crisis would have revealed.

Conclusion

For valuers, the uncertainty which permeates all markets will inevitably lead to challenges, not just in terms of carrying out valuations and determining value, but also in the reporting of those values in a way that is both helpful and informative to users. Don't abandon valuation fundamentals during the COVID-19 crisis. It is precisely times like these that they matter most, with so much uncertainty around companies' future earnings growth, cash flows, and even their ultimate survival, Pre-crisis historical financial data seem useless and there's a wide range of predictions about the economy and individual companies for 2020 and beyond. It's all going to be okay,Go back to basics and the fundamentals and be willing to live with uncertainty. If you're wrong, revisit your valuation. If you value companies in a period like this, you are facing exactly the same kinds of uncertainties you face during any other period. The only thing is, you are more likely to be wrong—and guess what, everybody is facing the same scenario. You are just as uncertain as everybody else and you have to make your best judgment.

<https://www.mazars.co.in/Home/Insights/Our-Publications/Valuation-in-the-timeof-crisis>

• <https://tax.kpmg.us/articles/2020/valuation-considerations-covid-19.html>

• <https://www.ivsc.org/news/article/statement-in-relation-to-the-covid-19-pandemic>

• <https://www.forbesindia.com/blog/from-the-bookshelves-of-forbes-india/how-to-value-companies-during-covid-19-with-aswath-damodaran/>

• <https://assets.kpmg/content/dam/kpmg/in/pdf/2020/04/valuation-approachduring-the-time-of-covid.pdf>

• <https://www2.deloitte.com/in/en/pages/finance/articles/in-fa-Valuations-in-thetime-of-covid.html>

• <https://www.rvoicmai.in>

• <https://www.grantthornton.in/insights/articles/covid-19-valuation-in-the-time-ofcrisis/>

Inclusion of Real Estate Allotees Under IBC:

An Overview



Mr. Manprit Singh,
Director's Team,
Legasis Private Limited



Mr. Prateek Gupta,
Director's Team,
Legasis Private Limited

Under the Real Estate (Regulation and Development) Act of 2016, an 'allottee' has been defined to be "any person to whom an apartment or plot in a real estate project has been allotted or sold." If we go into the fundamentals of the relationship between an allottee and the real estate developer, we find that the payment for the sale of the apartment/plot is made usually in parts. One part of the payment – also known as advance – is paid at the initial stage of the contract. The remaining amount is paid via loan arrangements or in full amount. The amount paid as advance or booking amount to an ongoing real estate project is used in part towards the completion of the ongoing project. Hence, a convincing inference can be drawn that the allottees are financing the project or at least a part of it.

Therefore, a case can be made for allottees being classified as financial creditor. In fact, the Supreme Court of India, applied the same rationale to uphold the rights of allottees to move against developers under the IBC.

The Second Amendment Act of 2018

Through an amendment² in 2018, real estate was brought under the governance ambit of IBC. Under the definition of financial debt, an explanation was added "any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing". Further, the terms 'allottee' and 'real estate project' were given the same meaning as RERA Act.

The amendment to IBC was challenged in the Supreme Court of India by hundreds of real estate developers. Finally, in the case of Pioneer Urban Land and Infrastructure Limited vs. Union of India³, the apex court upheld the validity of the amendments and ruled in favour of Union of India and emphasised that the amounts raised from home buyers contributes significantly to the financing of the construction of flats/apartments in a project. The Honorable Court also clarified that home buyers could not constitute operational creditors⁴.

Whilst the case, clarified on the stand with respect to application of IBC on real estate projects, it did not rule upon the number of allottees who could petition or even the minimum amount that must be involved for each project.

The Amendment Act of 2020

Following the Supreme Court's ruling upholding the constitutionality of provisions regarding real estate under IBC, the government introduced a further amendment with respect to the above, vide an amendment in 2020, a proviso was added in Section 7 of the Code clarifying on the resolution process for home-buyers⁵.

It said that for initiating CIRP⁶ against a real estate project, the following condition must be met:

- (i) It must be filed jointly by at least one hundred of allottees under the same real estate project, or
- (ii) It must be filed jointly by at least ten per cent. of the total number of allottees under the same real estate project, whichever is less.

Thus, putting a numerical threshold to the case for home-buyers under the Insolvency Code.

Real Estate under IBC: Key Issues

- A. **The duality of RERA and IBC:** Under RERA, complaint can be filed against the developer for delays, false representations, unfair practices, irregularities and non-compliances. Significant breaches can lead to revocation of registration, or transfer of the project to a competent authority or a new promoter. Similarly, under IBC buyers can file applications before the NCLT against defaulting developers to initiate a resolution process. This poses a conflict of both areas as well as it could prove as a menace to bona fide real estate developers⁷.
- B. **Centre and State Domain:** While RERA is a state enacted law with the state ruled authorities adjudicating over the matters, IBC is centrally enacted wherein the matters are adjudicated by Tribunals. Since land comes under state list and RERA is a legislation enacted specifically to govern and resolve real estate issues, bringing an insolvency angle might end up diluting the RERA. The speculation here could further be enlarged realising that the highest appellant authority under IBC is Supreme Court⁸ while under RERA there is still incoherent with respect to involvement of High Court or the apex court⁹.

- C. **Unsecured Creditors:** Within the class of financial creditors, there are secured creditors and unsecured creditors. It is unclear whether home-buyers are secured or unsecured creditors, as while they have not taken anything as a security for the amount they have advanced to the developer, but they do have the deed of registration for the flat/plot allotted to them. Therefore, the position remains unclear. Under the Code, secured creditors are higher up on the priority list for repayment than the unsecured ones. Further, during the CIRP, more of the creditors can present and join the claims for the resolution proceedings. A secured creditor is given priority than the others, then it is followed by payment of employee wages, and then payment to all the unsecured creditors.

- D. **A class within a class:** The constitutional validity of distinction between operational and financial creditors have been challenged several times and the apex court has ruled that the provision is not discriminating. However, there have been demands that forming a numerical threshold for real estate allottees while already having a numerical threshold of default of Rs. 1 crore is unfair and discriminatory. Thereby, forming a class within a class⁹.

Conclusion

As a specialised legislation, Insolvency and Bankruptcy Code aims to target resolution of debt by corporate defaulters. The process under the Code is simple, easy and codified. By bringing the property of real estate under the Code, there is an attempt to resolve the issues faced by home-buyers on a quick and centralised manner. The application of IBC in addition to state-enforced RERA, as well as consumer protection laws, echoes a triple resolution to the same issue. Nevertheless, IBC trumps the other legislations and unofficially overrides the others

Abstract

With the introduction of the Insolvency and Bankruptcy Code in 2016, the resolution of disputes related to repayment to creditors took a new turn. The question, however, which remained unaddressed was whether the payment by real estate allottees would lie in this Code. After initial hesitance, IBC was amended to cover real estate cases as well. This article expands on the application of IBC upon real estate industry and the laws governing the same.

Introduction

Enacted in 2016, the Insolvency and Bankruptcy Code provides from resolution to repayment of debt to two classes of creditors: financial creditors and operational creditors. The classification of the two classes, stems from the source as well as the nature of the debt obtained. Financial creditor would involve a person or entity that is financing an entity with cash or other monetary support. Whereas, operational creditor entails providing a debt via granting a service or operational support.

The question of law arising out of here is: *Whether people who have been allotted flats/plots in a real estate project by a realtor would come under the definition of either financial or operational creditors?*

Analysis

A cursory look at the legal point of view, would convince that real estate allottees would not qualify to be operational creditors as they do not provide a service to the real estate company. Therefore, the next best option is to analyse the position of real estate allottees as financial creditors.

¹ <https://www.up-rera.in/pdf/reraact.pdf>

² http://164.100.474/billtexts/lbilltexts/asintroduced/127_2018_LS_Eng.pdf

³ Judgment dated August 09, 2019 in Writ Petition(s)(Civil) No. 43/2019

⁴ <https://www.mondaq.com/india/real-estate/837088/home-buyers-financial-creditors-supreme-court-reigns>

⁵ <https://ibbi.gov.in/uploads/legalframework/d36301a7973451881e00492419012542.pdf>

⁶ <https://www.ibbi.gov.in/uploads/faqs/CIRPFAQs%20Final2408.pdf>

⁷ [thehindu.com/life-and-style/homes https://www -and-gardens/balancing-rera-ibc/article25634438.ece](https://www.thehindu.com/life-and-style/homes/balancing-rera-ibc/article25634438.ece)

Section 62 of Insolvency and Bankruptcy Code, 2016

⁸ <https://www.livellaw.in/top-stories/supreme-court-rera-is-authorized-to-prefer-appeal-to-hc-against-decision-of-appellate-tribuna-177236>

⁹ <https://www.prsindia.org/theprsblog/amendments-ibc-implications-real-estate-allottees?page=1>

⁹ <https://www.sconline.com/blog/post/2021/06/20/homebuyers/>

Annual Compliance Calendar -

Companies Act, 2013 Public Limited Company



CS Divesh Goyal

Contact No. - +91 81307 57966;
Email: csdiveshgoyal@gmail.com

BACKGROUND:

In this Flash editorial, the author begins by referring to the Provisions of the Companies Act, 2013, read with all the Amendment Acts and rules mentioned there till Companies (Amendment) Act, 2019.

As per the latest amendments, Companies requirements for the compliances have been changed in comparison to the compliance requirement as on 01st April, 2014 when the Companies Act, 2013 came into effect.

After the commencement of the Companies Act, 2013, from 01st April 2014, the Compliance requirement of the Companies have been increased like MSME-1, BEN-2, Dematerialization of Shares etc.

Even no exemptions have been granted to the Public Limited Companies under the Companies Act, 2013.

Meaning of a Public Company:

“Public Company” means a Company which -

(a) is not a Private Company

Provided that a company which is a subsidiary of a Company, not being a Private Company, shall be deemed to be Public Company for the purposes of this Act even where such subsidiary Company continues to be a Private Company in its articles;

Important Features of Public Limited Companies:

- No need of Minimum Capital Requirement.
- All shares should be in Demat w.e.f 02nd October, 2018.
- If certain Limit of the Turnover, Net worth is crossed then the provisions of the Secretarial Auditor shall be applicable on the Public Companies.
- Minimum Number of 7 members is required in Public Companies.
- Loan to the Directors and relative of the Directors are strictly prohibited.
- Needs to file MGT-14 for all the resolutions passed u/s 179(3).
- Provisions of KMP, MD and WTD are Applicable on Public Limited Companies.
- Remuneration to the Directors are restricted as per Section 197 of the Companies Act, 2013.

Major Changes are as follow:

- Directors' Report:** There are a lot of changes in the Directors' Report of a Public Company. A Public Company needs to follow Section 134 read with rules and other compliances of other Acts.
- Annual Return (MGT-7):** Annual Return is the Form MGT-7. This is a very lengthy form.

* Annual Return [MGT-7] of a Public Company mandatorily requires the signature of a Practicing Company Secretary or the Company Secretary in employment. Annual Return can be file with the ROC with the Digital Signatures of the Directors and the Company Secretary in employment or a Practicing Company Secretary.

Certification of Annual Return by Company Secretary (MGT-8):

- All the Listed Companies
- Every Company having:
 - Paid-Up share capital of 10 Crore (Ten Crore) rupees or more or
 - Turnover of 50 Crore (fifty crore) rupees or more

Companies which are EXEMPTED from Signing of the Annual Return from the Company Secretary:

- One Person Company
- Small company

- Secretarial Standard:** From 1st July 2015 onwards, every meeting of the Board of Directors and the Shareholders shall be conducted in consolidation with the provisions of the Secretarial Standards and Companies Act, 2013. It needs a lot of Concentration and documentation. Secretarial Standard applies to the Small Companies as well

Annual Compliances For Public Company:

S. No.	Forms	Section & Rules		Particular of Compliance
QUARTER – I - APRIL TO JUNE				
01	Receipt of MBP-1	184(1)	Form MBP- 1	Every Director of the Company in First Meeting of the Board of Director in each Financial Year shall disclose his interest in other entities. Every Director is required to submit with the Company a fresh MBP-1, whenever there is a change in his interest from the earlier given MBP-1. MBP-1 is not required to file with ROC.
02	Receipt of DIR- 8	164(2) 143(3)(g)	Form DIR - 8	Every Director of the Company in each Financial Year will submit with the Company disclosure of non-disqualification.
03	Half Yearly Return	Section 405	MSME-1	Delay in the Payment to MSME Vendor: Company have to file this return half-yearly in respect of pending payments to the MSME vendors as at end of half -year. (only for payment pending for period more than half year) <ul style="list-style-type: none"> October to March - 30th April April to Sep - 30th October
04	Half Yearly Return (April)	Rule 9A(3)	PAS-6	Reconciliation of Share Capital Audit Report. Company is required to submit the reconciliation share capital Audit report with the ROC audited by a practicing Company Secretary as at end of half-year within 60 days of end of half yar: <ul style="list-style-type: none"> October to March - 30th May April to Sep - 29th November
05	Yearly Return (June)	Section 73 Rule 16	E-form DPT-3	Return of Deposit: Company is required to file this form every year on or before 30th June in respect of return of Deposit and Particulars not considered as Deposit as on 31st March.
QUARTER – II - JULY TO SEPTEMBER				
06	Approval of Financial Statement	134		Preparation and Approval of Financial Statement. The auditors' report shall be attached to every financial statement
07	Directors' Report	134		Directors' Report shall be prepared by mentioning all the information required for the Company under Section 134 read with relevant rules and relevant provisions of other Acts. It should be signed by the "Chairperson" authorized by the Board, where he is not so authorized by at least 2 Directors one of them should be MD, if there is any

Annual Compliance Calendar -

Companies Act, 2013 Public Limited Company

S. No.	Forms	Section & Rules		Particular of Compliance
08	Filing of Resolution with ROC	Section 117 read with 179	MGT-14	Public Company required filing this form with the ROC within 30 days of the approval of the Directors' Report and the Financial Statement with ROC.
09	Holding of AGM	96		Every company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting. it shall be held within a period of six months, from the date of closing of the financial year.
10	Notice of AGM	101 & SS-II		Every Notice of the Annual General Meeting will be prepared as per Section 101 of the Companies Act 2013 and Secretarial Standard – II.
11	Circulation of Notice of AGM	101 & SS		Notice of the Annual General Meeting will be sent to all the : <ul style="list-style-type: none"> • Directors, • Members, • Auditors • Debenture Trustees.
12	Circulation of Financial Statement & other relevant Dox	136		Company will send to the members of the Company approved Financial Statement, Directors' Report and Auditors' Report at least 21 clear days before the Annual General Meeting. In case the AGM is called on the shorter notice then above mentioned documents shall be circulated on such shorter period. For holding of the AGM on shorter notice companies need to take the proper approvals as per the Act.
13	Annual Form	Rule 12A	DIR-3 KYC	KYC of Directors: All the Directors of the Company shall file this form on or before 30th September every year.
QUARTER – III - OCTOBER TO DECEMBER				
14	E- Forms- Annual Form	137	E-form: AOC-4	Financial Statement: Company is required to file its Balance Sheet along with the Statement of Profit and Loss Account, Cash flow statement, Directors' Report and Auditors' Report in this form within 30 days of holding of the Annual General Meeting. Attachment: Balance Sheet, Statement of Profit & Loss Account, Cash Flow Statement, Directors' Report, Auditors' Report and the Notice of the AGM.
15	E- Forms Filing Requirements Annual Form	92	E-form: MGT-7	Annual Return: Every Company will file its Annual Return within 60 days of holding of the Annual General Meeting. Annual Return will be for the period from 1st April to 31st March. Annual Return of Every Public Company should be signed by a Company Secretary in Practice
16	Certification of Annual Return	92	MGT-8	Public Company having paid up share capital of 10 Crore or more or turnover of Rs. 50 crore or more shall be certified by a Company Secretary in Practice.

QUARTER – IV - JANUARY TO MARCH

There is no mandatory compliance for this quarter.

Limit Based Annual Compliances for Public Limited Companies:

S. No.	Forms	Section & Rules		Particular of Compliance
17	Board Meetings	173 & SS-I		Every Company shall hold a minimum number of FOUR meetings of its Board of Directors every year in such a manner that maximum gap between two meetings should not be more than 120 (One hundred twenty) days.
18	Maintenance of Statutory Registers	88 and other sections	E-form ADT-1	The Auditor will be appointed for 5 (Five) years and form ADT-1 will be filed for a 5-year appointment within 15 days of the Annual General Meeting.
Above mentioned 19 (Nineteen) Compliances are mandatory annual compliances for the Public Company. Except above 19 (Nineteen), there may be event-based compliances for the Public Company.				
20		196	MR-1	Return of the Appointment and Re-appointment of the Managing Director or the Whole Time Director or the Manager or KMP.
21	E- Forms Filing Requirements	117	MGT-14	Appointment and change in any term of appointment of Managing Director
22		149	DIR- 12	Appointment of the Independent Director.
23		149	DIR- 12	Appointment of the Women Director.
24		138	MGT-14	Appointment of the Internal Auditor.
25	Secretarial Audi	205		All the below mentioned Company are required to obtain a Secretarial Audit report from the Practicing Company Secretary such report will be part of the Directors' Report (MR-3). a) All the Listed Companies b) Every Public Company having; <ul style="list-style-type: none"> • Paid-Up Share Capital of Rs. 50 Crore (fifty crore rupees) or more; or • Every Public Company having a Turnover of Rs. 250 Crore (two hundred fifty crore rupees) or more • every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more

(Author – CS Divesh Goyal, GOYAL DIVESH & ASSOCIATES Company Secretary in Practice based in Delhi and can be contacted at csdiveshgoyal@gmail.com).

Disclaimer: The entire contents of this document have been prepared based on the relevant provisions and as per the information existing at the time of the preparation. Although care has been taken to ensure the accuracy, completeness and reliability of the information provided, I assume no responsibility therefore. Users of this information are expected to refer to the relevant existing provisions of applicable Laws. The user of the information agrees that the information is not a professional advice and is subject to change without notice. I assume no responsibility for the consequences of use of such information.

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Section 8 Company



SARRAH KATAWALA

Proprietor
B.COM, C.S, L.L.B

Contact No. - 8888179598;

Email: sarrahkatawala@connect2comply.com

Introduction

India has a rich culture of nurturing and supporting its co-habitats and this can be witnessed in the large number of Not-for-Profit Organisations (NPO) being registered. As per the Guide Star India, in the year 2020, it had more than 10,000 verified NGO's and more than 1,600 Certified NGO's on its portal. The 'NGO Darpan' Portal has 100,873 NGO's on its portal of Nitti Ayog. This goes to show that not always do people in India work for profit-making and furthermore the quantum of such people is substantial.

In Today's time when one thinks of starting/registering an NPO, there are broadly 3 forms of NPO to look for:

- a. Trust
- b. Society
- c. Section 8 Company

Here we shall look upon the third form of NPO i.e. Section 8 Company.

Earlier known as section 25 Companies, under Companies Act,1956, took a new face in the form of Section 8 Company under the Companies act,2013.

Section 8 companies have gained an edge over other forms of NPOs due to the inherent advantages and simplicity that it offers. Not only is it eligible for all the benefits under Income Tax Act,1961 like the other forms of NPO but also it offers a very quick and easy registration process which distinguishes it as an NPO.

* What is a Section 8 Company ?.

As per Companies Act,2013 section 8 is defined as:

Formation of Companies with Charitable Objects, etc.

- (1) Where it is proved to the satisfaction of the Central Government that a person or an association of persons proposed to be registered under this Act as a limited company-
 - (a) has in its objects the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object;
 - (b) intends to apply its profits, if any, or other income in promoting its objects; and
 - (c) intends to prohibit the payment of any dividend to its members.

In brief, a company formed with a purpose of serving the society and works for its advancement, where the profits of the company are utilized only towards advancement of its object forms the crux of a Section 8 company and such companies are formed after obtaining licence from the Central Government, the power of which is delegated to the Registrar of Companies of respective jurisdiction.

This organisation has various advantages to it. Let us have a look at them.

Advantages of Section 8 Company:

1. Requires lesser number of persons to form a section 8 Co. in comparison to other forms of NPOs.
2. Quick registration Process.
3. Tax benefit under Section 80G & Sec 12AA under Income Tax Act,1961.
4. Stamp duty on incorporation is minimal.
5. A firm may also be a member of Section 8 Co.
6. Being strictly regulated entity, it is a more credible form of organisation than any other form of Charitable organisation.
7. On Practical front, working under a section 8 Co. is much simpler, right from its incorporation process to its annual compliances, from the entity and practicing professional's point of view as well.

Relaxations under Companies Act,2013:

- Sec 118 regarding minutes of meetings not applicable except that minutes may be recorded within thirty days of the conclusion of every meeting in case of companies where the articles of association provide for confirmation of minutes by circulation.
- Section 149(1) and its first proviso regarding Company to have Board of Directors not applicable.
- Section 178 (Nomination and Remuneration Committee and Stakeholders Relationship Committee) not applicable.
- Section 184 (2) (Disclosure of Interest by Director) and section 189 (Register of Contracts or arrangements in which Directors are interested) shall apply, only if the transaction with reference to section 188 on the basis of terms and conditions of the contract or arrangement exceeds one lakh rupees
- General meeting may be summoned by issuing not less than 14 days' notice instead of 21 days.
- May have more than 15 Directors.
- Directorship in section 8 company not included in total Directorship (Twenty) held.
- No obligation to appoint independent director.
- Only one meeting in six months is adequate [exemption notification read with sec 173(1) & 174(1)]
- Section 160 of CA ,2013 will not be applicable in case the articles of the Co. provide for election of Directors by ballot

Although, Sec 8 Company is the most preferred form of organisation, there are certain limitations to it such as:

Limitation as a Section 8 Co.

1. Distribution of Dividend is prohibited.

2. Profits are to be applied only for pursuing the objects of the company.
3. No member can be appointed as a remunerated officer of the Company.
4. The members of such a company are not eligible for any benefits or perks arising out of the company except for the reimbursement for expenses incurred in the due course of running the company.

Looking at the advantages and limitation associated with section 8 company one can clearly conclude that the advantages outweigh the limitations in case of a Section 8 Co.

Formation of Section 8 Company

The procedure for formation of section 8 Company is similar to that of a private limited. Starting with Name application, DSC application, Spice part B and Agile Pro e-forms, all the formalities are almost the same.

The additional requirement in case of section 8 company that are to be attached in Spice Part B are:

1. The MOA & AOA are to physically attached in Spice part B form where format of MOA has to be as per INC-13.
2. Declaration in Form INC-14 by CS/CA/CWA in practice, that the draft MOA & AOA have been drawn up in conformity with the provisions of Section 8 and rules made thereunder and that all the requirements of the Act and the rules made thereunder relating to registration of the company under Section 8 and matters incidental or supplemental thereto have been complied with.
3. Declaration in Form INC-15 by every applicant of the company.
4. An estimate of future annual income and expense of the company for the next 3 years.

Compliance calendar for section 8 Company

S. No.	Compliance	Particulars	Time-Line
01	Board Meetings	The company must hold at least 2 BM every year.	1st Board Meeting: within 1 month of Incorporation. Annually at least 1 BM in six calendar months.
02	1st year compliances. Form INC-20A	a. Opening of Bank Account.	As soon as the company is Incorporated. (Within 1 month of incorporation)
b. Depositing share capital in Co's Bank Ac.		Within 180 days from the date of incorporation (DOI)	
c. issue of Share Certificates & payment of Stamp Duty.		Share Certificate: within 60 days from DOI Stamp Duty payment: Within 30 days from allotment of shares.	

Section 8 Company

S. No.	Compliance	Particulars	Time-Line
03	Form ADT-1	Appointment of Auditor shall be done in AGM for a period of 5 years at a time. However, 1st Auditor shall be appointed up to the date of 1st AGM	Within 15 days of AGM
04	Form MBP-1	Declaration as to disclosure of Director's interest shall be taken every year and in the event of change in interest of any director new MBP-1 to be filed.	1st BM every Year
05	Form DIR-8	Declaration as to non-disqualification of Directors.	On Appointment or Re-appointment.
06	Form DIR-3 KYC	Directors KYC to be updated every year with the ROC	On or before 30th September every financial year.
07	Form DPT-3	Return of Deposits or particulars of transactions not considered as deposits.	On or before 30th June every year.
08	Form MSME-1	Delay in payment to MSME Vendors beyond 45 days at the end of 6-month time-line	Half Yearly return Apr-Sept: 31st October Oct-March: 30th April
09	AGM	1st AGM may be held within 9 months from the end of financial year.	Within 6 months from the end of each financial year
10	Form MGT-14	Board Resolution for approval of Financial Statement and Board's Report. Applicable only in case of public section 8 company.	Within 30 days of Board Meeting.
11	Form AOC-4	Financial Statements and Board's Report	Within 30 days of AGM
12	Form MGT-7	Annual Return	Within 60 days of AGM
13	Form MGT-8	Certification by a Practicing Company Secretary. Applicable for companies having PUC of Rs. 10Cr. Or more or TO of Rs.50Cr. or more.	To be attached in form MGT-7.

Revocation of Licence

The Central Government may, by order, revoke the licence granted to a section 8 company if it contravenes any of the requirements under section 8 of the act or any of the conditions subject to which a licence is issued or the affairs of the company are conducted fraudulently or in a manner violative of the objects of the company or prejudicial to public interest.

The Central Government may without prejudice to any other action against the company under this Act, direct the company to convert its status and change its name to add the word "Limited" or the words "Private Limited", as the case may be, to its name and thereupon the Registrar shall, without prejudice to any action that may be taken under sub-section (7), on application, in the prescribed form, register the company accordingly.

Provided that no such order shall be made unless the company is given a reasonable opportunity of being heard

Provided further that a copy of every such order shall be given to the Registrar.

Also, as per sub-section (7) where a licence is revoked under sub-section (6), the Central Government may, by order, if it is satisfied that it is essential in the public interest, direct that the company be wound up under this Act or amalgamated with another company registered under this section:

Provided that no such order shall be made unless the company is given a reasonable opportunity of being heard.

Penalty under the Act

In case of default in compliance with any of the requirements laid down under the Companies Act, 2013 the penalty shall be in the following manner:

- On the company: Ten Lakh Rupees to a maximum of one crore rupees.
- On the directors and officers in default: twenty-five thousand rupees to a maximum of twenty-five lakh rupees

Provided that when it is proved that the affairs of the company were conducted fraudulently, every officer in default shall be liable for action under section 447.

Conclusion:

Section 8 company is increasingly becoming one of the most preferred form of NPO for the advantages it offers and the ease and simplicity that is embedded in its working. It has also broadened the horizons for Practicing professionals, where the role of company secretary as corporate governors has become very crucial in the growth of such a form of NPO. As professionals one must strive towards efficient governance of every Section 8 company it works for as the essence of such a company is the upliftment of society and hence every professional can play a significant role in nation building.



- CA 2013 MCA website
- <https://swaritadvisors.com/learning/tax-exemption-to-section-8-company/#:~:text=Under%20the%20Income%20Tax%20Act,got%20taxed%20by%20%4030%25.>
- <https://taxguru.in/company-law/annual-company-law-compliance-calendar-section-8-company.html>
- <https://www.icnl.org/resources/civic-freedom-monitor/india>
- https://www.mca.gov.in/Ministry/pdf/Exemptions_to_Section8_companies_05062015.pdf

What is the PoSH Act?



Priyanshi Goyal
Contact No. - 81718-90038;
Email: CSPRIYANSHIGARG@GMAIL.COM



The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, generally referred to as the 'PoSH Act' is an Indian law enacted with the intention of creating workplaces safer for women by preventing, prohibiting and redressing acts of sexual harassment against them in the workplace.

The act came into being because of a tragedy-Bhanwari Devi, a social worker in Rajasthan, was brutally gang-raped in 1992 when she stopped a child marriage in the village where she was working. Her case was taken up by Vishaka, a women's organisation, ultimately resulting in the Vishaka judgement. Devi's subsequent efforts for justice in the 'Vishaka and others vs State of Rajasthan' case became a watershed moment for women's rights in India.

The subsequent POSH Act of 2013 builds upon the Vishaka guidelines laid out in 1997 by the Supreme Court of India.

Following up on Vishaka, the Supreme Court of India ruled that physical contact was not essential to be considered an act of sexual harassment. The act applies to women working in the private, government, and informal sectors.

The law was made operative in the whole of India on December 9, 2013, by the Ministry for Women and Child Development.

Section 2- Important Definitions

"Employee" means a person employed at a workplace for any work on a regular, temporary, ad hoc or daily wage basis, either directly or through an agent, including a contractor, with or, without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary

basis or otherwise, whether the terms of employment are express or implied and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name

"Employer" means-

- (i) In relation to any department, organisation, undertaking, establishment, enterprise, institution, office, branch or unit of the appropriate Government or a local authority, the head of that department, organisation, undertaking, establishment, enterprise, institution, office, branch or unit or such other officer as the appropriate Government or the local authority, as the case may be, may by an order specify in this behalf;
- (ii) In any workplace not covered under sub-clause (i), any person responsible for the management, supervision and control of the workplace.

"Internal Committee" means an Internal Complaints Committee constituted under section 4;

"Local Committee" means the Local Complaints Committee constituted under section 6;

"Member" means a Member of the Internal Committee or the Local Committee, as the case may be

"Workplace" includes-

- (i) Any department, organisation, undertaking, establishment, enterprise, institution, office, branch or unit which is established, owned, controlled or wholly or substantially financed by funds provided directly or indirectly by the appropriate Government or the local authority or a Government company or a corporation or a co-operative society;



- (ii) Any private sector organisation or a private venture, undertaking, enterprise, institution, establishment, society, trust, non-governmental organisation, unit or service provider carrying on commercial, professional, vocational, educational, entertainment, industrial, health services or financial activities including production, supply, sale, distribution or service;
- (iii) Hospitals or nursing homes;
- (iv) Any sports institute, stadium, sports complex or competition or games venue, whether residential or not used for training, sports or other activities relating thereto;
- (v) Any place visited by the employee arising out of or during the course of employment including transportation by the employer for undertaking such journey;
- (vi) A dwelling place or a house;

"Sexual harassment" includes any one or more of the following unwelcome acts or behaviour (whether directly or by implication) namely:

- (i) Physical contact and advances; or
- (ii) A demand or request for sexual favours; or
- (iii) Making sexually coloured remarks; or
- (iv) Showing pornography; or
- (v) Any other unwelcome physical, verbal or non-verbal conduct of sexual nature;

What is Sexual Harassment



As per section 3 of the Act-

The following circumstances, among other circumstances, if it occurs, or is present in relation to or connected with any act or behaviour of sexual harassment may amount to sexual harassment:

- (i) Implied or explicit promise of preferential treatment in her employment; or
- (ii) Implied or explicit threat of detrimental treatment in her employment; or
- (iii) Implied or explicit threat about her present or future employment status; or
- (iv) Interference with her work or creating an intimidating or offensive or hostile work environment for her; or

What is the PoSH Act?

(v) Humiliating treatment likely to affect her health or safety.

Applicability Of POSH

The Prevention of Sexual Harassment (POSH) at workplace Act is applicable to every workplace, establishment, company or

Internal Control Committee:



Every employer is obliged to constitute an ICC through a written order. The ICC will be composed of the following members:

1. Women working at senior level as an employee; if not available then nominated from another office/unit/department/ workplace of the same employer
2. 2 Members from amongst employees committed to the cause of women/ having legal knowledge/experience in social work
3. Member From amongst NGO/associations committed to the cause of women or a person familiar with the issue of Sexual Harassment.

Constitution and jurisdiction of Local Committee

- (1) Every District Officer shall constitute in the district concerned, a committee to be known as the Local Committee to receive complaints of sexual harassment from establishments where the Internal Committee has not been constituted due to having less than ten workers or if the complaint is against the employer himself.
- (2) The District Officer shall designate one nodal officer in every block, taluka and tehsil in the rural or tribal area and ward or municipality in the urban area, to receive complaints and forward the same to the concerned Local Committee within a period of seven days.
- (3) The jurisdiction of the Local Committee shall extend to the areas of the district where it is constituted.

Compliance of Posh ACT

1. **Committee:** Each organisation with more than 10 employees is required to form an Internal Complaints Committee headed by a "female presiding officer"

organization **employing 10 or more employees** (full time, part-time, interns or consultants included) irrespective of its location or nature of the industry

2. **Policy:** Formulation of an internal POSH policy for the prevention and redressal of sexual harassment at workplaces.
3. **Training Programme:** Orientation and training programmes are also required to be carried out by the organisation.
4. **Annual Report:** The organizations are also required to file an annual report with the information of the number of sexual harassment complaints received in a year, the number of complaints disposed of in a year, cases pending for more than 90 days, etc.
5. **Reporting under Directors Report**

Sexual Harassment at Workplace Policy

Employers/District Officers are responsible for complying with prohibition, prevention and redressal of workplace sexual harassment. In practice, this means having a policy that:

- (1) Prohibits unwelcome behaviour that constitutes workplace sexual harassment;
- (2) Champions prevention of workplace sexual harassment through orientation, awareness and sensitization sessions; and
- (3) Provides a detailed framework for redress.

Dissemination of Information and Awareness Generation

Employers/ District Officers have a legal responsibility to:

1. Effectively communicate a policy that prohibits unwelcome behaviour that constitutes workplace sexual harassment, and provides a detailed framework for prevention, and redress processes.
2. Carry out awareness and orientation for all employees.
3. Create forums for dialogue i.e. Panchayati Raj Institutions, Gram Sabhas, Women's Groups, Urban Local Bodies or like bodies, as appropriate.

4. Ensure capacity and skill building of Complaints Committees.
5. Widely publicize names and contact details of Complaints Committee members.

Annual Report

As per Prevention of Sexual Harassment Act, 2013, there are 2 reports to be submitted by the employer:

1. It is the duty of the ICC to submit an annual report, which includes the number of cases filed/disposed of every calendar year to the employer and **district office**.
2. The employer has a statutory obligation to ensure this report is included in the annual report of the organization filed to the Registrar of companies.

Who is a District Officer (Do)

State Governments will notify a District Magistrate/Additional District Magistrate/ Collector/ Deputy Collector as a District Officer at the local level. The District Officer will be responsible for carrying out the powers and functions under the Act at the district levels (including every block, taluka, tehsil, ward, and municipality)



Internal Committee to submit annual report

As per the Act – "(1) The Internal Committee or the Local Committee shall in each calendar year prepare, in such form and when may be prescribed, an annual report and submit the same to the employer and the District Officer.

The **District Officer** will forward a brief report on the annual reports to the appropriate State Government. Such reports must include the following information:

1. No. of complaints received;
2. No. of complaints disposed of;
3. No. of cases pending for more than 90 days;
4. No. of workshops/awareness programmes carried out;

5. Nature of action taken by the employer/DO;

The Report of ICC will be forwarded to the DO through the employer.

Employer to include information in the Annual report

As per the Act - "The employer shall include in its report the number of cases filed, if any, and their disposal under this Act in the annual report of his organisation or where no such report is required to be prepared, intimate such number of cases, if any, to the District Officer."

The Director's Report submitted under the Companies Act has a section to capture the compliance to the PoSH Act, 2013. This report is filed along with the Annual returns to the Registrar of companies.

Penalty Provisions

An employer can be subjected to a penalty of up to INR 50,000 for:

- Failure to constitute Internal Complaints Committee
- Failure to act upon recommendations of the Complaints Committee; or
- Failure to file an annual report to the District Officer where required; or
- Contravening or attempting to contravene or abetting contravention of the Act or Rules.

If any employer, after having been previously convicted of an offence punishable under this Act subsequently commits and is convicted of the same offence, he shall be liable to—

- (i) Twice the punishment, which might have been imposed on a first conviction, subject to the punishment being maximum provided for the same offence:

Provided that in case a higher punishment is prescribed under any other law for the time being in force, for the offence for which the accused is being prosecuted, the court shall take due cognizance of the same while awarding the punishment;

- (ii) Cancellation, of his licence or withdrawal, or non-renewal, or approval, or cancellation of the registration, as the case may be, by the Government or local authority required for carrying on his business or activity.

Taxation of Slump Sale-

Few matters settled, a few added!



Vriti Chheda
Senior Manager,
Startcap Business consulting
LLP



Nirali Vora
Assistant Manager
Startcap, Business consulting
LLP

of business undertakings as a whole. There were judicial precedents¹ wherein it was held that such transactions are not taxable either as business income or as capital gains. Therefore, in order to remedy this situation, section 50B was inserted in the IT Act through the Finance Act, 1999 providing special provisions for computation of capital gains in case of slump sale.

2.1 Definition of slump sale

Slump sale is defined under section 2(42C) of the IT Act to mean transfer of one or more undertaking as a result of the sale for a lump sum consideration without values being assigned to individual assets and liabilities in such sale.

Thus, we can infer from the definition that itemised sale of assets and liabilities cannot be construed as slump sale. This view has been taken by various courts while determining whether a particular transaction can be considered as a slump sale or not.

2.2 Taxation under the IT Act

Section 50B of the IT Act provides the mechanism for taxation of profits and gains arising from slump sale. As per section 50B of the IT Act, the cost of acquisition in the hands of the seller shall be equal to the net worth of the undertaking being transferred computed as per the provisions of the said section ("Tax Net Worth") without any indexation benefit.

The Tax Net Worth is the value of total assets excluding revaluations reduced by total liabilities of the undertaking. Value of total assets means the written down value in case of depreciable assets and book value in case of other assets. Thus, the simple formula for calculation of capital gains in case of slump sale, prior to amendments, was as follows:

Capital Gains = actual sale consideration - Tax Net Worth

3. Amendments Introduced by FA 2021

The FA 2021 introduced the following amendments which have been made effective retrospectively from 1 April 2020 (i.e. Financial Year 2020-21).

3.1 Widening the scope of transactions covered under slump sale

Since slump sale was defined to mean transfer of one or more undertaking by way of "sale", it was interpreted by some courts that other modes of transfer listed under section 2(47) of the IT Act (for e.g. exchange, relinquishment) do not fall within the ambit of slump sale. This led to adoption of tax avoidance

strategies whereby consideration for slump sale was discharged in form of assets other than cash (say through issuance of shares and securities). Placing emphasis on the principal of substance over form, the FA 2021 amended the definition of slump sale to include transfer of one or more undertaking, by any means. It further introduced explanation 3 to section 2(42C) of the IT Act which provides that the word "transfer" shall have the same meaning assigned to it for the purpose of capital gains (i.e. clause 2(47) of the IT Act).

Accordingly, by virtue of the abovementioned amendment, slump sale shall include transfer by way of sale or exchange or any other mode of transfer as defined in clause 2(47).

Implications

Transfer of an undertaking on a going concern basis for a lumpsum consideration in any form (including share or securities) shall be considered as a slump sale transaction. Such transaction shall be chargeable to tax under section 50B of the IT Act and the computation mechanism provided in the said section shall apply. Further, the landmark judgement pronounced by the Bombay High Court in case of Bharat Bijlee² wherein it was held that that any transfer of an undertaking otherwise than as a result of "sale" will not qualify as a slump sale, has now become infructuous.

3.2 Exclusion of self-generated goodwill from the definition of net-worth for the purpose of section 50B of the IT Act

Clause (aa) to explanation 2 of section 50B of the IT Act has been inserted by the FA 2021 which provides that the cost of self-generated goodwill shall be nil for the purpose of calculation of Tax Net Worth.

Implications

Historically, the cost of self-generated goodwill was considered as nil while computing the Tax Net Worth. Thus, this amendment is clarificatory in nature.

3.3 Introduction of deemed fair value sale consideration

Prior to the amendment, there was no formula or mechanism prescribed for computation of sale consideration under section 50B of the IT Act. The actual consideration agreed between the parties was considered to be the sale consideration while computing capital gains on slump sale.

FA 2021 has introduced the concept of Fair Market Value ("FMV")

of the consideration which shall be deemed to be the full value of consideration on slump sale. The FMV is to be computed as per the rules prescribed in this regard.

The Central Board of Direct Taxes ("CBDT") vide notification dated 24 May 2021 inserted Rule 11UAE in the Income-tax Rules, 1962 ("IT Rules") prescribing the rules for computation of FMV of an undertaking transferred under slump sale.

As per Rule 11UAE of the IT Rules, the FMV of the capital asset (being undertaking) shall be higher of FMV1 and FMV2 as on the date of slump sale, where:

	Net asset value of the undertaking transferred excluding jewellery, artistic work, shares, securities and immovable property ("Specified Assets")
	+
FMV1 = (Determination of FMV of assets transferred)	FMV of jewellery and artistic work basis registered valuer's report
	+
	FMV of shares and securities as per Rule 11UA(1) of the IT Rules
	+
	Stamp duty value of immovable properties
	Value of monetary consideration received or accruing as result of transfer
	+
	FMV of non-monetary consideration received being property namely jewellery, archaeological collections, drawings, paintings, sculptures or any work of art, shares and securities as per Rule 11UA(1) of the IT Rules
	+
	Stamp duty value of immovable properties received as consideration
	+
FMV2 = (Determination of FMV of consideration received)	FMV as per registered valuer's report in case of any other assets received not covered above

Implications

- The aforementioned formulas prescribed by the CBDT implicitly leads to valuation of assets on an individual

1. Introduction

Business acquisitions play an important role in the growth of any organisation. One such method of business acquisition is slump acquisition whereby one entity acquires the business undertaking of another entity on a going concern basis for a lumpsum consideration either through a business transfer agreement ("BTA") or through a Scheme of arrangement under National Company Law Tribunal ("NCLT") route. Slump Acquisition through a BTA is widely popular as it offers greater flexibility, is time and cost effective as against acquisition through NCLT route.

The Income-tax Act, 1961 ("IT Act") defines such transfer of business undertaking from one entity to another entity on a going concern basis for a lumpsum consideration as slump sale and typically triggers capital gains tax in the hands of seller.

There have been various ambiguities and controversies revolving around the taxation of slump sale and with the Finance Act, 2021 ("FA 2021") introducing several amendments to the slump sale provisions; many ambiguous matters have been put to rest while few new issues have arisen. This article discusses the amendments and their implications on the currently followed practices.

2. Taxability of Slump Sale Transactions - Prior to Amendments by FA 2021

Prior to the introduction of slump sale concept under the IT Act, there were no specific provisions for taxation on transfer

¹ PNB Finance Ltd (2008) 307 ITR 75 (SC)
Mugneeram Bangur & Co. [1965] 57 ITR 299 (SC)

² Bharat Bijlee [ITA No. 2153 of 2011]

Taxation of Slump Sale-

Few matters settled, a few added!

basis. Deriving the sale consideration by such itemised valuation of the assets contradicts the very concept of slump sale which requires the undertaking to be transferred for a lumpsum consideration without assigning values to individual assets and liabilities.

- Business transfers by way of slump sale are widely used especially in case of internal group restructuring wherein the business could be transferred at Tax Net Worth of the undertaking leading to a nil tax cost and making the transfer tax neutral. However, in light of the amendments discussed above, such transactions will no longer be tax effective if the undertaking being transferred has Specified Assets.
- The aforementioned amendments can cause hardships to taxpayers especially in case of genuine distress sale transactions where the deemed FMV of the undertaking being transferred is higher than the commercially agreed sale price based on future business prospects of the undertaking. This can cause an additional tax burden in the hands of already financially distressed entities when the undertaking to be transferred consists of Specified Assets.

4. Points Worth Consideration

4.1 Applicability of amendments - Retrospective or prospective?

The amendments to the provisions of the IT Act relating to slump sale have been brought to effect from FY20-21, however, the rules for computation of FMV have been prescribed in May 2021. Thus, there is ambiguity regarding the applicability of the amendments to the transactions executed in FY20-21 which may be the cause of future litigations. In the past when such a question regarding the applicability of IT Rules had arisen³, the Supreme Court after taking into consideration the purpose, intend, explanatory notes in the corresponding Finance Bill and departmental understanding had held that the said rules under discussion could not have been applied retrospectively. Until further clarification from the CBDT, this issue remains unaddressed.

4.2 Exemption of slump sale between holding companies and their wholly owned subsidiaries

Section 47 of the IT Act enlists certain transactions which are not regarded as “transfer” for the purpose of chargeability of capital gains i.e. such transactions are not liable to capital gains tax. Such transactions include transfer of capital asset by a holding company to its wholly owned subsidiary and vice versa provided that:

- The parent company holds the entire share capital of the subsidiary (either directly or through nominees); and
- The recipient is an Indian company

Therefore, in case of transfer of capital assets being an undertaking by a holding company to a subsidiary or vice versa by way of slump sale fulfilling the above conditions should not be liable to tax under section 50B of the IT Act by virtue of exemption provided under section 47 of the IT Act. The combined reading of provisions of section 47 and section 50B of the IT Act could provide relief to companies intending to undertake internal group restructuring by way of slump sale, subject to satisfaction of specified conditions.

4.3 Valuation method adopted for deriving consideration vis-a-vis valuation method prescribed for taxation

In cases where consideration for slump sale is agreed to be discharged in form of shares of the buyer company, such shares are issued basis the overall valuation of the company and the consideration intended to be discharged. In most cases, valuations are based on future projections and expected cash flows of the issuer company derived as per the Discounted Cash Flow (“DCF”) method. However, when it comes to taxability of such non-monetary consideration in the hands of the seller under section 50B of the IT Act, full value of consideration needs to be computed as per the formula prescribed under Rule 11UAE of the IT Rules (“deemed sale consideration”). The amended language of section 50B of the IT Act in relation to deemed sale consideration is drafted in a manner which appears to be favourable for the seller in the scenario where the Adjusted Net Asset Value of the undertaking being transferred (FMV1) and the value of shares issued by the buyer company as per Rule 11UAE of the IT Rules (FMV2) is less than the actual commercially agreed consideration (value of shares derived as per DCF method). For the purpose of computing capital gains under section 50B of the IT Act, deemed sale consideration (i.e. higher of FMV1 or FMV2) shall be considered as the full value of consideration irrespective of the fact that the actual consideration issued by the buyer company (as commercially understood between the parties) is higher than the deemed sale consideration. This would lead to taxation on a lower deemed value (arrived as per Rule 11UAE of the IT Rules) than the actual commercially agreed consideration (arrived as per DCF method). This could be especially true in case of service businesses which usually operate on an asset light model.

Illustration

Company A intends to acquire the software business division of

Company B for a consideration of Rs. 1.5 crores to be discharged in form of shares of Company A. The value per share of Company A is Rs. 50 as per DCF valuation and has been mutually agreed by both Parties. The valuation as per Rule 11UAE of the IT Rules has been arrived at as follows:

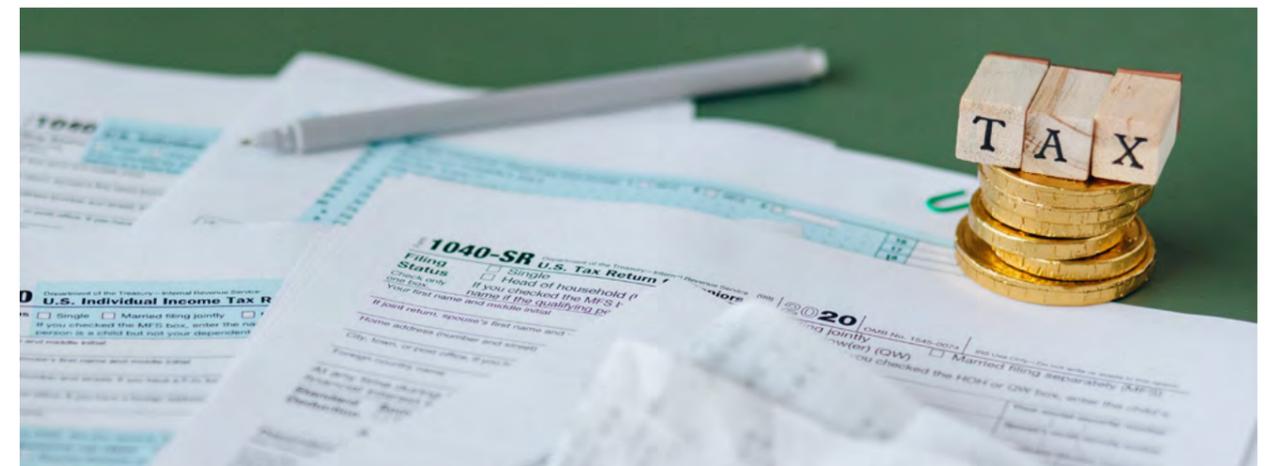
- FMV1: Valuation of the software business undertaking as per formula prescribed in FMV1 is Rs. 50 Lacs;
- FMV2: Value per share of Company A is 20. As Company A intends to issue 3,00,000 shares, the total FMV2 is Rs. 60 Lacs;

Rs. 60 Lacs being the higher of FMV1 and FMV2 will be deemed to be the full value of consideration in the hands of Company B. Thus, tax is payable on the deemed sale consideration of Rs. 60 Lacs as against the actual sale consideration of Rs. 1.5 crores.

4.4 Ambiguity regarding date of slump sale for purpose of valuation

As per Rule 11UAE of the IT Rules, FMV of the undertaking to be transferred is to be calculated as on the date of slump sale. The date of slump sale becomes a crucial aspect to ponder upon in cases where the effectiveness of the BTA is contingent upon completion of conditions precedent. This gives rise to the question as to whether date of signing the BTA or the effective date (i.e. the date of completion of the conditions precedent) shall be considered as the date of slump sale. Illustratively, if a futuristic date i.e. the effective date is to be considered as the date of slump sale, there could be a possibility that the FMV of the undertaking to be transferred as on effective date is higher or lower than that as on the date of signing of BTA resulting into higher / lower tax on slump sale. This aspect needs to be carefully considered at the time of planning and execution of slump sale transactions.

Authors: *Virti Pasad Chheda, Senior Manager and Nirali Vora, Assistance Manager at StratCap Business Consulting LLP*



4.5 Requirement of obtaining valuation report

It has not been specified anywhere in the IT Act or IT Rules as to whether a valuation report from any appropriate professional such as Registered Valuer, Chartered Accountant or Merchant Banker is required for the purpose of determination of FMV as per Rule 11UAE of the IT Rules. Absence of any specific provision in this regard has made it open for the taxpayer to decide whether to obtain a valuation report or not. It is advisable for the taxpayer to obtain a valuation report for this purpose and keep it on record in case it is required in future by the tax authorities.

5. Conclusion

Issues regarding taxability of slump sale transactions where consideration was discharged in a form other than cash, which were subject to intense litigation so far, have been put to rest due to the amendments. However, these amendments have brought in a new set of unaddressed issues which may lead to litigations in future. Deriving the value of sale consideration by addition of itemised valuation of the assets contradicts the very concept of slump sale which requires the undertaking to be transferred for a lumpsum consideration without assigning values to individual assets and liabilities.

While the intent of the Government to plug the tax leakages has been successful to a great extent but have also given birth to unwarranted taxation on genuine transactions owing to the deeming provisions inserted for computing sale consideration. Only time will tell how these new amendments shall affect genuine distress business transfer deals and internal group restructurings where higher FMV computed as per rules could lead to payment of taxes in advance while the monetisation event is going to happen at a later stage.

³ M/s Essar Teleholdings Ltd [Civil Appeal No. 2165 of 2021]

Nidhi Company -

Mutual Benefit Finance Company (MBFC)



Neha Jaideep Jain

Practicing company secretary

Contact No. 8999782330

Email: Csnehajain22@rediffmail.com

Nidhi Company is the blessing in disguise for those people who are interested in beginning the loan/finance business in India as it ensures ease and affordability factor. The business of Nidhi Company is concerned with the acceptance of deposits and lending of money. In respect of taxation and annual compliances, Nidhi companies enjoy the benefit of specific exemptions. Nidhi Company incorporation will invigorate the feeling of savings as well as smart spending in the mind of its members.

What is Nidhi Company?

Nidhi means a company which has been incorporated as a Nidhi with the object of Cultivating the habit of thrift and Savings amongst its members, Receiving deposits from, and Lending to, its members only, for their mutual benefit, and Which complies with rules of Chapter XXVI of Companies Rules, 2014. Nidhi companies governed by Section 406 of the Companies Act 2013 and Nidhi Rules, 2014. Nidhi Companies are known under different names such as Nidhi, Permanent Fund, Benefit Funds, Mutual Benefit Funds and Mutual Benefit Company. Since Nidhi's come under one class of NBFCs, RBI is empowered to issue directions to them in matters relating to their deposit acceptance activities.

Benefits of Establishing a Nidhi Company

Many people in our country want to deal with financial services, but due to the scarcity of capital, they are unable to take further steps. The principal objective of forming a Nidhi Company is to nurture the belt-tightening habits amongst its members so that by prioritizing saving, they won't face any difficulty in meeting their financial requirements that keep on arising from time to time. Apart from this, many unexplored benefits of establishing a Nidhi Company exists. Advantages of Nidhi company are listed down as :

- Easy Formation Without Any Complexity Involved
- High Certainty Value
- No External Involvement in the Company's Management;
- Easy to lend money to or raise capital or borrowings from group members;
- Low capital requirement;
- Cost-efficient registration;
- Many privileges and exemptions are provided under the provisions of the Companies Act, 2013;
- The Minimal involvement of RBI;
- Secured investment with lower Rate of Interest;
- Low level of risk;
- Nidhi Company Rules is the Single Regulatory Body;
- Better substitute of a Credit Co-operative Society;
- Fulfilling the financial requirements of the lower and middle-income groups;
- Simple processing;
- Easy access to public funds;

Requisites after Nidhi Company Registration

Nidhi Company must within one year of its incorporation :

1. Have minimum 200 members.
2. Net owned funds should be 10 lakh rupees or more (Net owned funds = Equity share capital + free reserves (-) accumulated losses (-) intangible assets).
3. Unencumbered term deposit must be 10% or higher of outstanding deposits.
4. Ratio of Net owned fund to deposits should not be more than 1:20.

Even after the completion of 2nd financial year, the company fails to meet the prescribed requirements, then the same will not be qualified to accept deposits until the compliance of these provisions, and moreover, it can also attract penal consequences.

Membership

- A Nidhi shall not submit a body corporate or Trust or Minor as a member.
- But deposits may be accepted in the name of a minor, if they are made by the natural or legal guardian who is a member of Nidhi.

- Except as otherwise permitted under Nidhi rules, every Nidhi shall ensure that its membership is not reduced to less than 200 members at any time.

Dividend

A Nidhi shall not declare dividend exceeding 25% or Such higher amount as may be specifically approved by the Regional Director for reasons to be recorded in writing and further subject to the following conditions-

- 1) An equal amount is transferred to General Reserve;
- 2) There has been no default in repayment of matured deposits and interest; and
- 3) It has completed with all the rules as applicable to Nidhis.

Director

- The Director shall be a Member of Nidhi.
- He shall hold office for a term up to 10 consecutive years on the Board.
- He shall be eligible for re-appointment only after the expiration of 2 years ceasing to be a Director.
- Where the tenure of any Director in any case had already been extended by the Central Government it shall terminate on expiry of such extended tenure.
- The person to be appointed as a Director shall comply with the requirements of Section 152(4) of the Act and shall not have been disqualified as provided in Section 164 of the Act.

Auditor

- The tenure of Auditor is five consecutive years.
- No auditor or audit firm as auditor shall be appointed for more than two terms of five consecutive years.
- The auditor shall be eligible for subsequent appointment after the expiration of two years from the completion of his term.
- The Auditor of the company shall furnish a Certificate every year to the effect that the company has complied with all the provision contained in the rules and such certificates shall be annexed to the audit report and in case of non compliance he shall specifically state the rules which have not been complied with.

Conditions for Acceptance of Deposits

- A Nidhi shall not accept deposits exceeding 20 times of its Net Owned Assets as per last audited financial statements.
- The fixed deposits shall be accepted for a minimum period of 6 months and a maximum period of 60 months.
- Recurring deposits shall be accepted for a minimum period of 12 months and a maximum period of 60 months.
- In case of recurring deposits relating to mortgage loans, the maximum period of recurring deposits shall correspond to the repayment period of such loans granted by Nidhi.
- The maximum balance in a savings deposit account at any given time qualifying for interest shall not exceed Rs.1,00,000/- and the interest shall not exceed 2% above the rate of interest payable to savings bank account by nationalized banks.
- Interest for fixed and recurring deposits shall be at a rate not exceeding the maximum rate of interest prescribed by RBI which the NBFC can pay on their public deposits.

Every Nidhi shall invest and continue to keep invested, in unencumbered term deposits with a scheduled commercial bank or post office deposits in its own name an amount which shall not be less than 10% of the deposits outstanding at the close of the business on the last working day of the second preceding month.

In case of unforeseen commitments, temporary withdrawal may be permitted with the prior approval of the Regional Director for the purpose of repayment to depositors, subject to such conditions and time limit which may be specified by the Regional Director to ensure restoration of the prescribed limit of 10%.



Nidhi Company -

Mutual Benefit Finance Company (MBFC)

Ceiling limit on the loans provided by a Nidhi Company

The ceiling limit on the loans provided by Nidhi Companies can be summarized as:

Amount of Deposits	Permissible Loan limits
If the total amount of deposit is less than Rs 2 Crore.	Rs 2 Lacs
If the total amount of deposit is between Rs 2 crore to less than Rs 20 crore	Rs 7.50 Lacs
If the total amount of deposit is between Rs 20 crore to less than Rs 50 crore	Rs 12 Lacs
If the total amount of deposit is Rs 50 crore or more	Rs 15 Lacs

Mandatory Compliances for Nidhi Company

Form	Purpose	Due Date
NDH 1	list of Nidhi Company members	within 90 days at the closure of the financial year
NDH-2	make a request to MCA for an extension, in case it has been unable to add 200 members in its first financial year	within a period of 30 days starting from the end of the 1st fiscal year after commencement
NDH 3	Business Structure of the Company	within a period of 30 days, starting from the end of each half-year

Exemptions to Nidhi Company

Service Of Documents To Members (Section 20(2))

A Company may serve any document such as notice of EOGM, AGM, etc. to its members by post or by registered post or by speed post or by courier or by delivering it to its address or office or electronic mode but *for a Nidhi Company, it is required to serve notice only to those members who hold shares of more than Rs. 1000 in face value or more than 1% of the total paid-up share capital of the Nidhi, whichever is less.*

For the other shareholders, the document may be served by a public notice in newspaper circulated in the district where the Registered Office of the Company is situated and publication of the same on the Board of the Nidhi.

A similar exemption is given to Nidhi Company **under Section 136(1) of the Companies Act, 2013** wherein in the case of members who do not individually or jointly hold shares of more

than one thousand rupees in face value or more than one per cent, of the total paid-up share capital whichever is less, it shall be sufficient compliance with the provisions of the section if an intimation is sent by public notice in newspaper circulated in the district in which the Registered Office of the Nidhi is situated stating the date, time and venue of Annual General Meeting and the financial statement with its enclosures can be inspected at the registered office of the company, and the financial statement with enclosures are affixed in the Notice Board of the company and a member is entitled to vote either in person or through proxy.

Private Placement By Nidhi Companies [Section 42]

Nidhi Company can invite any number of persons for private placement and there is no restriction for maximum number of persons. Nidhi Companies may accept subscription money in cash. Nidhi Company may issue private placement to any person without issuing offer letter and without recording name as well. It can come up with multiple private placements at the same time.

Voting Rights [Section 47(1)]

Every member of a Company holding equity share capital shall have a right to vote on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company but in Nidhi Company, no member of a Nidhi Company shall exercise his voting right on poll in excess of five percent of total voting rights of equity shareholders.

Further Issue Of Share Capital [Section 62]

This entire section is not applicable to Nidhi Companies. This enables Nidhi Companies to make new members without complying with issuing rights to present members and without seeking authorization from its existing members.

Purchase Of Own Shares [Section 67(1)]

No Company can purchase its own shares however, a Nidhi Company can purchase shares from a member on his ceasing to be a depositor or borrower and it shall be considered as reduction of capital.

Declaration Of Dividend [Section 123(5)]

The entire provisions of the Section 123 are applicable to Nidhi Companies subject to a modification in sub section 5 of Section 123 of the Companies Act, 2013 that the dividend can be paid in cash by crediting the same to the account of the member, if the dividend is not claimed within 30 days from the date of declaration of the dividend.

Right Of Persons Other Than Retiring Directors To Stand For Directorship [Section 160(1)]

The deposit along with the proposal of candidature shall be Rs. 10,000/- in case of Nidhi companies whereas for other Companies, the deposit amount is Rs. 1,00,000/-.

Loan To Directors [Section 185]

The provisions of Section 185 shall not apply to a Nidhi Company provided that the loan is given to a Director or his relative in their capacity as members and such transaction is disclosed in the annual accounts by a note. Here it is important to note that if any Director is not a member, Section 185 shall apply.

Managerial Remuneration [Second Proviso To Section 197(1)]

In Case of Nidhi Companies, the provisions of the entire Section 197 are applicable subject to the modification that the remuneration of a Director who is neither managing director nor whole – time director nor manager for performing special services to the Nidhis may be paid by way of monthly payment subject to the approval of the Company in general meeting and also in compliance to the provisions of section 197.

Further, that no approval of the company in general meeting shall be required where-

- Nidhi does not have a managing director or a whole-time director or a manager;
- the remuneration payable during a financial year to all the directors of the Nidhi does not exceed 10% of the net profits of such Nidhi or Rs. 15 lacs, whichever is less; and
- a remuneration payable under clause (b) is approved by a special resolution passed in this behalf by the Nidhi.

Fee For Filing (Section 403)

The entire Section is applicable subject to the modification for filing fees with respect to filing of eForm PAS-3 pursuant to Section 42 wherein the fees shall be calculated at the rate of one rupee for every one hundred rupees or parts thereof on the face value of the shares included in the return but shall not exceed the amount of normal filing fee payable.

Exempt From Demat Of Shares

W.e.f. 22nd January, 2019 MCA has given exemption to Nidhi Companies from the provisions of dematerialization. Therefore, one can opine that Nidhi Company don't required to get its share in Demat.

Restrictions Applicable to a Nidhi Company Registration

Nidhi Company cannot carry on following business activities:

- Chit funds,
- Insurance,
- Leasing finance,
- Advertise themselves to invite deposits,
- Hire-Purchase finances,
- Lotteries,
- Sell, Mortgage or Pledge the assets kept with it as collateral security for a loan,
- Getting into Partnerships in order to carry out lending and borrowing activities,
- Accepting deposits or lending funds to any other person than its own shareholders,
- Issuance of preference shares, debentures or any other type of debt instruments,
- Issue of Equity Shares of the nominal value at over Rs. 10/- each,
- Offer its deposit holders equity shares that, too, more ten shares or shares of the worth of more than Rs. 100/-,
- Open a current account together with its members (although it is permitted to open a Savings Account),
- Lend to or accept a deposit from a corporate,
- Pay commission, incentive or fee for the mobilization of deposits,
- Carry out any other business than lending or borrowing from its members,
- Hire a Purchase Financer,
- Pay any brokerage amount for granting a loan to its members.

ICSI Nagpur Chapter in News

TheHitavada

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ehitavada.com

ICSI, Nagpur Chapter celebrates June as 'Practicing Company Secretaries' month

Business Bureau

THE Nagpur Chapter of Western India Regional Council (WIRC) of The Institute of Company Secretaries of India (ICSI) celebrated the historic day of June 15 in the recognition of the achievements of practicing side of the profession during the month of June 2021.

"Total 30 initiatives were planned for 30 days by the Nagpur Chapter for the Company Secretary (CS) professionals," said CS Khushboo Pasari, Chairperson of Nagpur Chapter.

Members were updated about the various amendments continuously taking place in the areas of their professional services through webinars, panel discussions, workshops, and joint programmes with The Institute of Chartered Accountants of India (ICAI).

During the month, corporate



CS Khushboo Pasari, CS Shantanu Jog, CS Deepti Joshi, Omprakash Bagdia

social responsibility (CSR) activities like vaccination drive, blood donation camp and plantation of saplings was organised by the Chapter. Unique initiatives like Compliance Clinic, Chapter Par Charcha, Practicing Company Secretaries (PCS) talks, release of checklists and Company Secretaries Benevolent Fund (CSBF) initiatives were arranged for the benefits of the members.

Esteemed speakers, panelists and guests were invited from Nagpur and other parts of the country for various webinars, workshops and discussions during

the month. CA Omprakash Bagdia was also present at the virtual session. Around 700+ participants were present in these events.

CS Khushboo Pasari thanked all the members for their overwhelming participation in the various events.

She added that the team members behind the success of all these events were CS Rohar Mehra, Vice-Chairman, CS Deepti Joshi, Chairperson of Members Committee, CS Shantanu Jog, Past Chairman and Sudhakar Saraswati.

लोकमत

न्यूज Inbox

वाणिज्य महाविद्यालयात प्राध्यापक प्रेरण कार्यक्रम

वर्धा : गो.से. वाणिज्य महाविद्यालयात प्राध्यापक प्रेरण कार्यक्रम घेण्यात आला. यावेळी डॉ. अनुपमा लाभे, प्राचार्य डॉ. साहेबराव चव्हाण, डॉ. शंतनु जोग, प्रियंका श्रीनिवास, प्रियंका मुंदरानी, सुधाकर आईसुलवार आदींनी मार्गदर्शन केले. संचालन लाभे तर आभार डॉ. अमोल कचवाह यांनी मानले.

Hello Wardha
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हिंदी विश्वविद्यालयाचा भारतीय कंपनी सचिव संस्थेशी सामंजस्य करार

वर्धा (प्रतिनिधी)

महात्मा गांधी आंतरराष्ट्रीय हिंदी विश्वविद्यालय आणि भारतीय कंपनी सचिव संस्थान आयसीएसआय यांच्यात शैक्षणिक आदान-प्रदानाचा सामंजस्य करार करण्यात आला असून या करारावर बुधवारी २८ जुलै विश्वविद्यालयाचे कुलसचिव कादर नवाज खान आणि भारतीय कंपनी सचिव संस्थेचे अध्यक्ष सी.एस. नागेंद्र व डॉ.राव यांनी स्वाक्षरी केली. भारतीय कंपनी सचिव संस्थेने सामंजस्य करार करण्यासाठी विश्वविद्यालयाला एक प्रस्ताव दिला होता. या प्रस्तावा अंतर्गत उभय संस्थांमध्ये अकादमिक आदान-प्रदान तसेच प्रशिक्षण, अध्यापक, शोधार्थी, विद्यार्थी व ग्रंथालय यांचे आदान-प्रदान करण्यात येईल. या प्रस्तावाला कुलगुरू प्रो.रजनीश कुमार शुक्ल यांनी स्वीकृती दिल्यानंतर हा करार करण्यात आला आहे. भारतीय कंपनी सचिव संस्थेकडून चौ.कॉम.परीक्षेत



सर्वाधिक गुण मिळविलेल्या विद्यार्थ्यांना सुवर्ण पदक तसेच मेरिट प्रमाणपत्र दिले जाणार असून सर्वश्रेष्ठ तीन विद्यार्थ्यांना भारतीय कंपनी सचिव संस्थेत प्रवेश घेण्यासाठी नोंदणी शुल्क माफ केले जाणार आहे. विश्वविद्यालयाचे कुलसचिव कादर नवाज खान यांनी सांगितले की, विश्वविद्यालयाकडून कंपनी सचिव सी.एस.अध्यासक्रमाला पदव्युत्तरच्या समकक्ष मान्यता दिली असून हे विद्यार्थी वाणिज्य व प्रबंधन विभागात पी.एच.डी.प्रवेशासाठी पात्र असतील. या सामंजस्य करारामुळे ग्रामीण भागातील युवक-युवतींनी कंपनी सचिव म्हणून रोजगाराच्या संधी उपलब्ध होतील, असा विश्वास संस्थेचे अध्यक्ष नागेंद्र राव यांनी व्यक्त केला. कार्यक्रमाचे प्रास्ताविक विश्वविद्यालयातील वाणिज्य व प्रबंधन विभागाचे अध्यक्ष डॉ. रवींद्र बोरकर यांनी केले. भारतीय कंपनी सचिव संस्थेचे उपाध्यक्ष देवेंद्र देशपांडे यांनी प्रस्तावाची रूपरेखा मांडली. कार्यक्रमाचे संचालन संस्थेच्या नागपूर विभागाच्या अध्यक्ष सुश्री खुशबू पासरी यांनी केले. तर आभार सीएस आशीष मोहन यांनी मानले.



इंडवशन प्रोग्राम से किया मार्गदर्शन

GS कालेज के प्राध्यापक शामिल

वर्धा, ब्यूरू. स्थानिय जोएस नगरम कालेज में कंपनी सेक्रेटरी पाठ्यक्रम पढ़ाने वाले प्राध्यापकों के लिए इंस्टीट्यूट ऑफ कंपनी सेक्रेटरी नागपुर चैप्टर की ओर से प्राध्यापक इंडवशन प्रोग्राम आयोजित किया गया। कार्यक्रम का मुख्य उद्देश्य व्यवसायिक पाठ्यक्रमों के विषयों को जानकारी बनाना, विषयों में पूर्ण जाने वाले प्रशिक्षकों को प्रशिक्षण प्रदान करना था। डॉ. अनुपमा लाभे ने कार्यक्रम का उद्देश्य स्पष्ट किया, प्राचार्य डॉ. साहेबराव चव्हाण ने शिक्षा मंडल का उद्देश्य स्पष्ट कर आम कंपनी सेक्रेटरी नागपुर चैप्टर जीएस कायम कालेज का आयोजन किया। नागपुर चैप्टर के साथ एमओयू होने से कालेज को लोकल चैप्टर प्राप्त हुआ है। कार्यक्रम का मुख्य उद्देश्य व्यवसायिक पाठ्यक्रमों के विषयों को जानकारी बनाना, विषयों में पूर्ण जाने वाले प्रशिक्षकों को प्रशिक्षण प्रदान करना था। डॉ. अनुपमा लाभे ने कार्यक्रम का उद्देश्य स्पष्ट किया, प्राचार्य डॉ. साहेबराव चव्हाण ने शिक्षा मंडल का उद्देश्य स्पष्ट कर आम कंपनी सेक्रेटरी नागपुर चैप्टर जीएस कायम कालेज का आयोजन किया। नागपुर चैप्टर के साथ एमओयू होने से कालेज को लोकल चैप्टर प्राप्त हुआ है। कार्यक्रम का मुख्य उद्देश्य व्यवसायिक पाठ्यक्रमों के विषयों को जानकारी बनाना, विषयों में पूर्ण जाने वाले प्रशिक्षकों को प्रशिक्षण प्रदान करना था। डॉ. अनुपमा लाभे ने कार्यक्रम का उद्देश्य स्पष्ट किया, प्राचार्य डॉ. साहेबराव चव्हाण ने शिक्षा मंडल का उद्देश्य स्पष्ट कर आम कंपनी सेक्रेटरी नागपुर चैप्टर जीएस कायम कालेज का आयोजन किया। नागपुर चैप्टर के साथ एमओयू होने से कालेज को लोकल चैप्टर प्राप्त हुआ है।

जोग, श्रीनिवास, मुंदरानी ने दिए जवाब

हिंदी विश्वविद्यालय के सेक्रेटरी सीएस प्रियंका श्रीनिवास, सीएम सीएस प्रियंका मुंदरानी, सीएस रोहर मेहरा, सीएस शंतनु जोग, सीएस दीप्ति जोशी, सीएस सुधाकर आईसुलवार ने प्राध्यापकों के प्रश्नों को उत्तर दिए। कार्यक्रम को संचालित करने के लिए सीएस आशीष मोहन ने विशेष शिफारिशें कीं। कार्यक्रम के संचालन के लिए सीएस आशीष मोहन ने विशेष शिफारिशें कीं। कार्यक्रम के संचालन के लिए सीएस आशीष मोहन ने विशेष शिफारिशें कीं।

हिंदी विवि का ICSI से समझौता

अकादमिक गतिविधियों का होगा आदान-प्रदान



वर्धा, ब्यूरू. महात्मा गांधी अंतरराष्ट्रीय हिंदी विश्वविद्यालय और भारतीय कंपनी सचिव संस्थान (आईसीएसआई) के बीच अकादमिक गतिविधियों के आदान-प्रदान की दृष्टि से समझौता ज्ञापन पर हस्ताक्षर किये गए. ऑनलाइन बैठक में कुलसचिव कादर नवाज खान और भारतीय कंपनी सचिव संस्थान के अध्यक्ष सी.एस.नागेंद्र डी.राव ने इस समझौते पर हस्ताक्षर किए. भारतीय कंपनी सचिव संस्थान ने विश्वविद्यालय के साथ समझौता ज्ञापन करने का प्रस्ताव दिया था. इस प्रस्ताव के अंतर्गत दोनों संस्थाओं के बीच अकादमिक आदान-प्रदान के साथ प्रशिक्षण, अध्यापक, शोधार्थी तथा विद्यार्थियों पुस्तकालय एवं अन्य सुविधाओं के आदान-प्रदान करने का उल्लेख किया गया था. इस प्रस्ताव को विश्वविद्यालय के कुलपति प्रो. रजनीश कुमार शुक्ल ने स्वीकृति प्रदान की.

प्रदान किए जाएंगे स्वर्ण पदक, मेरिट प्रमाण पत्र भारतीय कंपनी सचिव संस्थान की ओर से विश्वविद्यालय में बी.कॉम. में सर्वाधिक अंक पाने वाले विद्यार्थी को स्वर्ण पदक एवं मेरिट प्रमाण पत्र प्रदान किया जाएगा तथा सर्वश्रेष्ठ तीन विद्यार्थियों को भारतीय कंपनी सचिव संस्थान के पाठ्यक्रम में पंजीकरण शुल्क से छूट दी जाएगी. इस पर विश्वविद्यालय के कुलसचिव ने संस्थान के प्रति आभार जताया. उन्होंने कहा कि विश्वविद्यालय द्वारा कंपनी सचिव (सी.एस.) पाठ्यक्रम को स्नातकोत्तर के समकक्ष मान्यता दी गयी है. ऐसे छात्र वाणिज्य एवं प्रबंधन पाठ्यक्रम में पी.एचडी. में प्रवेश हेतु पात्र होंगे.

ग्रामीण प्रतिभा को मिलेगा रोजगार

भारतीय कंपनी सचिव संस्थान के अध्यक्ष नागेंद्र राव ने प्रस्ताव को स्वीकृति प्रदान करने के लिए विश्वविद्यालय के कुलपति प्रो. रजनीश कुमार शुक्ल के प्रति आभार जताया. उन्होंने कहा कि इस समझौते के माध्यम से ग्रामीण क्षेत्र के युवाओं को कंपनी सचिव के रूप में रोजगार के अवसर उपलब्ध होंगे. प्रास्ताविक विश्वविद्यालय के वाणिज्य एवं प्रबंधन विभाग के अध्यक्ष डॉ. रवींद्र बोरकर किया. भारतीय कंपनी सचिव संस्थान के उपाध्यक्ष देवेंद्र देशपांडे ने समझौता ज्ञापन के प्रस्ताव की रूपरेखा रखी. संचालन संस्थान के नागपुर चैप्टर की अध्यक्ष खुशबू पासरी ने किया. आभार सचिव आशीष मोहन ने माना.

हिंदी विश्वविद्यालयाचा भारतीय कंपनी सचिव संस्थेशी सामंजस्य करार



सर्वश्रेष्ठ तीन विद्यार्थ्यांना भारतीय कंपनी सचिव संस्थेत प्रवेश घेण्यासाठी नोंदणी शुल्क माफ केले जाणार आहे. विश्वविद्यालयाचे कुलसचिव कादर नवाज खान यांनी सांगितले की विश्वविद्यालयाकडून कंपनी सचिव (सी.एस.) अभ्यासक्रमाला पदव्युत्तरच्या समकक्ष मान्यता दिली असून हे विद्यार्थी वाणिज्य व प्रबंधन विभागात पी.एच.डी. प्रवेशासाठी पात्र असतील. या सामंजस्य करारामुळे ग्रामीण भागातील युवक-युवतींनी कंपनी सचिव म्हणून रोजगाराच्या संधी उपलब्ध होतील, असा विश्वास संस्थेचे अध्यक्ष नागेंद्र राव यांनी व्यक्त केला. कार्यक्रमाचे प्रास्ताविक विश्वविद्यालयातील वाणिज्य व प्रबंधन विभागाचे अध्यक्ष डॉ. रवींद्र बोरकर यांनी केले. भारतीय कंपनी सचिव संस्थेचे उपाध्यक्ष देवेंद्र देशपांडे यांनी प्रस्तावाची रूपरेखा मांडली. कार्यक्रमाचे संचालन संस्थेच्या नागपूर विभागाच्या अध्यक्ष सुश्री खुशबू पासरी यांनी केले. तर आभार सीएस आशीष मोहन यांनी मानले.

हिंदी विश्वविद्यालयाचा भारतीय कंपनी सचिव संस्थेशी सामंजस्य करार

लोकशाही वार्ता/वर्धा महात्मा गांधी आंतरराष्ट्रीय हिंदी विश्वविद्यालय आणि भारतीय कंपनी सचिव संस्थान (आयसीएसआय) यांच्यात शैक्षणिक आदान-प्रदानाचा सामंजस्य करार करण्यात आला आहे. या करारावर बुधवारी (२८ जुलै) हिंदी विश्वविद्यालयाचे कुलसचिव कादर नवाज खान आणि भारतीय कंपनी सचिव संस्थेचे अध्यक्ष सी.एस. नागेंद्र डी. राव यांनी स्वाक्षरी केली. भारतीय कंपनी सचिव संस्थेने सामंजस्य करार करण्यासाठी विश्वविद्यालयाला एक प्रस्ताव दिला होता. या प्रस्तावा अंतर्गत उभय संस्थांमध्ये अकादमिक आदान-प्रदान तसेच प्रशिक्षण, अध्यापक, शोधार्थी, विद्यार्थी व ग्रंथालय यांचे आदान-प्रदान करण्यात येईल. या प्रस्तावाला कुलगुरू प्रो. रजनीश कुमार शुक्ल यांनी स्वीकृती दिल्यानंतर हा करार करण्यात आला आहे. भारतीय कंपनी सचिव संस्थेचे उपाध्यक्ष देवेंद्र देशपांडे यांनी प्रस्तावाची रूपरेखा मांडली. कार्यक्रमाचे संचालन संस्थेच्या नागपूर विभागाच्या अध्यक्ष सुश्री खुशबू पासरी यांनी केले. तर आभार सीएस आशीष मोहन यांनी मानले.

Sponsorship Details

Sponsorship	Amount in Rs.
5 issues full page advertisement	12500
single insertion	4000
5 issues half page advertisement	9000
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single insertion	1000

KREO CAPITAL PRIVATE LIMITED

Being a SEBI Registered Category I Merchant Banker, Kreo Capital has a dedicated in-house team (consisting of CA, CS, MBA) for a one stop solution for Valuation Advisory

- Applicable technique for Valuation of business as on date and recommended under IT law.
- Requisite expertise at Kreo Capital for a timely and hassle free valuation deliverables.

- Being a **SEBI Registered, Category I Merchant Banker**, Kreo Capital is well versed with Valuation methodologies prescribed by SEBI
- For both frequently and infrequently traded shares.

Apart from Valuation, the Merchant Banker is also mandated by SEBI to submit **Fairness Opinion Report** in the following cases:

1. Valuation of assets / shares done by Registered Valuer for listed entity being part of scheme of arrangement.
2. Report on adequacy and accuracy of disclosures made to SEBI.

Ref: SEBI Circular no. - SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated: 22nd Dec, 2020

- Fair market value of unquoted equity shares using DCF (As per IT law) shall be determined only by **SEBI Registered Category-I Merchant Banker**
- **Globally** accepted valuation technique

- Valuations based on multiples (EBITDA multiple, Sales multiple, P/E multiple etc.)
- Kreo Capital has necessary expertise for end-to-end execution of Business Valuations.

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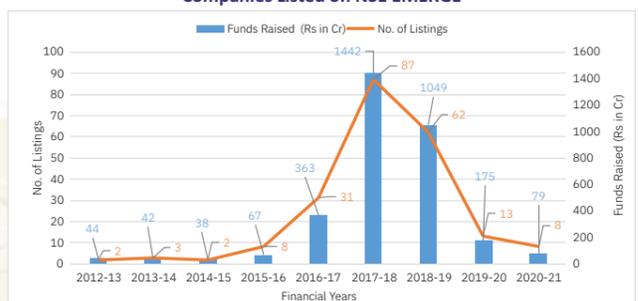
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