STUDENT PROFESSIONALS TODAY

Volume 3 | Issue 3 | March 2019 | Pages 1-20 | Price Rs. 20

An Initiative by :

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

Printed and Published by B P Bhargava on behalf of Vidhimaan Publishers Pvt. Ltd.

Printed at Delhi Press Samachar Patra Pvt. Ltd., 36-A, UPSIDC, Site-4, Sahibabad and published at 158 Basant Enclave, Palam Road, New Delhi 110057.

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Send your articles at
email id : articles@vidhimaan.com

For non receipt of issue
email id : notreceived@vidhimaan.com

For feedback
email id : info@vidhimaan.com

Annual subscription price Rs.750/- (January - December, 2019), send your cheque in favour of Vidhimaan Publishers Private Limited, at Krishna Law House, 128, Municipal Market, Super Bazar Compound, Connaught Place, New Delhi-110001. Tel.: 011-23417866, 64566061

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MESSAGE FROM THE PRESIDENT

Exams and Grades are Temporary, But Education is Permanent

Dear Students,

A race run, success in the exams, a dream job landed, a new home, a big promotion, a little victory and alike, it is all one of life's great joys to see someone you know accomplish what they've been hoping for and working towards.

In all, seeing someone to succeed in their professional exams is of paramount pleasure owing to the fact that success in exams lays down the ladder for achieving all goals with exactitude.

In this perspective of celebrating the jubilance of our recent results of CS Exams, December 2018 session. This message is a perfect way to honour our students, who accomplished success in the exams.

I would also entreat the students, who could not make their way to the next level in this session of exams, to not to lose hope and to be better equipped for the upcoming session of exams in June 2019.

Friends, never forget that Success is the result of perfection, hard work, learning from failure, loyalty, and persistence. Failure could never overtake us, if our determination to succeed is strong enough.

The recent instance of triumph through strong determinations and hard work is certainly where Securities and Exchange Board of India has reposed confidence in the profession for endorsing Secretarial Audit under the LODR Regulations through a Compliance Reporting Mechanism.

This recent feather to our golden cap reminds me of the great lines tendered by Shri Maithili Sharan Gupt Jee, where he states 'संभलो कि सुयोग न जाय चला, कब व्यर्थ हुआ सदुपाय भला'. (Be aware of perfect good time to take actions on your goals and be assured of the good results of good deeds)

Indeed, in this contemporary phase where good governance comes as a priority attainment for New India, 2022, I am sure that our dedication and hard work in serving the society with the best practices of good governance would also drive triumph through our future generations too, that is through YOU.

Last, but not the least, सुशासन के पथ पर जब देश हमारा अग्रसर है; झुकने ना देंगे देश को, रूकने ना देंगे देश को, हर कार्य हमारा तत्पर है.

With Best Wishes,

CS Ranjeet Pandey

President, ICSI

Options and its Enforceability in India: Journey so far

In India, enforceability of options contracts and contractual restrictions in the form of pre-emptive rights have always been a part of the debate and has seen its own vicissitude. In this background, this article aims to discuss legal issues in relation to the enforceability of the aforesaid options in terms of the provisions of the Companies Act, 2013 along with erstwhile Companies Act, 1956 and notifications issued by the Securities and Exchange Board of India.

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FROM SEBI'S POINT OF VIEW

Earlier, there was no legislation for the regulation of stock exchanges until the Bombay Securities Contracts Control Act, 1925 ("**BSCCA**") was enacted to regulate and control contracts for the purchase and sale of securities in the city of Bombay and elsewhere in the Bombay Presidency. However, BSCCA was replaced by the Securities Contracts (Regulation) Act in 1956 (**SCRA**), to provide for direct and indirect control of virtually all aspects of securities trading and the running of stock exchanges and to prevent undesirable transactions in securities. Thereafter, the SCRA became the primary regulatory body governing the validity of contracts for the sale and purchase of securities in India, including option contracts and contracts for pre-emption.

The SCRA vide notification in 1969 prohibited the trading of 'options in securities'. Though this notification was repealed in 2000 and another notification was issued on the same day but most of its parts were similar to that of 1969 notification. SEBI has always been of the view that privately contracted option are forward contracts as it allows the parties to exercise a right to put or call in future, which is illegal. According to SEBI, only spot delivery contracts are valid as the transfer of money and shares happens on the same day as the contract. However, SEBI has now permitted options and contracts for pre-emption in shareholders' agreements or articles of association of companies or other body corporate vide its notification dated 3rd October 2013, provided it is in accordance with the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder.

The Bombay High Court in *Jethalal C. Thakkar v. R.N. Kapur*[1] decided in 1955 under the erstwhile BSCCA, explained that according to the definition of ready delivery contract, no time must be specified for its performance as it needs to be performed immediately or within a reasonable time. Thus, if under the contract of purchase or sale of shares, there is no present obligation and the obligation arises because of some condition being complied with or some contingency occurring then the same is valid and enforceable. Hence, contracts can be considered within the definition and scope of ready delivery contract,

1. 1955 SCC Online Bom 70

because as soon as the obligation ripened, the contract was to be performed immediately or within a reasonable time. Thus, with regard to the private options contracts, it can always be argued that once the option is exercised, the contract is typically performed immediately, that is, on spot delivery basis and should be enforceable.

Even, under the SCRA similar reasoning was given by the Bombay High Court in *MCX Stock Exchange Ltd v. SEBI*[2] in 2012. In the given case, an impugned order was passed by whole time member of SEBI where buy back agreement was being considered as forward contracts and thus contrary to the provisions under SCRA. However, the Bombay High Court explained that a buyback agreement confers an option on the promisee and no contract for the purchase and sale of shares is made until the option is exercised. The promisor cannot compel exercising of the option and if the promisee did not to exercise the option in future, there would be no contract for the sale and purchase of shares. Once a contract is arrived at upon the option being exercised, the contract would be fulfilled by spot delivery and would, therefore, not be unlawful. This judgement clearly distinguishes a 'forward contract', which are prohibited under the SCRA, and options for sale/ purchase of securities and explains that the nature of an 'option' is that of a privilege and the conclusion of contract to purchase and sell securities comes during exercising the option. However, the Supreme Court on SEBI's appeal through Special Leave Petition held that SEBI shall not be bound by any observations or comments made by the High Court in the impugned judgment for making amendments in the Regulation.

FROM THE VIEW POINT OF COMPANIES ACT, 2013 ('2013 Act') AND ERSTWHILE COMPANIES ACT, 1956 ('1956 Act')

As far as the 2013 Act and the 1956 Act are concerned, enforceability of options and pre-emption rights attracts various provisions like nature of shares, inconsistency of any provisions contained in any private agreement and articles of the company or provisions of the Act, rectification of register of members, transferability of shares, restriction on transfer of shares by private companies, etc. The importance of interpretations of the abovementioned provisions can be seen through the judgements given in the following case laws.

In one of the landmark judgement *VB Rangaraj v. VB Gopalakrishnan*[3], where Supreme Court held that if shareholders agreement imposes any additional restrictions on transferability of shares that are contrary to the articles of association (AOA) of the company then articles of association will prevail. A big question was raised over the enforceability of private agreements between two or more shareholders and/or the company and will it be considered valid if the clauses pertaining such pre-emptive rights and or put and call options of private agreements are embodied in articles of the company.

In *Mafatlal Industries Ltd. v. Gujarat Gas Co. Ltd.*[4] also, it was contended that free transferability of shares refers to absence of restrictions which may be imposed by third parties, but it cannot exclude the right of a shareholder to impose restrictions on himself in the matter of transfer of shares to another person. However, the High Court of Gujarat relied on the judgement of the Supreme Court given in *VB Rangaraj* case *(supra)* which held that agreement for pre-emption is not binding.

Thus, from aforementioned judgements, it can be stated that the restrictions on transferability of shares imposed by the shareholder on himself through private shareholders agreement stands nullified which is justified merely because they are not contained in articles of association of the company. If that is the case, then there is a big question on the enforceability of agreements such as security creation agreements with regard to the pledge of share wherein restrictions on its transferability is the essence of the agreement.

2. 2012 SCC Online Bom 397

3. (1992) 1 SCC 160

4. 1992 97 Comp Cas 301 Guj

And, if the shares pledged are of listed companies then is it possible to amend the articles of association of such company that consist of innumerable shareholders.

However, the decision held in *M.S. Madhusoodhanan v. Kerala Kaumudi (P.) Ltd.*[5], by the Apex Court is entirely distinguishable on facts which was held in *Rangaraj* case (supra). In the Karar (agreement) there is no such restriction on the transferability of shares as the agreement is between particular shareholders relating to the transfer of specified shares. It was also contended that the consensual agreement between two or more shareholders, is in relation to their own specified shares and in restriction of their own right to free transferability of shares held by them, which impose no restriction on the transferability of shares as specified under section 111A of the 1956 Act.

In *Western Maharashtra Development Corpn. Ltd. v. Bajaj Auto Ltd.*[6], the High Court of Bombay set aside the arbitral award in 2010 explaining that the arbitrator fell into a patent illegality by proceeding on the basis that the presence of a clause conferring a right of pre-emption in the articles of association (AOA) was sufficient to dispose of the challenge regarding its legality. The Bombay High Court explained that, in case of private companies the articles of association would restrict the right of shareholders to transfer shares and prohibit invitation to the public to subscribe for shares or debentures of the company. The position in law of a public company is materially different. By the provisions of the 1956 Act, restrictions on the transferability of shares which are contemplated by the definition of a 'private company' under section 3(1)*(iii)* are expressly made impermissible in the case of a public company by the provisions of section 111A. Thus, a restriction to that effect cannot be read into the provision of section 111A as it is not mentioned in the statutory provision and the word "transferable" is of utmost importance that should be given a wide connotation. Reference of Madhusoodhanan case was also given, where Supreme Court noted that the Karar was an agreement between "particular shareholders relating to the transfer of the specified shares" and does not impose any restriction on transferability of shares of the company.

Section 22A of the SCRA Act was omitted by the Depositories Act, 1996 and simultaneously 111A of the 1956 Act was introduced which is currently replaced with section 59 of the 2013 Act. Section 59 declares the shares of a company to be freely transferable. However, both the provisions regulates the power of the Board of directors to refuse registration of shares and never intended to invalidate contractual restrictions or to affect the right of shareholders to deal with their shares or to enter into any consensual agreement. The Legislature intends to ensure that any refusal from the Board of directors of the company for registration of transferee as shareholder is backed with a valid reason and not at the discretion of the Board. The company or any other shareholder need not be a part of that agreement and for that same reason it need not be embedded in AOA of the company. However, as far as a private company is concerned, it is permitted to insert restrictions on transfer of shares in its articles with respect to provisions of section 2(68) and section 58(1) of the 2013 Act. Thus, any restriction on transfer of shares or provision pertaining to call and put option as agreed under the consensual arrangement shall be valid. It shall be binding on such a private company and duly incorporated in the AOA, enforceable against the shareholders of a private company.

In *Vodafone International Holdings v. Union of India*[7], the Supreme Court perceived that all the provisions included in investment agreements regarding pre-emptions or call/ put options etc. may administer and regulate the rights between the parties. These rights should be purely contractual and should be owned by the parties. It was also stated that if mentioned in the article of association,

5. (2004) 9 SCC 204

6. 2010 SCC Online Bom 214

7. (2012) 3 SCC (Civ) 867

then the shares can be freely transferred in any manner.

In *Nishkalp Investments & Trading Co. ltd v. Hinduja TMT Ltd.*[8], the Bombay High Court observed that a contingent contract is within the scope of SCRA and is also lawfully applicable under it. The problem with respect to this case was related to buy back agreement. In this case, there was repurchase of certain number of shares and these shares were unlisted on the stock exchanges by a certain agreed date. The Bombay High Court concluded the contingent contract as invalid because the setup of buy back of shares as mentioned above, were not covered under the provisions of the SCRA.

In *NTT Docomo Inc. v. Tata Sons Ltd.*[9], the Delhi High Court examined the locus standi of the RBI to object to the enforcement of an award delivered in arbitration between two private parties. Tata Sons & Docomo had entered into a shareholders' agreement in 2009 by way of which Docomo acquired a shareholding of 26 per cent in TTSL, a joint venture between Tata Sons and Docomo. In terms of the shareholders' agreement, in the event TTSL failed to satisfy certain prescribed performance indicators, Tata Sons would be obligated to find a buyer for or acquire Docomo's shares in TTSL at the higher of *(a)* fair value of the shares; or *(b)* 50 per cent of the original investment amount. Upon a failure on the part of Tata Sons to abide by the put obligation, Docomo invoked arbitration proceedings seated in London, and raised a claim for damages on account of breach of the representations made by Tata Sons under the shareholders' agreement. The arbitral tribunal found in favour of Docomo and ordered Tata Sons to pay Docomo an amount of USD 1,172,137,717. Docomo subsequently sought enforcement of the award before the Delhi High Court. While the enforcement was initially resisted by Tata Sons, the parties subsequently reached a settlement under which Tata Sons agreed to withdraw its objections to the enforcement.

At this stage, the RBI filed an intervention plea before the High Court, and argued that regardless of the settlement arrived at between the parties, the impugned award was unenforceable by virtue of being illegal and contrary to the public policy of India on the basis of non-compliance with FEMA regulations.

CONCLUSION

After going through the conceptual understanding and interpretations of the court in the abovementioned judgements, it can be concluded that the enforceability of options contracts in the case of private limited companies can be held valid merely because of the non-applicability of the SCRA. However, in case of public limited companies due to the applicability of the SCRA and multiplicity of judgements, it has added to the existing confusion and unless all the hurdles relating to enforceability of options is straightened out, these options may not be able to serve the purpose of the "exit options" as intended by the parties. Thus, considering the uncertainty, due thought and consideration need to be given while drafting the exit rights of any contract.

ATTENTION STUDENTS !

PAYMENT OF EXAMINATION FEE THROUGH CANARA BANK CHALLAN.. JUNE, 2019 SESSION OF

EXAMINATIONS

Students remitting Examination Fee by Cash through Canara Bank Challan are advised to ensure that the cash is deposited by 25th March, 2019 to avoid admissibility of Late Fee. Students who generate the Challan on or before 25th March, 2019 but are not able to deposit the cash by the said date are advised to re-generate the Challan with Late Fee of Rs.250/- and deposit the cash latest by 9th April, 2019. Further, the examination applications of Students who deposit the cash after 9th April, 2019 (even if the Challans are generated on a prior date) will be rejected without notice.

Students are advised to take note for compliance.

26.02.2019

8. (2008) 143 CompCas 204 (Bom)

9. (2017) 241 DLT 65

Appeal to Securities Appellate Tribunal – Comprehensive Analysis

The purpose of writing this article is to analyse the provisions with respect to the appeal to Securities Appellate Tribunal. Inter-alia, the article also deliberates on the legal technicalities of the order of the Securities Appellate Tribunal and the procedure of filing an appeal.

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Historical Background

Post the enactment of the Securities and Exchange Board of India Act, 1992 ('Act'), appeals from orders of the SEBI Board were preferred before the Appellate Authority of the Central Government under section 20 of the Act. The orders passed by such Appellate Authority of the Central Government were challenged under article 226 or 227 of the Constitution before the High Courts or under article 136 before the Supreme Court. At the same time orders passed by the adjudicating officers under Chapter VIA were appealed under section 15T of the Act. Decision of the Securities Appellate Tribunal (SAT) were subject to further appeal before the High Court erstwhile section 15Z. With the amendment to section 20 vide the Securities Law (Second Amendment) Act, 1999 (1999 Amendment Act), the orders passed by SEBI were also appealable before the SAT.

Criteria for Preferring an Appeal

Section 15T of the Act provides the criteria for preferring an appeal to the Securities Appellate Tribunal against all orders passed by SEBI. However, this section was substituted by the 1999 Amendment Act. Sub-section (1) prescribes only two conditions for the appeal. Firstly, it must be preferred against an **'order'** of the Board or the adjudicating officer. Secondly, the appeal must be made by a **'person aggrieved',** *i.e.* fulfilment of these conditions has also been stated to be the test of maintainability of an appeal. In *Sharedeal Financial Consultants Pvt. Ltd. v. Chairman, SEBI*[1] the SAT opined that the test is whether the requirement of section 15T have been fulfilled, *i.e.*, whether the order appealed against is one passed by SEBI and if the answer is affirmative, whether the appellant can be considered to be aggrieved by the order. There was an ambiguity regarding the nature of order provided in sub-section (1) would be appealable include every order and have to be read without any limitation or only orders which affects the aggrieved parties. In *Bharat Jayantilal Patel v. SEBI*[2], SAT observed that the words 'an order' appearing in sub-section (1) are comprehensive enough to include every order or decision taken by the Board which adversely affects the rights of the parties. Even in *T&R Welding Products (India) v. SEBI.*[3], SAT observed that every order passed by the Board is appealable to the Tribunal under section 15T. The SAT in *MA Sumathi v. SEBI*[4] held that to ascertain whether something constitutes an order or not, its substance and not its form has to be analysed. If a particular direction, request or observation is binding and has penal consequences for its violation, the same will be an order. However, the Supreme Court has overruled the interpretation of SAT and provided the clarity on the nature of order which would be appealable under section

1. [2003] 55 CLA 216 (SAT)

2. Appeal No. 126/2010

3. Appeal No. 20/2011, SAT Order dated 02.09.2011

4. [2003] 53 CLA 291 (SAT)

15T in the case of *National Securities Depositary Ltd v. SEBI*[5] where it opined that only quasi-judicial orders are subject matter of appeal under section 15T, hence any circular issued by SEBI under sub-section (1) of section 11 being an administrative order cannot be subject matter of appeal under section 15T.

Aggrieved Person

It is important to note that only a 'person aggrieved' may prefer an appeal before SAT and not anybody else *i.e.* if the appeal is filed by a person who is not an 'aggrieved person', such a person will not have any *locus standi* before the SAT. The Supreme Court in the case of *Adi Pherozshah Gandhi v. H.M. Servai*[6] held that a person who feels disappointed with the result of a case is not a person aggrieved; the order must cause him a legal grievance by wrongfully depriving him of something. Therefore, anybody, whether he was a party or not in the proceedings before the board is entitled to prefer an appeal **provided** he is aggrieved by the order. Any person participating in the proceedings of the SEBI cannot be said to be an 'aggrieved person'. The SAT in *Ramprasad Somani v. Chairman, SEBI*[7] applied the rule of purposive interpretation and clarified that "*by virtue of making a complaint to the SEBI or by assisting SEBI in a proceeding by itself will not entitle a person to challenge an order of SEBI in an appeal under section 15T. The right of appeal is not linked to participation in the proceedings itself".* An appeal to the SAT is maintainable not only against the final order but also against interim orders as both are included within the purview of 'orders'. However, the SAT does not interfere with the Interim Orders passed at the stage of investigation or enquires as it delays the conclusion of the enquiry or investigation and observations made by the SAT at the interim stage itself may prejudice the proceedings - *Price Waterhouse & Co. v. SEBI*[8]

Consent Mechanism

Sub-section (2) of section 15T provides that an order made by the Board or the adjudicating officer with the consent of the parties shall not be appealable before the SAT. It is a general rule that a person who has consented expressly or impliedly to a thing cannot be said to 'aggrieved' by it. In view of this, sub-section (2) of section 15T appear only clarificatory in nature. In *Sukumar Chand Jain v. SEBI*[9], the SAT also recognized the principle that a person having agreed to something cannot later be aggrieved by the same. The consent mechanism is applicable to all matters pending before the SEBI and also those pending before the court or tribunal. The SEBI vide its Circular No. EFD/ED/Cir-1/2007 dated 20th April, 2017, introduced the scheme of consent mechanism with the intention to clear backlog of cases, to put an end to long drawn litigation, and not to dissipate taxpayers money on regulatory litigation. Quantum of the monetary payments under the consent scheme varies as per the facts and circumstances. The terms of settlement appear to be dependent upon the nature of the alleged violations, approximate quantum of adjudication penalty had the matter been adjudicated upon, the size and financial strength of the applicant etc.

Limitation Period

Sub-section (3) of section 15T provides that every appeal to the SAT must be filed within a period of 45 days. The time period of 45 days is counted from the date on which the person aggrieved receives a copy of the order made by the Board or the adjudicating officer. However, the SAT may entertain an appeal after the expiry of 45 days if it is satisfied that there was sufficient cause for not filing it within that period. The provision of the Limitation Act, 1963 as far as applicable apply to an appeal made to the SAT in terms of section 15W of the Act. Proviso to sub-section (3) of section 15T does not contain any outer limit after the expiry of the regular period of appeal. In *Zodiac.Com Solutions*

5. [2017] 138 CLA 1 (SC)

6. AIR 1971 SC 385

7. [2002] 51 CLA 74 (SAT)

8. [2011] 100 CLA 402 (Bom.)

9. Appeal No. 25/2008, SAT Order dated 10.04.2008

v. SEBI[10], the SAT held that it is true that the Court/ tribunals are normally liberal in condoning the delay in filing an appeal because no client would be interested in delaying the filing of the appeal because it would run counter to its/his interest but nevertheless some reasonable cause has to be shown for the delay to take a liberal view in the matter. Taking a liberal view in condoning delays does not mean that law of limitation has been given a go-bye and unless some sufficient cause is shown the appeal cannot be entertained. The period of 45 days commences from the date of order of SEBI till the date of presentation of appeal in the registry of Tribunal. In *R.K. Agarwal v. SEBI*[11] the SAT held that presentation of appeal in the registry of the Tribunal can be a relevant consideration to compute whether an appeal is filed within the prescribed time limit of 45 days or not.

Opportunity of Hearing

The SAT is the appellate forum where SEBI's orders are appealed against. Appellate review of the SAT is plenary review where the tribunal sits like trial court and is entitled to look at all the relevant material, consider the law and decide those facts based on which such an order can be passed. However, such exercise should be undertaken only in the cases where final order has been made and should not be undertaken in the cases where full-fledged inquiry is still pending. No new grounds on new facts which are not in the impugned order can be raised in the Appeal and the same cannot be adjudicated. In *LKP Securities v. SEBI*[12], the SAT held that new grounds on new set of facts, going beyond the scope of impugned order cannot be raised in Appeal. In the terms of sub-section (4) of section 15T, the SAT after giving the parties to the appeal an opportunity of being heard may pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appeal against. Therefore, providing an opportunity in terms of principle of natural justice is a pre-requisite and only after providing such opportunity, SAT may pass such orders as it thinks fit. In *Ravi S. Naik v. Union of India*[13], the Supreme Court observed that the principles of natural justice have an important place in administrative law. They have been defined to mean 'fair play of action'. An order of an authority exercising judicial or quasi-judicial functions passed in violation of principles of natural justice is procedurally ultra vires and, therefore, suffers from a jurisdictional error.

Service of Orders

Sub-section (5) of section 15T provides that the SAT is to send a copy of every order (whether final or interim) made by it to the parties before it.

Expeditious Disposal

In terms of sub-section (6) of section 15T, a statutory obligation has been case on the SAT that the appeals filed before it shall be dealt with as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within 6 months from the date of receipt of the appeal.

Conclusion

From the foregoing discussion and judgements, it may be observed that the appeal to the SAT shall only be made on impugned quasi-judicial order issued by the SEBI and not the administrative order and no appeal shall be made to the SAT on the order passed by the SEBI with the consent of both the parties. It is also clear that the SAT may condone the appeal if sufficient cause is shown for appeal not filed within limitation period. The SAT is also required to adopt principle of natural justice by providing an opportunity for hearing to both the parties. However, the legislation shall provide a strict time period for the disposing of an appeal and no discretion should be left with the SAT in disposing the appeal within 6 months.

10. [2009] 96 SCL 8 (SAT-Mum.)

11. [2001] 31 SCL 279 (SAT)

12. [2003] 41 SCL 1

13. AIR 1994 SC 1558

Commercial Paper Financing: A Brief

In this article, the author delves into the nitty-gritty of Commercial Paper Financing by corporates.

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Introduction

Commercial paper financing is the core component of meeting working capital needs of corporate in the developed countries. Such a mode of financing facilitates an efficient payment system. Issuance of the Commercial Paper (CP) is done through an issuing and paying agent (IPA). Banks are authorized to play role of an IPA to the commercial paper programme. Commercial paper is an unsecured borrowing comes under the purview of Reserve Bank of India (RBI) and guidelines of Fixed Money Market derivative association (FIMMDA). RBI has assigned FIMMDA, the task of operating guidelines for smooth functioning of commercial paper. Commercial papers are issued in the form of promissory note negotiable by endorsement and delivery. The exact end use shall be disclosed in the offer document at the time of issue of commercial papers.

FIMMDA Guidelines for Commercial Paper (CP) issuance

- Companies, including non-banking financing companies (NBFCs) and all India financial institutions (AIFIs) having tangible net worth of not less than Rs. 4 crore are eligible to issue CPs, other entities like co-operative societies/ unions, government entities, trusts, limited liabilities partnerships having presence in India with net worth of Rs. 100 crore or higher can issue CPs in accordance with RBI guidelines. All residents and non residents are permitted to invest in CPs under Foreign Exchange Management Act, 1999 (FEMA).
- Commercial papers are issued in the form of a promissory note and are held in dematerialized form. Commercial papers shall be issued in minimum denomination of INR 5 lakhs and multiples thereof, CP are issued at a discount to face value. Options (call/put) are not permitted on a CP.
- Eligible issuers, whose total CP issuance during a calendar year is INR 1000 crore or more, shall obtain a credit rating from at least two credit rating agency registered with SEBI.
- Borrowing under CP cannot exceed maximum amount rated for issue of the CP by credit rating agency or the maximum amount authorized under the resolution of the board of directors of the company whichever is lower.
- Scheduled Banks can act as an issuing and paying agent.
- The borrower account of the issuer should be classified as a standard asset by financing bank by the financing bank.
- Issuer has been sanctioned working capital limit by banks, financial institutions.

General Information on CP issuance

- CP will be issued at a discount to face value
- No CP issue can be underwritten
- CP can be issued for a period not less than 7 days and not exceeding 1 year from the date of issue.

The views expressed are personal views of the author and do not necessarily reflect those of the Institute.

- Minimum denomination lot for CP will be Rs. 5 lakh and in multiples.
- All the CPs must be issued by ways of private placements only.
- Issuer needs appoint an IPA and enter into an IPA agreement.
- The issuer can get ISIN created by submitting the letter of intent in the format prescribed by the NSDL. The time taken for creation of ISIN number is normally 2 working days.
- ISIN number can be same for the specific tranche or the whole CP programme. All securities held in specific ISIN number will have same maturity date and same features.
- ISIN number is created based on the maturity date of the CP.
- Where the deal is settled for delivery in demat mode, the issuer will submit full details of the deal to the IPA such as:
    - Value date of deal
    - Name and address of the counter party
    - Details of the DP account of investor/ buyer such as client name, client ID, DP no., DP ID etc.
    - FV of CP to be delivered and consideration to be received (mode of payment, place of payment etc.)
    - Letter from the investor stating the depository details of the investor and that it had given instruction to its DP to receive the credit to its demat account on value date.
    - Consolidated list of CPs to be issued for different value date.
    - The issuers has to maintain current ratio of 1.33:1 as per latest balance sheet as per RBI guidelines.
    - Minimum credit rating for a CP shall be A3 as per rating symbol and definition by SEBI.

Role of Reserve Bank of India (RBI)

As a regulatory body, RBI lays down the policies and guidelines with regards to commercial paper to maintain a control on the operational aspects of the scheme. Every issue of CP launched by a company, including roll over will be treated as a fresh issue and issuing company will be required to follow guidelines as per RBI prescribed rules. The concepts of CPs are originated in USA in early 19th century when commercial banks monopolized and charged high rate of interest on loans and advances. In India, the CP was introduced in January 1990 on the recommendation of Vaghul committee. Conditions under which CPs can be issued are as follows:

- Minimum net worth
- Minimum rating from rating agencies
- Minimum amount of CP issued
- CPs can be issued to the maximum of 100 per cent of the fund based working capital limit of Issuer Company.
- The banks can either extend any stand by or underwriting neither facility nor guarantee payment of the instrument on maturity.
- The CPs are subject to stamp duty. Besides, the issuer has to incur rating fee, issuing and paying fees etc.

Role of Credit Rating agencies

The rating is based on parameters like net cash accruals, unutilized cash credit limits, assets like units and good tradable securities which allow instant liquidity. A rating is assigned for a particular amount and depends on the company's debt obligation *vis-à-vis* the level of cash accruals. If companies ask for ratings for big amounts, there is a chance that the rating might not be good as for a smaller amount. In which case, the interest cost for the company too will be higher. CRISIL, ICRA, CARE are the few big rating agencies in India. Principal objective is to rate the debt obligations of Indian Companies. Its ratings provide guidance to investors as to the risk of timely payment of interest and principal. The companies approach rating agencies for review of their rating. Rating agency takes into account the following:

- Business analysis
- Financial analysis

- ♦ Management evaluation
- ♦ the regulatory and competitive environment and,
- ♦ Fundamental analysis for determination of the ratings.

The key factors considered from the point of view of business analysis are the industry risk, the market position of the company within the industry and its operating efficiency. The fundamental analysis involves a study of liquidity management the asset quality, the profitability and financial position and the interest and tax sensitivity of the corporation.

Role and Responsibility of an Issuing and Paying agent (IPA)

The IPA will maintain an exclusive funding account for amount subscribed and amount redeemed with reference to each issue.

- Hold custody of original of credit support document if it is in the form of standby assistance/backstop facility with relevant declarations and confirm that original documents are in order.
- Hold custody of certified copies of credit rating certificate and letter of offer of CP, as updated from time to time
- Board resolution authorizing issue of the CP.
- Obtain a declaration from the issuer that the amount proposed to be raised is within the ceiling mentioned by the credit rating agency or as approved by the board whichever is lower.
- Before parting with original CRA certificate make necessary noting on the original CRA letter indicating amount of CPs issued by the corporate against the said CRA letter with value date, face value, ISIN no of the CP and maturity date etc to avoid chances of misuse of CRA letter.
- Obtain confirmation from issuer that they are eligible to issue CP as per the norms fixed by RBI, in terms of net worth and working capital facilities sanctioned by banks or financial institutions
- Report the issue to RBI in the prescribed format, submitted by the issuer within 3 days of the completion of the issue.
- The IPA will issue a letter (IPA certificate) to all the subscribers of the CP in primary market in the format given.
- IPA, with the issuance of the CPs to the investors, arranges to send to the investors, the IPA certificate post verification of the following documents:
  - ♦ IPA has verified board resolution of the issuer authorizing the issue of CPs
  - ♦ IPA has verified the original letter issued by the credit rating agency containing the credit rating
  - ♦ Existence of arrangement IPA between the issuer and itself including that this IPA agreement continues to be valid and binding
  - ♦ Noting of the current tranche of CP has been made on the original credit rating
  - ♦ IPA bank needs report the commercial paper issuance to RBI on NDS system and also a hard copy to be submitted to RBI within 2 working day of the issuance.

Roles and Responsibilities of the issuer

- Issuer will issue a letter of offer, either for a specific issue or for a series of issues, obtaining disclosure of information and brief particulars of the issue.
- Issuer will make the letter of offer available to the investors who approached for private placement of CP on request.
- Issuer may fix a discount rate for issue of CP, or invite bids from prospective investors. The CP may also be issued at a negotiated price. There may be a single investor or multiple investors.
- Issuer will make available to the IPA requisite documents, at least one day prior to the value date of the first deal under the same series. Maturity date for CP is final date for payment and no days of grace are allowed. On maturity

date, the issuer should make a clear fund available in the funding account, which is maintained with the IPA exclusively for the purpose of the issue and redemption of CPs.

- Issuer will be wholly responsible to make clear funds available to the IPA for settlement of CP on the maturity date. If funds are not available in the issuer's account on due date, the IPA would promptly advise the default to the holders of CP. The holders would have recourse to the issuer and standby credit provider, on the strength of default advice received from IPA.
- As stipulated by RBI, credit rating should have validity period. The same should also mention a ceiling amount and when the rating would be due for review. This period is crucial, as CP cannot be issued falling due after the validity period of rating.
- CPs shall be issued at a discount to the face value. Such discount rate shall be negotiated between the issuer and the investor and stated in the deal confirmation note or determined on the basis of the bids received by the issuer from the investors.
- CPs shall be stamped at the expense and cost of the issuer in accordance with the provisions of the Indian Stamp Act, 1899. The issuer shall ensure that a distinctive ISIN code is given to the CP having credit support including any backstop facility and that the credit support would be available to IPA for redemption of CPs under the said ISIN. The issuer shall, submit unconditional credit support documents in respect of each such issue.

Benefits to the Issuer

Low Interest expenses- The interest cost associated with the issuance of CP is normally expected to be less than the cost of bank finance, it is related to the inter- corporate money market rate.

Access to short term funding- CP issuance provides a company with increased access to short term funding sources. By bringing the short term borrower into direct contact with investors, the CP market will, to some extent, disinter mediate the established role of banks and pass on the benefit to both issuers and investors.

Flexibility and Liquidity- CP affords the issuer increased flexibility and liquidity in matching the exact amount and maturity of its debt to its current working capital requirement.

Ease and low cost of establishment- A CP programme can be established with ease at a low cost, once the basis criteria have been satisfied.

Investor Recognition - The issuance of CP provides the issuer with favorable exposure to major institutional investors as well as wider distribution of its debt.

Benefits to the Investor

Higher yield- Higher yields are expected to be generally obtained on CP than on other short term money market instruments like bank deposits.

Portfolio diversification- CPs provides an alternative avenue for short term portfolio diversification.

Buy Back of Commercial Paper

Buyback of a commercial paper, in full or part, shall be at the prevailing market price. Buyback offer should be extended to all investors in the CP issue. The terms of the buyback should be extended to all investors in the issue. Buyback offer may not be made before 30 days from the date of issue. CPs bought back shall stand extinguished.

Accounting Entries

Since this business a kind of facilitator/arranger this business is not a balance sheet item. However, bank is earning commission on the services rendered as an IPA to the CP program for which following entries are posted.

- *Entries posted manually on CP issuance day:*

CP IPA Commission Receivable A/c	Debit	Asset
Commission Earned on IPA business A/c	Credit	Income

- *Entries posted manually on actual receipt of commission:*

Settlement/Cheque A/c	Debit	
CP IPA Commission Receivable A/c	Credit	Asset

Documentation in CP

Following is list of documents to be provided by the issuer while appointing Bank as their IPA Bank:

- Original IPA agreement duly signed by the customer.
- Certified true copy of Board resolution to appoint Bank as an IPA to their program.
- List of authorized signatory
- List of board of directors of the customer
- Certified true copy of memorandum and articles of association
- Declaration from company on share capital/ net worth/rating class and classification of company as financial institution/PD
- Certified true copy of board resolution for total borrowing limit along with specified limits for commercial paper issuance.
- Declaration from company on their eligibility to raise funds through CP program as required by FIMMDA and RBI guidelines.
- Rating rationale of the issuer
- Latest audited financial of the issuer.

Issuance of CP

- Original stamped commercial paper
- Certified true copy of board resolution for issuance of CP
- Rating rationale of the issuer
- Original rating certificate of issuer
- Original letter of offer issued by the issuer as per FIMMDA format.
- Original deal confirmation duly accepted by the subscriber
- Copy of ISIN creation letter issued by NSDL/ CDSL.
- Original RBI reporting letter
- Acknowledgement copy of submission of IPA certificate to NSDL/CDSL.
- Copy of mail sent to customer on transfer of securities to the investors.
- Copy of mail sent to custody department for transfer of security as per deal confirmation.

Redemption of the CP

- Copy of mail sent to issuer for CP maturity and check for availability of fund on maturity date
- Copy of instruction letter received from last holder giving payment details.
- Statement of IPA CP redemption account listing receipt of CP's in our account.
- Copy of mail sent to treasury settlement desk for payment of CP's.
- Copy of RTGS message
- Copy of mail sent to issuer reporting settlement of CP with list of last holders to the issue.
- Acknowledgement of CP redemption certificate sent to NSDL/CDSL for extinguishing of the CP's.

Current Trend related to CP issuance

Issuance of CPs touched an all-time high of Rs. 4.92 lakh crore in June quarter on risk averse investors' reluctance to bet long term. The volumes grew 49 percentage over last year and 32 percentage over the preceding three months as per credit rating agencies researches.

The trend of higher short term borrowing has continued in the second quarter of FY 2019 as well, according to rating agency (ICRA) with CP outstanding going to a new high of Rs. 6.39 lakh crore, a 96 percentage growth over the previous year. Rising bond yields and the consequent possibility of mark to market losses led to investors turning risk averse and shunning long term debt instruments, contributing to a surge in issuance of short term debt instruments. Indian corporate is raising working capital requirements through commercial papers. The base rate of commercial bank ranges between 10 and 10.25 percentage, where as corporate can raise three month money at around 8.5 percentage through CPs. As reported by rating agency ICRA Ltd. last month noted that surge in commercial paper issuance also be attributed to the slew of initial public share offering (IPO). Commercial papers are a popular method to borrow with a clear intension to finance IPO.

The Right to Disconnect Bill, 2018: An Analysis

In this article, the authors discuss about the Right to Disconnect Bill, 2018, which is recently introduced in the Lok Sabha and gives right to the employee to ignore his boss after work.

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Introduction

Nothing can ruin a Saturday like a phone call from the Boss. It is a pain as real as a toothache and as irritating as a buffering video on a slow internet connection. It should, therefore, come as a heartwarming piece of news that certain members of Parliament understand and empathize with this pain. In an attempt to make all of our holidays better, a Private Member's Bill has been introduced in Parliament to give employees the right to refuse official calls after office hours. Member of Parliament (MP) from the Nationalist Congress Party, Supriya Sule, has earned the respect of all people who have a boss by tabling the Right to Disconnect Bill, 2018 (Bill), seeking to "confer the right on every employee to disconnect from work related telephone calls and emails beyond work hours and on holidays and right to refuse to answer calls and emails outside work hours". According to the MP who represents Baramati Constituency in the Lok Sabha, the Right to Disconnect Bill aims at "reducing stress and ease tensions between an employee's personal and professional life." The need is to respect the personal space of employees by recognizing their right to disconnect and not to respond to their employer's calls, e-mails etc. during out-of-work hours.

1.1 Ever since they invented the mobile phone and the internet, it has made it far too easy for bosses to be constantly in touch with employees and increasingly harder for employees to disconnect from work. The Supreme Court of France recognized this as a labour problem in 2004, ruling that if an employee was not reachable on their mobile phone outside working hours, it cannot be considered misconduct. In 2017, France passed a law formalizing the right to disconnect; and it is expected that other EU countries will follow the example. Companies in Germany, even without formal laws, have been implementing this idea.

2. Following are the key features of the Bill :

- The Bill aims at reducing stress and ease tension between an employee's personal and professional life.
- The Bill gives employee the right to not respond to calls or any kind of communications from the employer after office hours.
- The Bill requires the setting up of an employee Welfare Authority, which will publish reports related to the impact employees have from prolonged use of digital tools beyond office hours and it will also create a charter defining employee-employer negotiation.
- According to the Bill, companies with more than 10 employees would periodically negotiate specific terms with their workers,

publish their own charter and create an Employee Welfare Committee consisting of representatives of the company's workforce.

Concerns and challenges faced by workers

3. With dynamic business demands in an evolving corporate landscape, striking a work-life balance has become difficult but also a priority. The imbalance leads to stress, anxiety and sleep deprivation—notable trends in studies on employee health. The traditional service sector has to often deal with unreasonable work hours, working overtime without extra compensation, or carrying their work home. The insidious impact of 'always on' organizational culture is often unaccounted for or disguised as a benefit – increased convenience, for example, or higher autonomy and control over work-life boundaries.

Rights and benefits provided by the Bill to employees

4. The following rights and benefits of employees proposed under this Bill would be in addition to all other rights and privileges already enjoyed by them :

- Every employee shall have the right to disconnect after working hours.
- According to this Bill, the employees are not obliged to answer the employer's phone calls or shall have the right to refuse to answer such calls. This has come as a relief for many people who work for 8-9 hours and even after reaching home they have to attend official calls and reply to e-mails which indirectly lead to overtime work. It's like working overtime without any addition in the salary.
- Every employee shall be entitled to disconnect, when contacted for work purposes during time other than working hours. He may choose to respond, for which he shall be entitled to get overtime pay in such manner as may be prescribed only if it is mutually agreed upon.
- The digital transformation has direct impact on conditions in the employment contract, like the time and place of work. Hence, an employee agrees to work after working hours, overtime pay at the same rate as his wage rate should also be paid to him.

Global examples of Right to Disconnect

5. Following are the measures that have been already taken in empowering the employees with Right to disconnect :

- France has already provided Right to disconnect since 2017 in companies with more than 50 employees with an aim to re-build the boundary between professional and personal life.
- Even Spain has a similar law which provides Right to disconnect without any minimum employee criterion.
- German automobile maker Daimler has taken this bold step of introducing software that automatically deletes any e-mails you get while on vacation, back in 2014.

Penalty to be paid by the entity for Non-Compliance with the provisions of the Bill

6. The Bill also proposes the penalty which shall be paid by the entity for non-compliance of the provisions of the Bill. Every individual entity is required to pay penalty at the rate of one per cent of total employees' remuneration for any out-of-work service condition not defined in the Charter made under section 9 of the Bill; any out-of-work service condition not defined in the policy for employees working remotely under section 15 of the Bill; and any non-adherence to any of the provisions of this Bill.

Conclusion

7. Corporate culture in India is famously dismissive of employees' personal time and space, often making a virtue out of this fact. What this approach misses is that the productivity of an employee is directly proportional to morale, which can only improve from having the time for a fulfilling personal life. According to experts, work-related stress can often lead to a lot of physical and mental ailments including depression, which might go undiagnosed. As a result of which, a person might face a lot of problem in his professional and personal life as well. The Right to Disconnect Bill 2018, if passed, will help people strike work-life balance and lead a better life.

KNOWLEDGE UPDATE

COMPANY LAW

NATIONAL FINANCIAL REPORTING AUTHORITY (MANNER OF APPOINTMENT AND OTHER TERMS AND CONDITIONS OF SERVICE OF CHAIRPERSON AND MEMBERS) (AMENDMENT) RULES, 2019

Central Government, vide Notification No. G.S.R. 125(E) dated 18th February, 2019, has amended the National Financial Reporting Authority (Manner of Appointment and other Terms and Conditions of Service of Chairperson and Members) Rules, 2018.

EXTENSION FOR LAST DATE OF FILING INITIAL RETURN IN MSME FORM I

Pending the deployment of MSME Form I on MCA 21 portal and in order to avoid inconvenience to stakeholders on account of various factors, Central Government vide General Circular No. 01/ 2019 dated 21st February 2019 has clarified that the period of thirty days for filing initial return in MSME Form I as specified in Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019 dated 22.01.2019 shall be reckoned from the date the said e-form is deployed on MCA 21 portal.

COMPANIES (ADJUDICATION OF PENALTIES) (AMENDMENT) RULES, 2019

Central Government, vide Notification No. G.S.R. 131(E) dated 19th February, 2019, has amended the Companies (Adjudication of Penalties) Rules, 2014.

COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) (SECOND AMENDMENT) RULES, 2019

Central Government, vide Notification No. G.S.R. 130(E) dated 19th February, 2019, has amended the Companies (Prospectus and Allotment of Securities) Rules.

COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) AMENDMENT RULES, 2019

Central Government, vide Notification No. G.S.R. 100(E) dated 8th February, 2019, has amended the Companies (Significant Beneficial Owners) Rules, 2018.

COMPANIES (INCORPORATION) AMENDMENT RULES, 2019

Central Government, vide Notification dated 21st February, 2019, has amended the Companies (Incorporation) Rules, 2014 by inserting new e-form ACTIVE (INC-22A) and rule 25A.

FOREIGN EXCHANGE MANAGEMENT LAW

FOREIGN EXCHANGE MANAGEMENT (TRANSFER OR ISSUE OF SECURITY BY A PERSON RESIDENT OUTSIDE INDIA) (FIFTH AMENDMENT) REGULATIONS, 2019

RB,I vide Notification No. G.S.R. 78(E) dated 31st January, 2019, has amended Regulation 16.B of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.

INTERNATIONAL ORGANISATIONS WHICH SHALL NOT BE TREATED AS 'FOREIGN SOURCE' FOR THE PURPOSES OF FOREIGN CONTRIBUTION (REGULATION) ACT, 2010

Central Government, vide Notification No. S.O. 649(E) dated 1st February, 2019, has specified that the following international organizations shall not be treated as 'foreign source' for the purposes of the said Act, namely, (i) Asian Infrastructure Investment Bank (AIIB), (ii) New Development Bank (NDB) and, (iii) European Bank for Reconstruction and Development (EBRD).

EXTERNAL COMMERCIAL BORROWINGS (ECB) FACILITY FOR RESOLUTION APPLICANTS UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS

RBI, vide A.P. (DIR Series) Circular No. 18 dated 7th February, 2019, has decided to relax the end-use restrictions for resolution applicants under the Corporate Insolvency Resolution Process (CIRP) and allow them to raise ECBs from the recognised lenders, except the branches/ overseas subsidiaries of Indian banks, for repayment of Rupee term loans of the target company under the approval route. Accordingly, the resolution applicants, who are otherwise eligible borrowers, can forward such proposals to raise ECBs, through their AD bank,

to Foreign Exchange Department, Central Office, Mumbai of the Reserve Bank for approval.

INSOLVENCY AND BANKRUPTCY LAW

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) (AMENDMENT) REGULATIONS, 2019

IBBI, vide Notification No. IBBI/2019-20/GN/REG040 dated 24th January, 2019, has amended the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

SEBI LAW

PHYSICAL SETTLEMENT OF STOCK DERIVATIVES

SEBI, vide Circular No. SEBI/HO/MRD/DOP1/CIR/P/2019/28 dated 8th February, 2019, has decided, in consultation with Secondary Market Advisory Committee (SMAC) of SEBI, that in addition to the existing schedule of stock derivatives moving to physical settlement, if a stock satisfies any of the prescribed criteria, derivative on such stock shall be moved to physical settlement from the new expiry cycle.

FORMAT FOR ANNUAL SECRETARIAL AUDIT REPORT AND ANNUAL SECRETARIAL COMPLIANCE REPORT FOR LISTED ENTITIES AND THEIR MATERIAL SUBSIDIARIES

SEBI, vide Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019, has accepted the recommendations of the Committee on Corporate Governance, constituted under the Chairmanship of Shri Uday Kotak, in its report dated October 05, 2017, in view of the criticality of secretarial functions to efficient board functioning.

RELAXATION FROM REQUIREMENT TO FURNISH A COPY OF PAN FOR TRANSFER OF EQUITY SHARES OF LISTED ENTITIES EXECUTED BY NON-RESIDENTS

SEBI, vide Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2019/30 dated 11th February, 2019, has decided to grant relaxation to non-residents (such as NRIs, PIOs, OCIs and foreign nationals) from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the prescribed conditions:

CASE LAW

Erstwhile Companies Act, 1956

Where rejection of application for impleadment of appellant by Tribunal has been set aside by the appellate authority, it was not proper for Tribunal not to treat the appellant as impleaded respondent.

Where appellate authority had set aside Tribunal's order rejecting the application of the appellant for impleadment in company petition under section 397, it was not proper for the Tribunal not to treat the appellant as impleaded respondent, and the impugned order of the Tribunal was liable to be set aside- *NAIR SERVICE SOCIETY KARAYOGAM v. V C VELAYUDHAN NAIR, National Company Law Appellate Tribunal, Company Appeal (AT) No.410 of 2017 dated 19th September 2018*

STATEMENT ABOUT OWNERSHIP AND OTHER PARTICULARS ABOUT NEWSPAPER

STUDENT PROFESSIONALS TODAY

[Form-IV-See rule 8]

1. Place of publication : **New Delhi**
2. Periodicity of its publication : **Monthly**
3. Printer's name : **B P Bhargava**
   Whether citizen of India ? : **Yes**
   Address : **158, Basant Enclave, Palam Road, New Delhi-110057**
4. Publisher's name : **B P Bhargava**
   Whether Citizen of India ? : **Yes**
   Address : **158, Basant Enclave, Palam Road, New Delhi-110057**
5. Editor's name : **B P Bhargava**
   Whether Citizen of India ? : **Yes**
   Address : **158, Basant Enclave, Palam Road, New Delhi-110057**
6. Name and Address of individual who owns the newspaper & partners or shareholders holding more than one per cent of the total capital : **Vidhimaan Publishers (P) Ltd.**

   158, Basant Enclave, Palam Road, New Delhi-110057

I, B P Bhargava, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Dated 1st March 2019 (Sd.) **B P Bhargava**

Publisher

RNI Regd. No.DELENG/2017/71754
Posted on : 18-19 March 2019
Published on 9, 10 & 11 March 2019

DELHI POSTAL REGD. NO. DL-SW-1/4199/17-19
Place of posting : NDPSO, New Delhi
LICENSED TO POST WITHOUT PRE-PAYMENT No. U(SW)-20/2017-19

KNOWLEDGE UPDATE

CASE LAW

COMPANIES ACT, 2013

Where shares stand pledged as security for a corporate guarantee, the prayer seeking duplicate share certificates is beyond the scope of section 46 or 56 and the certificates cannot be said to have been lost, etc.

Where shares are pledged as security for corporate guarantee extended by company in respect of loan taken by another company, the prayer seeking duplicate share certificates is beyond scope of section 46 or 56 as it is not a case where certificates were lost or destroyed or defaced, mutilated or torn or covered by contingencies in proviso to sub-section (1) of section 56 and the petition was rightly dismissed, and appellant had made false averments about loss of shares as found by Adjudicating Authority – *Shree Kumar Mundhra* v. *M/s Spell Organics Ltd.*, National Company Law Appellate Tribunal, CA (AT) No.219 of 2018 dated 29th October 2018

INSOLVENCY AND BANKRUPTCY CODE, 2016

So long as a dispute truly exists in facts, and is not spurious, hypothetical or illusory, the Adjudicating Authority must reject the application under section 9.

As laid down by the Supreme Court recently in Mobilox Innovations (P.) Ltd. v. Kirusa Software (P.) Ltd. [2017] 140 CLA 123 (SC), Insolvency and Bankruptcy Code is not intended to be a substitute to a recovery forum, and wherever there is existence of real dispute, provisions of the Code cannot be invoked, as the NCLAT appears to have done while giving a last chance to the parties to settle the claim, despite there being a dispute – *Transmission Corporation of Andhra Pradesh Ltd.* v. *Equipment Conductors & Cables Ltd.*, Supreme Court of India, CA No. 9597 of 2018 dated 23rd October, 2018.

!!Attention Students!!

Switchover option for Executive & Professional students has been activated in SMASH portal.

Students desirous to opt for Switchover to 2017 (new) syllabus, are required to submit switchover request via switchover tab which has been activated in his/her online Smash portal. On successful switchover, students are requested to check updated syllabus in their profile at :

https://smash.icsi.in/Scripts/login.aspx.

Further, switchover students or students registered under syllabus 2017 are advised to immediately enroll & complete Pre Examination Test for becoming eligible to enrol and appear in the main examinations.

Steps for appearing in Online Pre-Exam Test and Process of Payment of Fee by the Students who are yet to remit fees towards Pre-examination test is available in URL :

https://www.icsi.edu/media/webmodules/e-learning_Pre-Exam.pdf

Kindly take note of the same.

Team ICSI

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