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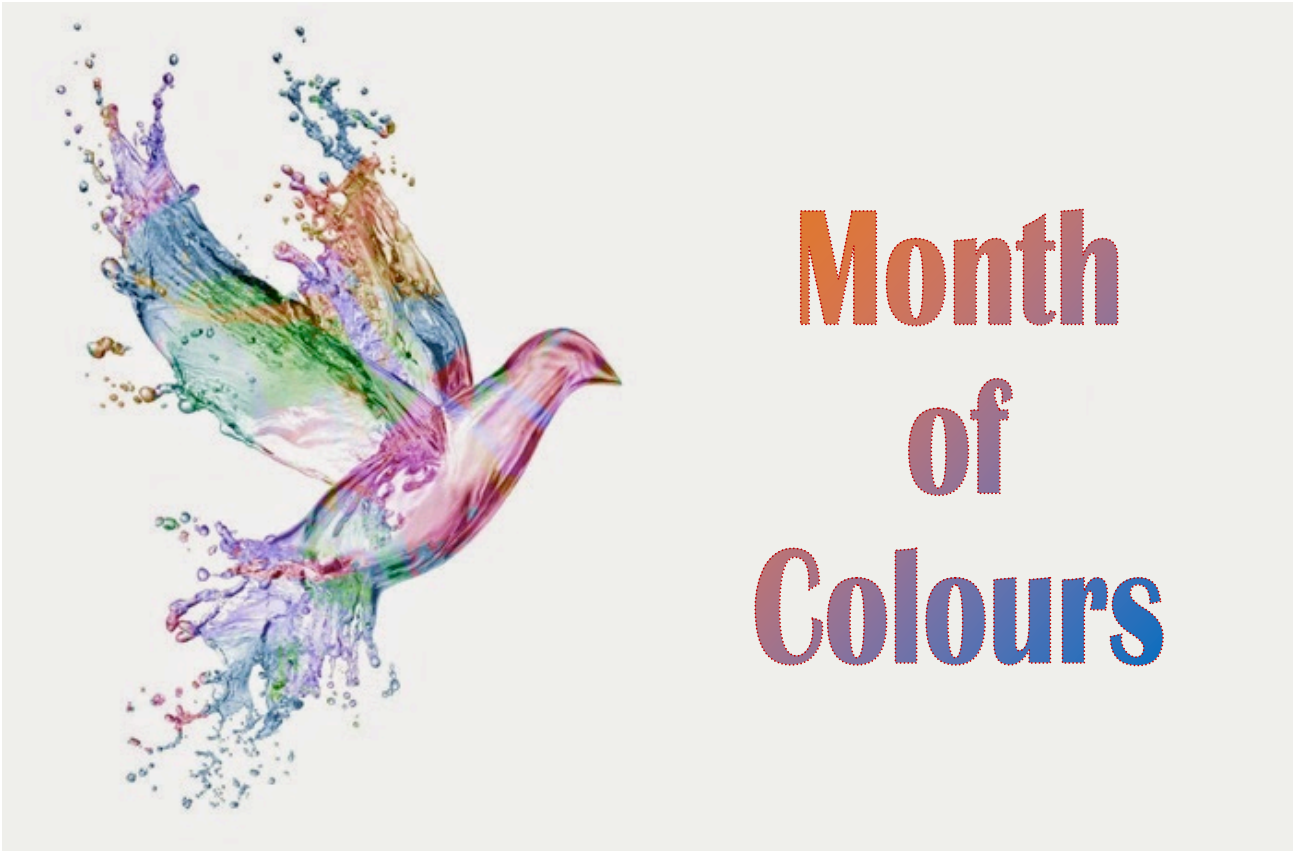

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CS NEWS INSIDE!

DISQUALIFICATION AND DISCLOSURES BY THE DIRECTOR

Disqualification for the appointment of director (164): DIR-8

Section 164 of the Companies Act, 2013 provides for disqualification for appointment of director. Every director shall inform to the company concerned about his disqualification under sub-section (2) of section 164, if any, in form DIR-8 at the first Board meeting in every financial year or whenever there is any change in the appointment of a director.

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According to the provisions of sub-section (1) of section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company in the following cases:

1. If he is of unsound mind and stands so declared by a competent court.
2. He is an undischarged insolvent.
3. He has applied to be adjudicated as an insolvent and his application is pending.
4. If he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than 6 months and a period of 5 years has not elapsed from the date of expiry of the sentence. However, if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of 7 years or more, he shall not be eligible to be appointed as a director in any company.
5. If an order disqualifying him for appointment as a director has been passed by a court or tribunal and the order is in force.
6. If he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and 6 months have elapsed from the last date fixed for the payment of the call.
7. If he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years.

In accordance with the provisions of section 164(2) of the Companies Act, 2013, a person shall not be eligible for appointment as a director who is or has been director of a company and such company has:

1. Not filed financial statements or annual returns for any continuous period of 3 financial years.
2. Failed to:

    - Repay the deposits accepted by it and interest thereon
    - Redeem any debentures on the due date and interest thereon
    - Pay any dividend declared

Disclosure of interest by director (184): MBP-1

Every director has to disclose his interest in company or companies or body corporate, firms, or other association of individuals, including their shareholding in MBP-1 in case the shareholding is more than 2%.

As per section 184(1) of Companies Act, every director shall:

1. At the first meeting of the Board in which he participates as a director; and thereafter
2. At the first meeting of the Board in every financial year or
3. Whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed.

As per section 179(3)(k) read with rule 8(5) of Companies (Meetings of Board and its Powers) Rules, 2014, taking note of the disclosure of director's interest and shareholding shall be done by the Board only by means of resolutions passed at meetings of the Board.

To date or not to date the forms MBP 1 & DIR 8;

You must date the documents, but to date as March 31, 2017 or April 1, 2017 is the dilemma.

HEADS UP ON EVENTS THAT MADE HEADS TURN IN FEBRUARY 2017

Alibaba plans formal entry into Indian marketplace with fresh funding of Rs 1,700 crore in Paytm

Alibaba, the world's largest ecommerce company, is leading an investment round of between Rs 1,350 crore and Rs 1,700 crore in the online retail marketplace of Paytm, according to two people aware of the deal, marking the formal entry of the Chinese major into a market where it will now compete with US' Amazon and India's Flipkart. Alipay, the payments affiliate of Alibaba, and investment firm SAIF Partners have also participated in the deal which is expected to value the online marketplace — spun out of parent company One97 Communications — at over $1billion. "The Alipay-Alibaba combine will now own over 50 per cent in the unit," said one of the people cited above who termed this an opportune time for Alibaba to enter the fray. "The online marketplace business will either be called PayTM Mall or PayTM Bazaar," said the person who estimates the business has annualised gross merchandise value (GMV) of about $1billion. The closure of the deal is expected to be formally announced in the coming weeks. Paytm declined to comment.A representative for Alibaba said the company regards India as an important emerging market with great potential and is absolutely committed to developing this market for the long term. "However, we do not in principle discuss rumours about our business plans," she said in an emailed response. For Alibaba, entering the Indian market will mark an expansion of its global footprint and offer a chance to grab a slice of one of the world's most attractive markets for online retail, which is estimated to be worth $14-16 billion at the end of 2016, up from about $11 billion in 2015, according to analysts and investors.

Alibaba was widely expected to begin business in India as Tmall, its business-to-consumer brand in China, to differentiate its business from Paytm's digital payment brand. But the online retail marketplace will now continue under the Paytm brand. **ADVANTAGE IN B2B** Experts are of the view that Alibaba has an advantage in the business-to-business sector where there aren't too many competitors. "Also it has done very well in bringing small vendors to customers in China," said Pinakiranjan Mishra, partner, EY India. ET first reported the news of One97 spinning off its online marketplace unit as a way to facilitating the entry of Alibaba into the Indian market, in February 2016. Regulatory filings made by Paytm E-commerce show that it has already issued shares to shareholders of One97 Communications, most recently to Alibaba and Alipay. The latest transaction also marks the completion of the reorganisation of One97 into two distinct units — the payments bank Paytm Payments Bank Limited, and online marketplace Paytm E-commerce. This process began in August 2016.

The e-commerce services business, which includes ticketing and offline payments at petrol pumps, will continue under One97, founded by internet entrepreneur Vijay Shekhar Sharma. Paytm also transferred its wallet licence to the payments bank unit last year, which is expected to launch operations in the next few months. Sharma owns a 51 per cent stake in the payments bank while the rest is owned by One97 Communications. **SHAKEOUT** The latest

deal, the first significant transaction in the Indian ecommerce industry this year, is expected to lead to a shakeout in the sector, which has witnessed a tough battle between Flipkart, Amazon and Snapdeal. Amazon has picked up marketshare with its aggressive spending even though the pace of growth in the industry has slowed overall. "It is a great news for the industry as there is a large player to take on Amazon, and this could potentially lead to acquisition of players. Alibaba will look to acquire and add speed while Amazon will acquire to stop their momentum," said a founder of a vertical online retailer. EY's Mishra reckoned customers will stand to gain as they will choose the company which provides "better service and trust".

Merger with Idea doesn't mean exit of Vodafone from India: CEO Vittorio Colao

Vodafone Group Plc chief executive officer Vittorio Colao said the company is in talks with the Aditya Birla Group to create a "self-funded" Indian joint venture with equal rights to take on the competitive threat posed by Reliance JioInfocomm and the move doesn't portend its exit from what was once a key market. The intent of the JV, which will be the largest in India with the widest spectrum coverage and the best management team, is to "self-fund and we are working on discussing mechanics and agreements", Colao said on Thursday in his first public comments since the talks were revealed. The top executive described India as "a special situation" that's dragging the group's financials. Vodafone said it will meet only the lower end of its operating profit guidance range due to "continued uncertainty" in the country. India contributes almost 11 per cent to Vodafone's global service revenue and is still the fastest growing in terms of subscriber additions, but no longer so in terms of the pace of revenue growth. Responding to a question, he denied that the planned merger was a precursor to Vodafone's departure from India.

"This is not an exit. This is about creating a stronger asset, create the No. 1 telco in the country...build the largest network in India and build the best management team through a combination of the two management teams," Colao said on a call after the British company's thirdquarter earnings. "We are flexible and pragmatic." Colao said the company, with 205 million subscribers in India, still sees long-term value in the country. A Vodafone-Idea combination would have about 390 million users, exceeding current market leader Bharti Airtel’s 266 million.Vodafone and the Aditya Birla Group said on January 30 they were in talks to merge Vodafone India, the country's No. 2 telco, and Idea Cellular,the third-largest, in an all-share transaction. Both companies want to forge a stronger front to take on Reliance Jio, which is backed by India's wealthiest man MukeshAmbani. Jio unleashed a price war by offering free voice and data since starting services in September, severely denting the financials of its rivals. Competition with Jio, and to some extent, demonetisation, dragged Vodafone India's service revenue down 1.9 per cent to 1.45 billion euros (. Rs 10,556 crore) in the three months ended December from a year earlier. Vodafone has 8 billion of net debt in the India business.

"We anticipate intense competitive pressure in India in the fourth quarter and are taking a series of commercial actions," Colao said in an earnings statement issued on Thursday. 'TRAI STANCE KEY'He said a key factor would be the stance of the Telecom Regulatory Authority of India on Jio's free offers. Vodafone, Bharti Airtel and Idea have complained that Jio's latest free offers are illegal and predatory and should be barred. Colao said the inflection point in India's telecom sector would be when Jio starts charging for its services, although he cautioned that the free service could be extended. "We are well-positioned to recover market share whenever the new entrant starts billing. We will recover from headwinds in India," Colao said. Between the third and second quarters, Vodafone India's data browsing revenue growth slowed to 0.6 per cent from 16 per cent and its active data customer base fell to 60 million from 69.6 million. Growth in data usage per customer slowed to 15 per cent from 28 per cent. Voice revenue fell 3 per cent and average revenue per user shrank to . Rs 158 from . Rs 171 in the previous quarter. Vodafone chief financial officer Nick Read said the Indian unit has a segmented strategy to respond to Jio's offers.

"For high-value customers, which represent about 10 per cent of our base, our key focus is retention," said Read. The company's analysis showed it was able to retain most of its high-value customers with its voice and data bundled plans, although this has come at the cost of "ARPU dilution". For mid-value customers, which represent about 30 per cent of its users, the company is trying to push them to 3G and 4G services. Read said this pricesensitive segment has seen the highest proportion of users opting for Jio in their multi-SIM devices, causing a decline in Vodafone's active data users and ARPU though the company has managed to be the primary SIM for most of these users. "For the lower-value mass market segment, where we are the primary SIM, but experience high multi-SIMming, our goal is to capture 100 per cent SIM spend", through the Rs 149 plan, Read said. He added that price pressures are resulting in faster industry consolidation, which will ultimately repair the market. "We are well-placed to be one of the scaled players remaining," he said.

N Chandrasekaran elected as Chairman of Tata Steel Board

N Chandrasekaran, chairman-designate of Tata Sons and currently the CEO and Managing Director of Tata Consultancy Services, was today elected as Chairman of Tata Steel Board."The Board of Directors today elected N Chandrasekaran as the Chairman of the Board. Chandrasekaran was appointed as a Member of the Board on January 13, 2017," Tata Steel said in a statement today. On January 17, Tata Motors had appointed Tata group chief to designate Chandrasekaran as its Chairman with immediate effect. Tata Steel Board on November 25 last year had removed ousted Tata Sons chairman Cyrus Mistry as the steel giant's chairman and appointed independent director O P Bhatt in his place. Earlier on November 11, Tata Steel had said its board took note of the leadership changes at Tata Sons and had received a special notice from the promoter and principal shareholder to convene an Extraordinary General Meeting (EGM) for removal of Mistry and NusliWadia as its directors.

Following the elevation of Chandrasekaran as the Chairman Tata Sons, Rajesh Gopinathan was appointed the Chief Executive Officer and Managing Director of TCS effective February 21, 2017, the day Chandrasekaran, the current CEO & MD takes charge at the Tata Group's holding firm. Chandrasekaran holds a graduate degree in Computer Applications from the Regional Engineering College, Trichy and an undergraduate degree in Applied Sciences from the Coimbatore Institute of Technology, Coimbatore, Tamil Nadu. Speaking on this occasion, Chandrasekaran acknowledged, "Tata Steel is an iconic company that has stood tall for over a century. The Company has long provided thought leadership in areas of sustainable business, ethics and stakeholder management. It is built on a unique culture of thinking about society and not just the business.

I feel greatly honoured to be chosen as the Chairman and I accept this responsibility with a deep sense of humility." Announcing other changes in the Board, Tata Steel said its Board of Directors also appointed Peter Blauwhoff as an Additional (Independent) Director. His appointment is effective immediately. Blauwhoff is a successful international leader with over 30 years of experience in the energy industry, in particular, the downstream oil and gas business, it said adding, between 2008 and 2015, Blauwhoff held the position as the Chief Executive Officer of Deutsche Shell Holding GmbH, Hamburg, Germany. Blauwhoff holds a Doctorate in Technical Sciences and a graduate degree in Chemical Engineering, with honours (cum laude). Chandrasekaran said, "Blauwhoff brings a wealth of experience to the Board with his knowledge of the global manufacturing industry in general and of the energy, oil and gas business in particular. His induction will enrich the quality of debate and deliberation within our Board."

United Breweries board asks Vijay Mallya to quit as chairman

Heineken-controlled United Breweries has sent a notice to Vijay Mallya, asking him to step down as its chairman after the Securities and Exchange Board of India barred the beleaguered billionaire from securities market. UB held a board meeting on Wednesday to discuss and pass the resolution. “In order to comply with the Sebi order and in the absence of any stay or vacation of the said order, the board is compelled to request you to step down from the board of United Breweries with immediate effect,” said UB in a mail sent to Mallya and other board members. The letter was filed with the Bombay Stock Exchange late on Wednesday. “The board has passed a resolution that Mallya should step down and we have asked the company secretary to convey the message to him,” said one of the directors on the board of UB, where Heineken owns 42.4 per cent.

“A few days ago, all the board members had an informal meeting to discuss the issue,” added the director. A fortnight ago, Sebi banned Mallya and six former officials of United Spirits from securities market in a case related to alleged fund diversions. UB had said then that it was reviewing the order and was in the process of seeking legal advice, and would take appropriate action. Sebi also restrained Mallya and Ashok Capoor, former managing director of United Spirits, from holding the post of director or key managerial position at any listed

company. **United breweries ready for likely legal action** Further, the regulator had directed United Spirits to provide information on steps taken to recover Rs 1,880.8 crore from Mallya and the companies to which funds were wrongly diverted. UK-based Diageo is the majority stakeholder in USL. The funds were diverted between 2010 and 2013.

As per PwC-UK, the diverted amount is Rs 655.55 crore while EY estimates it at Rs 1,225.24 crore, according to details cited in the order. Top legal officials indicate that Mallya is likely to challenge the board's notice, which could break out into a full-blown war similar to his legal tussle with United Spirits. “We are prepared for any legal action taken by Mallya,” said another director on the United Breweries board. Dutch beer maker Heineken has been attempting to remove Mallya as chairman from the board of the company. Heineken has hiked its stake in the company from 37.5 per cent in 2003 by purchasing shares in block trades from the stock market. In 2016, Heineken purchased shares from Yes Bank and ECL Finance, with whom Mallya pledged shares, in block trades. On Tuesday, the Karnataka HC ordered the winding up of United Breweries (Holdings) Ltd (UBHL), the parent company of the UB Group, for recovering dues payable by UBHL-promoted defunct Kingfisher Airlines Ltd. Mallya owns 52.34 per cent in United Breweries Holdings Ltd.

Cognizant finds 'improper payments' of $6 million made in India

US-based Cognizant today said it has identified "potentially improper payments" worth USD 6 million being made for company-owned facilities in India, higher than the earlier estimate of USD 5 million. In September last year, Cognizant had said it was conducting an internal investigation into possible violations of the US Foreign Corrupt Practices Act amid allegations that the IT major had made "improper payments to obtain permits and building licences in India". "The investigation has progressed significantly. We have identified a total of approximately USD 6 million in potentially improper payments relating to Company-owned facilities in India, an increase of USD 1 million from what we reported at the end of the third quarter," Cognizant CFO Karen McLoughlin said on a concall. During the fourth quarter, Cognizant recorded an out-of- period correction of USD 1 million. To date, of the identified USD 6 million in potentially improper payments, Cognizant has now recorded a total of USD 4.1 million in corrections, she said. "We have continued to aggressively implement remediation measures, including in compliance, the real estate function in India and procurement and accounts payable as they relate to real estate transactions in India," she added. Following Cognizant's shares tanking in the aftermath of the September disclosure, law firms in the US like Holzer & Holzer LLC and Glancy Prongay & Murray LLP had invited investors to join the class action lawsuit in case they had suffered losses.

Start-ups can avail of 3-year tax holiday in a block of 7 years

Eligible start-ups can now avail their three-year tax holiday in a block of seven years instead of five years giving them more time to take advantage of the benefit. "The profit linked deduction available to the start-ups for 3 years out of 5 years is being changed to 3 years out of 7 years," Finance Minister Arun Jaitley announced in his Budget speech on Wednesday. For the purpose of carry forward of losses in respect of such start-ups, the condition of continuous holding of 51 per cent of voting rights has been relaxed subject to the condition that the holding of the original promoter/promoters continues, the FM said. The other demands from start-ups, which included increasing the number of years of income tax exemption from three years to seven years and pushing back the qualification date before April 1 2016, have been ignored. The increase in window for availing tax benefit will give more time to start-ups to reach a stage when they start earning profits before they exercise their option for income tax exemption. Of the 1,425 applications received by the DIPP since the start-up policy was operationalised last year, 111 applications were considered for tax benefits as only these start-ups were incorporated after April1, 2016 and eight start-ups were approved for availing tax benefits. As many as 522 had the required documents and have been recognised as start-ups. These will be eligible for other benefits such as exemption from various compliances, help to file IPR applications and some relaxation in norms of government procurement reserved for small enterprises.

Airtel knocks on CCI's doors accusing RJio of predatory pricing

After failing to get a favourable decision from the telecom regulator, Bharti Airtel has knocked on the doors of the Competition Commission of India seeking respite from Reliance Jio's free services. In a complaint filed recently, Airtel said that Reliance Jio's tariff plans are predatory and adversely effecting competition. "The offering of free service by Reliance Jio is adversely affecting competition as the customers are being enticed to free services without regard to the consequences to the health of telcom industry. "The strategy of RJIL is to bind the customer to free voice and minimise competition, including eliminating competition from smaller players, to gain a higher market share," Airtel said in its note to CCI. "Once RJIL obtains a higher market share, it would likely increase the costs or even charge for voice calls since competition will be limited and the customer will be left with lesser number of service providers to choose from," the note, seen by BusinessLine, stated. Airtel has taken the case to CCI after the Telecom Regulatory Authority of India (TRAI) said that it found no violation on the part of Reliance Jio. RJio had launched its services in September whereby it offered free voice and data services for three months under a welcome offer. However, in December the company launched another scheme called Happy New Year offer allowing its existing and new users to continue to get voice and data services for free. However, it limited the free data usage to 1 GB per day. Trai ruled that the RJio schemes were valid. Rjio's free offer is unsettling the incumbent operators. While Airtels' third quarter profits dipped by nearly 50 per cent, Vodafone and Idea Cellular are exploring a merger to stay afloat.

Infy defends executive payments after founders raise concerns over corporate governance

IT major Infosys has said that it received emails from the promoters expressing their concern around corporate governance but cleared the air saying that it has adhered and followed corporate governance standards at every point. A month ago Infosys founders NR Narayana Murthy, Kris Gopalakrishnan and Nandan Nilekani are learnt to have written to the board expressing their concerns about pay increases and severance packages given to two former senior officials, according to reports. An Infosys spokesperson said: "The board receives suggestions and inputs from various stakeholders, including promoters, which are evaluated with due importance. The company will continue to be guided by the overall interests of all stakeholders. With regard to concerns on governance being discussed in the media, we would like to reiterate that all decisions have been made bona fide, in the overall interest of the company, and that full disclosures have already been made thereon."

The writing of this letter also signals the extent to which the co-founders are interested in the company affairs despite them not holding an executive position in the company by which they can neither influence future strategy nor the day-to-day operations. Murthy and other co-founders declined to comment. While the founders along with their family members own 12.75 per cent stake in Infosys as per December 2016 shareholding data, financial institutions own the rest and in essence decide the rules of the game. "It is like (Cyrus) Mistry owning 18 per cent in Tata Sons who cannot call the shots as the Trusts hold the majority shareholding," said Kris Lakshmikanth, CEO, Headhunters India. Infosys has repeatedly clarified its stance.

The issue came up last year, when some proxy advisory firms and other investors had raised this issue of high exit payouts as unprecedented and different from the culture and DNA of Infosys. Chairman R Seshasayee cleared the air on former CFO Rajiv Bansal's large exit payout (over □17.38 crore) and dismissed speculation that the company paid a high severance package to "silence him" and added that his exit was "cordial" and a "mutually agreed decision." Company executives told BusinessLine that it had launched two separate independent investigations into the handling of Bansal's exit which revealed no foul play. Bansal's exit was followed by the exit of General Counsel and Chief Compliance Officer David Kennedy. Further, Kennedy who was appointed by CEO Vishal Sikka was to earn $557,500 in fixed pay and $472,500 in variable pay, subject to the fulfilment of conditions in the separation agreement, company executives had said at that time. Infosys shares closed at □936, or 0.8 per cent down in the stock exchanges. In a related development around a possible share buyback worth □12,000 crore, Infosys in a statement said: "The company would like to clarify that its policy is not to comment on rumours or speculations. Further, the company has always complied with its reportable obligations under Listing Obligations And Disclosure Requirements in a timely manner and will continue to do so.

No breach of corporate governance practices, asserts Infy Chairman

Differences between Infosys' founders and the board continued on Monday with the company's Chairman R Seshasayee dismissing all allegations of a breach in corporate governance and, at the same time, calling for the need to have a professionally-run board and management. Terming it a difference of perception due to cultural gap, Seshasayee gave a point-by-point rebuttal of all issues raised by Infosys' founders, particularly NR Narayana Murthy. Defending the pay hike given to CEO Vishal Sikka, Seshasayee said, "We hired a global consultant to benchmark the compensation with that of other US companies. We wanted to ensure that we give motivated compensation. "The company used postal ballot for the approval of Vishal's compensation as a measure of good governance practice and 98 per cent were in favour," he said. Sikka took over as the CEO of the firm on August 1, 2014. He was awarded a 55 per cent hike in compensation in February 2016. Murthy along with other founders, Kris Gopalakrishnan and Nandan Nilekani wrote to the board expressing their concerns over this pay hike.

Infosys' founders, who own 12.75 per cent of the firm, have also questioned severance payouts given to others, particularly to former finance head Rajiv Bansal. Seshasayee insisted there was no lapse in governance. He said that while the amount agreed upon was □17.3 crore, Bansal was actually paid □5 crore, adding that India's second-largest software exporter has conducted a thorough probe after it received a whistle-blower complaint over the issue. Sikka also defended Bansal saying that the decision to let him leave the company was made because of a lack of chemistry. Former Infosys CFO TV Mohandas Pai, however, said there is still no clarity around who negotiated this package, especially considering the fact that in India, no employer gives more than three months' severance package.

Responding to speculations that the company had hired a law firm to mediate with the founders, Seshasayee said law firm Cyril Amarchand Mangaldas was not brought in to mediate but to give a roadmap on governance. "If you have a promoter-led organisation, you will tend to see a board with a unified viewpoint, representing the promoters' viewpoint," he said, talking about the importance of a professionally-run board and management. Seshasayee said the board had a discussion with Murthy and wanted to resolve the matter amicably without letting it spill out to the media and insisted that such events create huge distraction for the company. Sikka said he continues to maintain a 'heart-felt relationship' with Murthy, talking about how on Monday morning the two were chatting over Sikka's Apple Watch. "We have no issue with the promoters. I deeply value their advice," Sikka said.

RJio effect: Bharti Airtel to acquire Telenor India

Bharti Airtel on Thursday said it will buy Telenor India in a further indication of the consolidation underway in telecom as a result of Reliance Jio shaking up the sector with its pricing and deep pockets. The deal will give Airtel more spectrum and marketshare to take on Mukesh Ambani's Reliance Jio, a serious challenger to its number one position. Although both Bharti Airtel and Telenor India did not disclose the deal size, analysts' reports and internal company sources said it could be in the range of □1,500-1,800 crore. "The Airtel-Telenor merger is a strong consolidation move by Airtel to counter not only the unlimited offers given by Reliance Jio but also to silence the hype around the Vodafone-Idea merger to become the largest telecom company," said Kapil Nayyar of International Business Advisors. Telenor India's operations and services will continue as normal until the completion of the transaction, expected by the first quarter of the next financial year (between April and June).

"The decision to exit India has been taken after thorough consideration. It is our view that significant investments are needed to secure Telenor India's future business, as on a standalone basis it will not give an acceptable level of return," said Sigve Brekke, Chief Executive Officer of the Telenor Group. Telenor will receive zero cash and hand over the business on a debt-free basis to Airtel (refinancing the outstanding local debt first). Airtel would also take on the residual future liabilities, including around Norwegian Krone (NOK) 2 billion of spectrum and NOK 5 billion in lease obligations. As part of the agreement, Airtel will acquire Telenor India's running operations in seven circles — Andhra Pradesh, Bihar, Maharashtra, Gujarat, Uttar Pradesh East and West, and Assam. The deal will enable Airtel to bolster its strong spectrum footprint in the seven circles, with the addition of 43.4 MHz spectrum in the 1800 MHz band. Gopal Vittal, Managing Director and Chief Executive Officer (India and South Asia), Bharti Airtel, said that on completion, the proposed acquisition will undergo seamless integration — both on the customer and the network side.

The proposed acquisition will include transfer of all of Telenor India's assets and customers, further augmenting Airtel's overall customer base and network. According to Telenor, the transaction will not trigger any impairment. As of the fourth quarter of 2016, the remaining value of tangible and intangible assets in Telenor India amounted to NOK 0.3 billion. The transaction is subject to requisite regulatory approvals. According to analysts, the acquired circles — except Assam — are populous, low-income markets where Telenor offered cheaper services compared to rivals and managed to acquire 10-12 per cent revenue market share. "Its (Telenor's) calendar year 2016 revenue was □4,800 crore... Its voice realisation at □23 paise/minute and average revenue per user (ARPU) of □90 is well below the larger operators," said Kunal Vora of BNP Paribas. While Airtel has a 26.9 crore customer base with revenue share of around 33 per cent across India, Telenor has a little more than five crore customers with 8 per cent revenue market share in the seven circles it is present in. Airtel's shares closed at □366.05 on the BSE on Thursday, up 1.36 per cent from the previous day's close.

Corporate Development Judicial

CASE LAW	Innovative Tech Pack Ltd v. Special Director of Enforcement [DEL]
DECIDED ON	January 11, 2017
LEGISLATION	FERA, 1973
BRIEF FACTS	Prosecution of directors for non-filing of exchange control copy of the bill of entry to substantiate the outward remittances against import of materials- proceedings initiated after lapse of 6 years- whether sustainable- Held, No.

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

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

Decision: Appeal Allowed

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

In view of the belated show cause notice being served on the appellant, the defence of the appellant that it was not in possession of the copies of Bill of Entry for the two transactions is plausible. It cannot be held that the respondent has proved its allegation beyond reasonable doubt and the copies of the Bills of Lading probable's that the remittances were utilized for import. Consequently, the impugned orders passed by the Appellate Tribunal and the Adjudicating Authority are set aside.

CASE LAW	Ashutosh Bhardwaj v. DLF Ltd & ORS [CCI]
DECIDED ON	January 04, 2017
LEGISLATION	Competition Act, 2002
BRIEF FACTS	Section 4- abuse of dominance- restrictive clauses in the flat buyer's agreement- delay in completion of projects- whether constitutes abuse of dominance- Held, Yes.

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

Decision: Cease and desist order passed.

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

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

The Commission notes that determination of relevant market is important for assessing dominance of the Opposite Party. But defining relevant market is not an end in itself. If the primary reason for defining relevant market is assessment of dominance of a particular enterprise/ market player with regard to that relevant market, the Commission is of the opinion that such exercise can be dispensed with when such assessment remains unchanged in different alternative relevant market definitions. Therefore, when under possible alternative relevant market definitions, the conclusion on dominance remains the same; the Commission finds no reason to get into the technicalities of precisely defining relevant market.'

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

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

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

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

The 'geographic region of Gurgaon' has gained relevance owing to its unique circumstances and proximity to Delhi, Airports, golf courses, world class malls. During the years it has evolved as a distinct brand image as a destination for upwardly mobile families. As it has been reasoned out in the order passed by this Commission in the Belaire case, a person working in NOIDA is unlikely to purchase an apartment in Gurgaon, as he would never intend to settle there. Thereafter, the Commission in that order distinguished between buyers looking for residential property out of their hard earned money or even by taking housing loans and those buyers who merely buy such residential apartments for investment purposes; stating clearly that the Commission was not looking at the concerns of speculators, but of genuine buyers.

It was therefore, observed that a small 5% increase in the price of an apartment in Gurgaon, would not make a person shift his preference to Ghaziabad, Bahadurgarh or Faridabad or the peripheries of Delhi or even Delhi in a vast majority of cases. The COMPAT's order, dated 19.05.2014 passed while disposing of the appeals filed against the Commission's order in the Belaire case, upheld the Commission's finding on the relevant geographic market to be 'geographic region of Gurgaon'.

Based on the above, the Commission is of the view that geographic region of 'Gurgaon' is the appropriate relevant geographic market and not the entire NCR as contended by the OPs.
On the dominance of OP Group, there is no doubt that the strength which the OP Group possesses in residential real estate segment in the geographic region of Gurgaon is incomparable. In the order dated 12.05.2015 in Case Nos. 13 and 21 of 2010 and Case No. 55 of 2012, the Commission has dwelled into details on the aspect of dominance of the OP Group and has thoroughly assessed the DG's findings. Thereafter, it was finally concluded that the OP Group held a dominant position in the relevant market. The assessment done by the Commission in the previous orders will also apply in the present matters since the issues, the relevant period and the OPs involved are the same. Therefore, it is opined that the OP Group holds a dominant position in the market for the 'provision of services for development/sale of residential apartments in Gurgaon'.

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

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

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

From the Government

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

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

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

2. Stakeholders are requested to bear with the inconvenience caused in this regard.

Delegation of Powers to RDs

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

In exercise of the powers conferred by sub-section (1) and (2) of section 469 read with section 66 of the Companies Act, 2013 (18 of 2013) the Central Government hereby makes the following rules namely: -

1. In exercise of the powers conferred by Section 458 of the Companies Act, 2013 (18 of 2013), and in supersession of the notification of the Government of India, in the Ministry of Corporate Affairs, dated the 10th July, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (ii) vide number S.O. 1539(E), dated the 10th July, 2012, and also in supersession of the notification of the Government of India, in the Ministry of Corporate Affairs, dated the 21st May, 2014, published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (ii) vide number S.O. 1352(E), dated the 22nd May, 2014, except as respects things done or omitted to be done before such supersession, the Central Government hereby delegates to the Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmadabad, Hyderabad and Shillong, the powers and functions vested in it under the following sections of the said Act, subject to the condition that the Central Government may revoke such delegation of powers or may itself exercise the powers under the said sections, if in its opinion such a course of action is necessary in the public interest, namely :—

(a) Clause (i) of sub-section (4) of section 8 (for alteration of memorandum in case of conversion into another kind of company);
(b) Sub-section (6) of section 8;
(c) Sub-sections (4) and (5) of section 13;
(d) Section 16;
(e) Section 87;
(f) Sub-section (3) of section 111;
(g) Sub-section (1) of section 140;
(h) Sub-section (5) of section 230;
(i) Sub-sections (2), (3), (4), (5) and (6) of section 233;
(j) First and second proviso of sub-section (3) of section 272;
(k) Sub-section (1) of section 348;
(l) Sections 361, 362, 364 and 365
(m) Clause (i) of the proviso to sub-section (1) of section 399 and
(n) Section 442.

2. This notification shall come into force with effect from the date of its publication in the Official Gazette.

Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) (Third Amendment) Regulations, 2016

[Issued by the Securities and Exchange Board of India vide Notification No. SEBI/LAD/NRO/GN/2016-17/025 dated 04.01.2017. Published in Gazette of India, Extraordinary, Part-III, Section 4, dated 05.01.2017]

In exercise of the powers conferred by section 11, sub section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Securities and Exchange Board of India hereby makes the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely:-

1. These regulations shall be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016.

2. They shall come into force on the date of their publication in the Official Gazette.

3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in regulation 26,-

i. the title shall be substituted with the following, namely-

"Obligations with respect to employees including senior management, key managerial persons, directors and promoters".

ii. after sub-regulation (5), the following sub-regulation shall be inserted, namely:-

"(6) No employee including key managerial personnel or director or promoter of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution:

Provided that such agreement, if any, whether subsisting or expired, entered during the preceding three years from the date of coming into force of this sub-regulation, shall be disclosed to the stock exchanges for public dissemination:

Provided further that subsisting agreement, if any, as on the date of coming into force of this sub-regulation shall be placed for approval before the Board of Directors in the forthcoming Board meeting:

Provided further that if the Board of Directors approves such agreement, the same shall be placed before the public shareholders for approval by way of an ordinary resolution in the forthcoming general meeting:

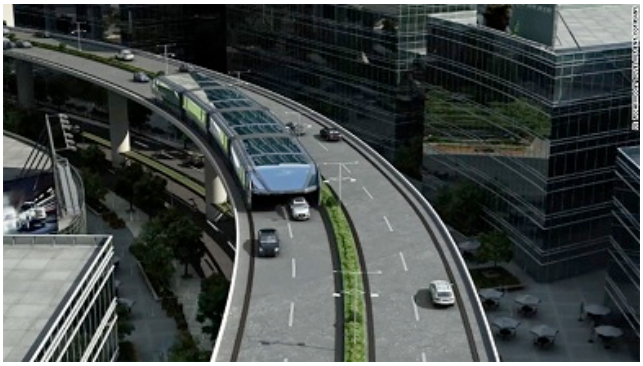
Provided further that all interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.

Explanation - For the purposes of this sub-regulation, 'interested person' shall mean any person holding voting rights in the listed entity and who is in any manner, whether directly or indirectly, interested in an agreement or proposed agreement, entered into or to be entered into by such a person or by any employee or key managerial personnel or director or promoter of such listed entity with any shareholder or any other third party with respect to compensation or profit sharing in connection with the securities of such listed entity."

SAVE OUR ENVIRONMENT

CHINA'S ELEVATED BUS: FUTURISTIC 'STRADDLING BUS' HITS THE ROAD

Your eyes are not playing tricks on you, this 2m-high 'straddling bus' is exactly what it looks like.



The 2m-high Transit Elevated Bus (TEB) straddles the cars below, allowing them to pass through. Powered by electricity, the bus is able to carry up to 300 passengers in its 72ft (21m) long and 25ft wide body. The vehicle is expected to reach speeds of up to 60km per hour, running on rails laid along ordinary roads. Up to four TEBs can be linked together. "The biggest advantage is that the bus will save lots of road space," the project's chief engineer, Song Youzhou, told state-media agency Xinhua.

The bus would be faster and cheaper to build than a subway and one TEB could replace 40 conventional buses. The design would help ease traffic jams and -- because it's powered by electricity -- be more environmentally friendly. "The TEB has the same functions as the subway, while its cost of construction is less than one fifth of the subway.

Called the Transit Elevated Bus (TEB), the electricity-powered vehicle concept straddles the highway over two lanes, transporting passengers on its upper deck, while cars pass under one of its four double-decker carriages.

Source: http://edition.cnn.com/2016/05/27/autos/china-bus-future/
http://www.bbc.com/news/world-asia-china-36961433

UPDATES

MCA UPDATES:

New improved version of e-form SPICe:

Stakeholders may kindly note that in the new improved version of SPICe e-form, the Certificate of Incorporation will be generated only after approval of Company Incorporation by MCA and also allotment of PAN & TAN by Income Tax Dept. Till the integration with the CBDT system stabilizes, few Stakeholders may experience occasional delay in receiving the Certificate of Incorporation (COI). Stakeholders may please note that the new functionality is intended to reduce the total time frame and number of processes for incorporation and allotment of PAN/TAN. All newly incorporated companies using SPICE e-forms are now receiving their PAN in the COI itself and TAN separately by e-mail.

Revised form:

Form AOC-4, AOC-4 XBRL, MGT-7 and GNL-2 are likely to be revised on MCA21 Company Forms Download page w.e.f 17th FEB 2017. Stakeholders are advised to check the latest version before filing.

Form SPICe MoA, SPICe AoA and SH-11 are likely to be revised on MCA21 Company Forms Download page w.e.f 26th FEB 2017. Stakeholders are advised to check the latest version before filing.

Digital signature:

Form 49A (PAN) and 49B (TAN) needs to be digitally signed by the same director who has affixed digital signature in Form SPICe (INC-32).

Filing Form 3 within 30 days of incorporation is mandatory - Stakeholders are advised to ensure that Form 3 (Information with regard to Limited Liability Partnership agreement and changes, if any, made therein) has been mandatorily filed for initial agreement before filing of Form 8 (Statement of Account & Solvency) and Form 11 (Annual Return of Limited Liability Partnership (LLP).

Expert Group - Constitution of Expert Group to look into issues related to Audit firms.

RBI UPDATES:

FEMA Act, 1999 – Compounding of Contraventions under FEMA, 1999:

It has been decided to delegate further powers to Regional Offices as under - Delay in filing the Annual Return on Foreign Liabilities and Assets (FLA return), by all Indian companies which have received Foreign Direct Investment in the previous year(s) including the current year.

Kochi and Panaji Regional offices can compound the above contraventions for amount of contravention below Rupees One hundred lakh (Rs.1,00,00,000/) only. The contraventions of Rupees One hundred lakh (Rs.1,00,00,000/) or more under the jurisdiction of Kochi and Panaji Regional Offices will continue to be compounded at Central Office as hitherto.

LABOUR LAW UPDATES:

ESI Act – Wage ceiling coverage enhanced from Rs.15000 to RS.21000 w.e.f January 1, 2017.

Child and Adolescent Labour (Prohibition & Regulation) Act 1986 - Review of the schedule of hazardous occupations and Process and Recommendation of Technical Advisory Committee

Aadhar as identity document : Use of Aadhaar as identity document for delivery ofHousing services or benefits or subsidies simplifies the Government delivery process.

- **Housing Subsidy to Beedi Workers**
- Housing Subsidy to Iron, Manganese or Chrome Ore Workers
- Housing Subsidy to Lime Stone and Dolomite Workers; and
- Housing Subsidy to Cine workers

Employee Provident Funds and Miscellaneous Provisions Act, 1952 – Notification for allowing private banks for collection of EPFO funds

Draft rules regarding rationalisation of Forms and Reports under following certain Labour Law Rules, 2017:

- Contract Labour (Regulation and Abolition)Act, 1970
- Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- Building and Other construction Workers (Regulation of Employment and Conditions of Service) Act, 1996