A.R.A. LAW
Advocates & Solicitors
LEGAL EYE

VOL. IX- APRIL 2004 ISSUE 2

Proposed amendments to Takeover Code

FCCB and ECB

Liability for lack of Due Diligence

DCA notifies norm for IDR

PROPOSED AMENDMENTS TO SEBI TAKEOVER CODE

The Securities and Exchange Board of India has decided to harmonise the level of public shareholding for continuous listing as contained in Clause 40A of the Listing Agreement and vis-à-vis other regulations and guidelines. In furtherance of this decision, it has prepared a *draft proposal* for the amendment of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. It must be noted that the amendment that have been discussed are still in the stage of proposal and are not implemented as yet.

The proposal to amend the Takeover Code can be summarised as follows:

§ Financial institutions, banks, FIIs and mutual funds kept out of definition of promoters;

§ Promoters can use the creeping acquisition route to raise their stakes only up to 51 % and have to make open offers if shareholding increases beyond 51% (as opposed to the present percentage of 75%);

§ Even open offers have to comply with 25% minimum public shareholding norm;

§ Acquirers in open offer that violate this norm will have to make good the deficit if they wish to keep the company listed;

§ Acquirers will have to either issue new shares or sell from their existing shareholding to maintain minimum public shareholding; and

§ Companies that do not wish to comply with revised norms will have to de-list.

A brief discussion under three heads follows:

I. Revised definitions of 'promoter' and 'public shareholding'

The proposal seeks to amend the term "promoter", as defined under Reg. (2)(1)*(h)*. A "promoter" defined in the amended regulations includes persons who are directly or indirectly in control of the company and any person named "promoter" in the offer document or in the shareholding pattern disclosed by the company under the Listing Agreement. The specification of the promoter being named as such in the Listing Agreement is not there in the present Code.

A company shall be considered to be a 'promoter' when such company holds more than 50% of the equity share capital of another company. However it also clarifies that Financial Institutions, Scheduled Commercial Banks, FIIs and Mutual Funds shall not be deemed to be promoters merely on the basis of shareholding.

The Takeover Code, as it presently exists, defines "public shareholding" under regulation (2) (1) *(j)*, as 'shareholding other than those held by the acquirer'. The proposal for amendment of the code, have revised the definition of public shareholding as 'shareholding held by persons other than the promoter'. Effectively, this will include the holdings of financial institutions, scheduled commercial banks, foreign institutional investors and mutual funds.

II. <u>Consolidation of Holdings</u>

Presently, an acquirer who holds between 15% to 75% of the shares or voting rights in a company has to make a public announcement to acquire an additional 5%. The proposed amendments have reduced the upper limit of shareholding from 75% to 51% for availing creeping acquisition limit of 5%. Thus, now an acquirer holding between 15% to 51% of the shares or voting rights must make a public announcement when he acquires an additional 5% of voting rights.

However, this change in the creeping acquisition clause, as also for open offers and delisting activity, is subject to companies maintaining the minimum public shareholding at the level specified in the listing agreement with stock exchanges, if they wish to remain listed.

III. <u>Minimum number of shares to be acquired</u>

The proposal seeks to insert a new proviso to regulation 21 concerning the minimum number of shares to be acquired. As a result, any public offer which is made in pursuance of consolidation of shareholding under regulation 11(2), shall be for such percentage of voting capital of the target company so that the acquisition does not result in the public shareholding in the target company from being reduced to a level below the limit specified in the Listing Agreement with the Stock Exchange.

It has also been proposed that clause (3) of regulation 21 be replaced with a new clause. Accordingly, if under an indirect acquisition the public shareholding falls below the limit specified in the Listing Agreement, then the acquirer shall do either of the following two things:

(a) Make an offer to buy the outstanding shares remaining with the shareholders in accordance with the SEBI Delisting Regulations 2003; or

(b) Undertake to raise the level of public shareholding to the levels specified in the Listing Agreement within a period of six months.

Rajesh N. Begur

Bottom

FOREIGN CURRENCY CONVERTIBLE BONDS AND EXTERNAL COMMERCIAL BORROWINGS

Foreign Currency Convertible Bonds ("FCCBs") are quasi-debt instruments, which are issued to investors at a spread over global benchmark such as the LIBOR or US treasury yield. They are convertible into the company's equity shares at the option of the investor, at the specified strike rate. Such a conversion may take place either on maturity or from a date, specified by the company.

External Commercial Borrowings ("ECBs") are a key component of India's overall external debt. ECBs are commercial loans availed by corporates from non-resident lenders with minimum average maturity of 3 years and can be in the form of bank loans, buyers' credit, suppliers' credit, securitised instruments.

Regulations

Reserve Bank of India ("RBI") by its A.P. (DIR Series) Circular No. 60 dated January 31,2004 revised the guidelines for ECBs, inter alia, setting out the procedure for automatic and approval routes under which ECBs can be accessed, eligible borrowers, recognized lenders, amounts that can be raised and maturity. The liberalization under this circular for ECBs also applies to FCCBs in all respects.

Pros and Cons of FCCBs and ECBs

In view of favourable market conditions and recently liberalized norms, a lot of companies are looking to these routes as fundraisers for future projects, project expansions etc.

The reason global investors are keen on FCCBs issued by Indian corporates is that these instruments not only offer the safety of a debt instrument but also the option to participate in the equity at a later date at the strike price for the equity conversion pegged to the ruling stock market price. If the ruling price at the time of conversion is higher than the strike price, the investors are "in the money". If the ruling price at the time of conversion is lower than the strike price then the investors are "out of money". However in such a situation, the investors have the option of redeeming the bonds.

In return, Indian corporates get to borrow at low rates, sometimes as low as 3.15%. With such low rates, many corporates may borrow just to repay existing loans, which obviously cost more. As the instrument has an equity conversion built into it, the coupon on the bonds works out much cheaper than ECBs. It is pertinent to note that issue of FCCBs with attached warrants is not permitted.

On the flip side conversion would result in equity dilution of paid-up capital, particularly if the issue size is huge conversion would lead to significant dilution of equity base of the company. Further FCCBs are included while calculating foreign holding for sectoral caps. Corporates who have already

reached the limit will not be able to use this route for financing.

A rapidly growing company aiming at a wider investor base would opt for FCCBs. However public sector corporates, which have no option for diluting equity base, would opt for ECBs. The coupon on ECBs is a spread over the LIBOR, which is a floating rate whereas FCCBs carry a fixed coupon rate.

A.P. (DIR Series) Circular No. 82 dated April 1,2004 of RBI

RBI has by this circular specifically clarified that the end use of ECBs for working capital, general corporate purpose and repayment of existing rupee loans are *not permitted*. Further the maximum amount of ECBs that can be raised by an eligible borrower under the automatic route is USD 500 million or equivalent during a financial year.

By this circular Indian corporates cannot source their working capital requirements through ECBs. As a result they would need to look to domestic commercial banks which for sometime had lost the race for term loans to cheaper sources of funding, including ECBs.

In the light of the liberalized norms for external borrowings, FCCBs and ECBs have become an attractive alternative for raising funds and in case of FCCBs also for widening the investor base.

Varalakshmi Venkatraman

Bottom

Home

LIABILITY FOR THE LACK OF DUE DILIGENCE

Introduction

With increased capital market activities, offer documents have gained more importance than ever before in imparting information with respect to companies in the stage of their coming into existence. Over time, the disclosures in the offer documents have become increasingly similar to those floated in the United States Securities market.

Liability for the Lack of Due Diligence

Under the *Securities Act* of 1934, liability can be imposed for the lack of due diligence with respect to the sale or purchase of any security. Section 10(b) of the said act specifies that it shall be unlawful for any person to use "*manipulative and deceptive devices*" either directly or indirectly, in connection with the purchase or sale of any security. Such security may or may not be registered on a national securities exchange. The section will also apply to any securities-based swap agreement. The section also lays down an umbrella provision stating that that the employment of any manipulative or deceptive device or contrivance in contravention any rule or regulation as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, shall also be unlawful.

The corresponding rule to this section is 'Rule 10b-5', specifies the 'Liability for employment of manipulative and deceptive devices'. It elucidates the section in detail and lays down that, in connection with the purchase or sale of any security, it would be unlawful for any person, directly or indirectly, to do the following acts:

a. To employ any device, scheme, or artifice to defraud;

b. To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

c. To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

Thus the US securities law provides protection to investors against a scheme to defraud and generally, making of untrue material statements. It is submitted that though the Securities Act specifically lays down the liability for these acts, recourse can also be sought under Tort law. False statement made with respect to the sale or purchase of any security if done intentionally will fall under the purview of "fraud"; and if done unintentionally, shall fall under "negligence". A perusal of the statute makes it clear that the liability is "strict" and is independent upon the "intention" of the person. Then again, apart from the civil liability incumbent on the defendant for the lack of due diligence and misstatements with respect to the sale and purchase of securities, criminal liability can also be attributed to such acts.

The Position in India- A Comparative Analysis.

The liability for the lack of due diligence in the U.S., can be compared with the Indian position with respect to the misstatements in the prospectus as provided in Section 62 of the *Companies Act, 1956*. It stipulates civil liability for an untrue statement given in the prospectus and a host of players may turn out to be responsible for the same. Namely, every person who has authorized the issuance of the prospectus as well as every person who is, or has authorized himself to be named in the prospectus as a director of the company at the time of issuance of the prospectus can be held responsible. Liability can also arise out of an expert statement, which is untrue. Section 63 of the *Companies Act, 1956* stipulates the Criminal liability in case of any untrue statement given in the prospectus.

Defenses to Liability.

The epicenter of liability for the lack of due diligence lies in misrepresentation. So the best defense that one would have against liability is that there were no misstatements, no misrepresentations or omissions that the plaintiff allege. If this is not possible, it can be contended that the defendant had acted with due diligence and in good faith with no knowledge that such statements were false or misleading. However, the onus is completely on the company and the entities concerned with the issue of the offer document to prove reasonable or 'due diligence' enquiries. Certain other defenses can also be taken, such as the misstatement or omission was not 'material' and that it 'was not' and 'could not' have been the cause of the injury. But these are obviously weaker than the defense of a thorough and comprehensive due diligence exercise.

The defenses available in India, are based on the same lines as discussed with respect to the position in the U.S. however, the defenses in India, can be found in the provisions of the statute it self in the form of exemptions from liability. The Defenses specifically available to an expert for an untrue statement made in the prospectus are mentioned in Sec. 62 (3). The defendant must show that after reasonable investigation he had reasonable grounds to believe and did so believe at the time when the offer document became effective that the statement was true and there was no omission of material fact. However, it must be noted that by consenting to the issue of the prospectus the expert does not undertake liability in respect of anything in the prospectus except for his own statement. On the other hand there exists potential liability on the company, directors and any person who has authorised the issue of the offer document and even against merchant bankers if the statements made by the experts in the prospectus turn out to be false. But this too is subject to few available defenses.

Penalty for false statements

Section. 628 specifically lays down the Penalty for false statements made in any return, report, certificate, balance sheet, prospectus, statement or other document required by or for the purposes of any of the provisions of the Companies Act. As per the provisions of the section, the liability can be attributed to any person who makes a false statement in a material particular, knowing it to be false, or even omits any material fact knowing it to be material. The punishment prescribed is imprisonment for a term which may extend to two years, or even a fine.

On a concluding note, the recent bill amending the Companies Act in 2003 is worth a discussion, as it lays down considerably relevant changes with respect to compensating the loss of investors due to the false and misleading statements that can be made in a prospectus. The highlights of the Bills with respect to this area are as follows:

§ The promoters and intermediaries who fraudulently make false, deceptive or misleading statements, promises or forecasts or dishonestly conceal material facts, and thereby induce persons to invest money in the securities of their company will be compelled to compensate the loss of the investors.

§ In addition to their being punished with imprisonment for not less than six months and fine up to Rs. 1 lakh. The proposed Company Law Tribunal will be empowered to impose and recover double the amount as penalty.

Conclusion

The threshold with respect to the liabilities one may incur as a player in the Capital Market is getting stricter with every passing day. The proposed amendments of 2003 to the Companies Act are testimony of this fact. All rules of securities and tort kept aside, professionals are subject to standards of conduct established by codes of professional standards and ethics, by state statutes, and by judicial decisions. Thus a case for negligence can also be established under these provisions. The onus is on the company or on the person allegedly responsible to prove that he had exercised reasonable enquiries or “due diligence’. Apart from being a defense in a court of law,

extensive and thorough due diligence helps in valuing the company properly and is of utmost importance, as there exists a moral responsibility to the investing public. It is in this context that due diligence exercise becomes imperative. It thus follows that a qualitative and thorough Due Diligence of an offer document goes a long way to save a company, its directors and any person who has authorised the issue of the offer document, from unnecessary harassment and potentially devastating consequences that may have an affect on the future of a company. A quality due diligence is thus a safe path to chose to avoid a "nip in the bud" during the nascent stages of the company itself.

Rajesh N. Begur

Bottom

Home

DEPARTMENT OF COMPANIES AFFAIRES NOTIFIES NORM FOR INDIAN DEPOSITORY RECEIPTS (IDR)

The Department of Company Affairs (DCA) has notified the much awaited Companies (Issue of Indian Depository Receipts) Rules, 2004 *{Notification No G.S.R.131 (E); 23.02.04}* by virtue of which any company registered outside India (with or without a presence in India) can list on the Indian stock exchanges. The Securities and Exchange Board of India (SEBI) is the regulatory authority for such issues and will notify its own set of guidelines. The rules have laid down certain strict entry restrictions.

Eligibility Criteria:

- Companies registered overseas with a pre-issue paid up capital and free reserves of at least $100m *(approx Rs 450 crore)* and average turnover of $500m *(approx Rs 2,250 crore)* during the three financial years preceding the issue;
- Made profits for at least five years prior to the issue and should have declared dividend of at least 10% in those years;
- Pre-issue debt equity ratio is not more than 2:1;
- Fulfil the eligibility criteria as laid down by SEBI including listing norms that SEBI and National Stock Exchange (NSE) or Bombay Stock Exchange (BSE) specify for IDR issues.

The Company has to file the application in the prescribed format at least 90 days ahead of the opening of the issue along with a refundable fee of $10,000. Once approval is granted an issue fee of 0.5.% subject to a minimum of Rs. 10lakh will have to be paid for issues of up to Rs 100 crore. Where the issue size exceeds Rs. 100 crore, a fee of 0.25% will be payable on the amount exceeding Rs. 100 crore. The IDRs will need to be listed on one more stock exchanges having nationwide trading terminals, i.e. NSE, BSE or both.

The Government has mandated a one-year lock-in period for redemption of India Depository Receipts (IDRs) by companies registered outside India and

the issue size has been capped at 15% of the company's free reserves. Thus, no IDRs can be redeemed by the issuing company for at least one year after the scrip is listed on Indian stock exchanges. With the notification of IDR norms by the Department of Company Affairs (DCA), decks have been cleared for companies registered outside India to get listed on Indian stock exchanges, under Indian guidelines. However, repatriation of IDR issue proceeds has been made subject to the laws on export of foreign exchange in force at the time of such a request.

Ashu V Thakur

Bottom

Home

Legal Snapshots

Amendments to SEBI (DIP) Guidelines 2000

SEBI, vide its circular SEBI/CFD/DIL/DIP/12/2004/8/4 dated April 8, 2004 issued to all the registered Merchant Bankers has amended SEBI (DIP) guidelines 2000 with immediate effect. The amendments have been carried out, inter alia, to introduce the facility of shelf prospectus, strengthening the requirements for preferential issues and simplifying some operational procedures. A brief analysis of the amendments will follow in our newsflash, which will be circulated soon.

SEBI aims at T+1 settlement cycle

The Securities and Exchange Board of India (SEBI) is making Straight Through Processing (STP) mandatory for all players from July 2004 as a part of its efforts to reduce the settlement cycle to T+1. STP reduces transaction processing risks and costs by providing seamless convergence and interface between fund houses, custodians and brokers. Though STP was introduced in the market last year, only about 10% of the total trades are going through STP and this is mainly confined to institutional traders. However, for T+1 to become a success, funds settlement will have to be real time. Once this system is in place one will no longer need to lock up funds in banks to meet unforeseen circumstances as securities can be tendered for sale and funds can be received in 24 hours. The SEBI chief, G.N.Bajpai has recently stated that he could foresee a T+0 settlement becoming a reality in the future, where a trader will be able to place an order directly within the stock exchange and the exchange will instantly close the deal.

SEBI to extend PN relaxation on a case-to-case basis.

The SEBI will consider extending relaxation for investment by overseas entities in capital markets through participatory notes (P-notes) on a case-to-case basis. So far, SEBI has permitted fund managers to use participatory notes but barred the lead managers and book runners from using the instrument by which foreign funds not registered in India could participate in a public offer.

SEBI's Draft Guidelines set procedure for delisting

SEBI's proposed delisting guidelines prohibit companies from delisting their shares within three years from the listing on any stock exchange. The draft guidelines have provisions for reverse book building for delisting of securities. In case of frequently traded shares, the floor price for reverse book building will be the average price previous 26 weeks. In case of infrequently traded shares, there are three alternatives for arriving at the floor price i.e. the highest price paid by the promoter for acquisitions, including by way of allotment in a public or rights issue, if any, during the 26 week period prior to the date of public; or the price paid by the promoter under a preferential allotment made to him at any time during the 26 week period up to the date of the public announcement; or other parameters such as return on net worth, book value of the shares of the company, earning per share and price earning multiple vis-à-vis the industry average.

If the reverse book building fails to get a good response, then SEBI will require the promoter to bring public holding to the minimum required levels within six months. The guidelines state that delisting will not be permitted after buyback of securities or preferential allotments made by the company. The proposed changes in its delisting guidelines stipulate that delisting cannot be done if any convertible instruments issued by the company are outstanding. In order to delist, the company will need to obtain the approval of its shareholders by a special resolution, and make an application to the stock exchanges within one year of passing the resolution. The company has to dispose off the delisting within 45 days of getting the approval from the exchange.

Time Limits for Trade in Mutual Funds

The Securities and Exchange Board of India has in a move to curb late trading prescribed time limits on trading of mutual funds. This is because different cut-off timings allow some investors to profit by applying NAVs both for subscriptions and redemptions to the disadvantage of other investors. The cut-off timing prescribed for purchase transactions through local cheques is 3:00 pm for the same days' NAV and any received after such time, the closing NAV of the next business day is to be applied (the same rule applies for redemptions). In case of outstation local cheque applications, the closing NAV of the day on which it is to be credited shall be applicable.

SEBI's Concern for MF Expenses

SEBI has come out with a proposal to control the promotion expenses of MFs. Presently MFs are free to charge recurring expenses to the schemes under the various sub-heads such as brokerage, audit fees, advertisement, marketing etc. subject to overall cap, stipulated by SEBI viz 2.5% for the first Rs.100 crore, 2% and 1.75% for the next mop ups in equity schemes with a quarter less correspondingly for debt schemes. The proposal, at this stage, is restricted to prescribing sub-limits for each of the expense head rather than disturbing the existing overall limits. SEBI desires much more transparency in allocating the expenses to the schemes vis-à-vis the asset management company. A uniformity in the entry load is also suggested. However, domestic MFs are not in favour of separate limits for various expenses incurred by them. At a recent meeting organised by the Association for Mutual Funds in India (AMFI), MF representatives decided against imposing sub-limits within the overall 2.5%

limit they have decided that there is no need for a separate cap on marketing expenses and that it should be left to the individual AMCs to decide. They felt that the decision is of a commercial nature.

Department of Telecommunications offers licence period incentive to push for M&As in telecom sector.

In order to make intra-circle telecom mergers and acquisitions lucrative, Dot has decided to consider the latter of the two dates of the commencement of the licence of the two merging service providers, as the effective date for calculating duration of licence. DoT recently allowed merger and acquisition of telecom operators of same services in a circle, subject to some conditions. However, the duration of licence of the merged entity was left as a grey area. Telecom licenses are valid for 20 years.

DOT Liberalizing use of common infrastructure for Call Centres

In a welcome move, Department of Telecommunications has now allowed the common infrastructure to be utilized for both the domestic and international call centres. Such interconnection was not permitted so far because of the apprehension that it would result, in illegal national and international long-distance calls and also in misuse of the linkage between the IPCL and the PSTN to route non-business calls for domestic customers. The shift in the approach would now enable the domestic call centres to offer a diversified portfolio at reduced cost of infrastructure as it could be employed for both, the clients in the US and the UK at night and the domestic clients during the daytime. It would also fetch better return for their investment. DOT now also permits domestic telemarketing centres without having their own connectivity to make outgoing calls (without insisting on bank guarantee).

Supreme Court upholds Securitisation Act

The Supreme Court has upheld the constitutional validity of the much-challenged Securitisation Act allowing financial institutions including banks to attach and sell assets of companies defaulting in re-payment of loans. This will be a big relief to banks and financial institutions for fast recovery of bad debts. This judgment was given by a Bench comprising Chief Justice V N Khare, Justice Brijesh Kumar and Justice Arun Kumar while disposing of over 40 writ petitions challenging the legality of provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests (Sarfaesi) Act, 2002. The apex court, while deciding the petitions, provided general guidelines regarding attachment of properties of the defaulting companies. In a major relief to the defaulting borrowers, the court struck down Section 17(2) of the Act as unconstitutional. The provision made it mandatory for the companies to deposit 75% of the defaulting amount with the court, if they preferred an appeal against the order attaching their assets under the Sarfaesi Act, 2002. As a result though the banks and financial institutions would enjoy the right to recover the bad debts, they cannot attach and sell assets of defaulting companies without facing the prolonged legal proceedings.

Liberalization of FDI in the banking sector

The Government Guidelines issued on 5th March 04 liberalized the foreign

investment cap in private banks from 49% to 74% (which could comprise of FDI, FII, NRI, IPO, ADRs, GDRs and Private placements) with an option to foreign banks either to open a wholly owned subsidiary (by converting an existing branch or by obtaining a fresh license from RBI) or operate through a branch or a private bank with a maximum holding of 74%. The balance of 26% will have to be held at all times by residents except in the case of a wholly-owned subsidiary of a foreign bank. RBI Guidelines regarding setting up, by foreign banks, of a wholly-owned subsidiary which will be subjected to licensing procedure as applicable to new banks to be set up in the private sector are awaited. The stipulated sub-limit for individual FII is 10% with aggregate upto 26%, which could be enhanced to 49% with the approval of the Bank's Board. The release further adds that the foreign banks regulated by banking authority in the home country and which satisfy the RBI licensing norms are being allowed to set up a wholly-owned subsidiary holding 100% paid-up capital. The conditions regarding FIPB approval for transfer of shares from Residents to NRIs as per FEMA as also in cases where the foreign investor has a financial, technical or trade mark collaboration, would continue to apply. The prescribed procedures, on these matters, of the other regulatory authorities such as RBI, SEBI, DCA, IRDA would continue to apply. The existing limit of 10% on voting rights in respect of banking companies is also continuing. Foreign Banks will be required to notify RBI if they increase their stake in a private bank by over 5% of the paid-up capital.

Maximum FII Investment in Debt Fixed at $ 1Bn

The Government has with a view to regulating forex inflows for the year 2003-2004, set a cap of $1bn on investments by FIIs in debt. A similar cap had been proposed for the year 2002-03, however it was never put in place. The various categories of FIIs are those who invest in the domestic bond market either as 100% debt funds or through the 70:30 route and those who are equity oriented and can put upto 30% of their investments as debt. The cap set on the former is at $100m while the cap set for debt funds is at $900m. Due to change in the capped limit the debt funds allocated earlier will be realigned.

IT tribunal to decide on tax on interest paid to MNC parents

A special bench has been set up by the Income Tax Appellate Tribunal in Kolkata to decide the issue as to whether tax liability arises on interest paid by a foreign company's permanent establishment in India to its parent company abroad. This issue is important as Section 40(a)1 of Income Tax Act, provides that no deduction is allowed while computing the taxable business income of any corporate, if it has not deducted tax while making payments abroad.

TRAI to issue paper on number portability

TRAI is working on a consultation paper on number portability, wherein the subscriber can retain the same number while changing the service provider. Though this is a consumer friendly move to be undertaken, its implementation would depend upon the increase in cost it is going to cause to the operators. Further, TRAI is working out specific guidelines on spectrum allocation wherein it is going to address issues such as the efficient use of the spectrum, and spectrum pricing.

Disclosure of PAN and Bank A/c No. For Investments in Mutual Funds

SEBI circular dated 2nd March 2004 has made the inclusion of PAN/GIR No./mention of non-allotment of either and Bank A/c No., as a prerequisite for acceptance of application forms from investors of Rs.50,000/- and more in Mutual Funds. The measure is expected to clip the wings of tax evaders and black money launderers and to impart transparency for Mutual Fund investments.

Bottom

Home

Meet the A.R.A. LAW Team

In each issue, we profile one person who is a part of A.R.A. LAW. They will also be sharing their experiences of being with A.R.A. LAW.

Rajeev Reddy Gangavaram graduated from National Academy of Legal Studies and Research (NALSAR), University of Law, Hyderabad in 2003 and has enrolled as an Advocate with the Bar Council of Andhra Pradesh. He has been awarded a Gold Medal for his expertise in Law of Contracts. While at University he actively participated in Moot Courts and various sports activities. After completing law he practiced with leading group of Civil and Commercial law Advocates in Hyderabad. His interest lies in Corporate Laws and Information Technology.

"ARA LAW has been a great learning experience. The direct interaction with Partners and senior members makes the learning process smooth. Every member is encouraged to share his or her ideas, which I think is the cornerstone for such a great teamwork. The work atmosphere is simply superb, where you not only deliver to the firm but you get to learn a lot. I think it has been a very wise decision on my part to join such an organisation"

Bottom

Home

About us

Editor in Chief :

Rajesh N. Begur
Partner
A.R.A LAW
Advocates & Solicitors
Agra Building, 1st Floor
121 M . G. Road, Fort
Mumbai 400 023
India.

Tel : (+91 22) 2263 1700
Fax: (+91 22) 2263 1800
email : rajesh@aralaw.com

Associate Editors
Ashu V Thakur, Associate
Ketki A Shah, Associate

Circulation-in-Charge:
M. P. Madhusoodanan

Mumbai	**Bangalore**
Agra Building, 1st Floor 121 M . G. Road Fort, Mumbai 400 023 India. Tel : (+91 22) 2263 1700 Fax: (+91 22) 2263 1800 Email : bom@aralaw.com	237 'Sumitra', 2'C Cross 1st Main, Domlur II Stage Bangalore India. Tel : (+91 80) 535 1619 Fax: (+91 80) 535 2708 Email : blr@aralaw.com

Bottom

Home

LEGAL EYE is published by A.R.A. LAW for private circulation only.

DISCLAIMER

The Publishers, A.R.A. LAW, make no warranty of any kind with respect to the subject matter included herein or the completeness or accuracy of this issue of Legal Eye. The Publishers and the contributors are not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this issue of Legal Eye and in no event shall be liable for any damages resulting from reliance on or use of this information. Without limiting the above the Publishers and the contributors shall each have no responsibility for any act or omission of any other contributor. Readers should take specific advice from a qualified professional when dealing with specific situations.

Bottom

Home

Subscribe:
Please send us your following contact details to publications@aralaw.com enable us to put in your contact details in our mailing list for Legal Eye. You may use following format.
NAME :

DESIGNATION :
NAME OF FIRM :
ADDRESS :
DIRECT TEL. :
BOARD TEL. :
FAX :
E-MAIL :

Unsubscribe:
This message is not spam mail! If you do not wish to receive future mailings of Legal Eye, please send us an e-mail at publications@aralaw.com and specify "Remove" in the subject line.

© Copyright 2004 A.R.A. LAW. All rights reserved.

Home