



Smt. Kalpana Munshi  
President - CFBP



Smt. Rajashree Birla  
Chief Guest

# CFBP TIMES

COUNCIL FOR FAIR BUSINESS PRACTICES

TITLE SPONSOR



Shri Adi Godrej  
Chairman, Godrej Group



Shri Rajith Menon  
Chairman  
Consumer Film Festival



Shri Vineet Bhatnagar  
Co-Chairman  
Consumer Film Festival

## Participate in Godrej - CFBP Consumer Film Festival Competition

August, 2017



Shri Justice B. N. Shirkrishna  
Former Judge-Supreme  
Court of India



Shri Kalyan Banerjee  
Rotary International  
Past President

GUEST OF HONOUR

### Contests

Short Film Competition  
Short Story Writing | Script Writing  
Slogan Writing | Street Play  
Poster Competition

Title Sponsor



### Topics

Swachh Bharat - "Hamari Zimmedari"  
Jaago Grahak Jaago | Mera Haq - My Rights  
Right to Voice | Right to Act  
Fair Business Practices



### ★ Our Jury ★

MAKARAND  
DESHPANDE

ABHINAY  
DEO

PIYUSH  
PANDEY

DOLLY  
THAKORE

HONEY  
IRANI

SANJAY  
F. GUPTA

SUNIL  
BUCH

JUSTICE  
B. N. SRIKRISHNA

Participate in Six Competitions with Cash Prizes

#### Short Film Competition (180 Sec.)

1<sup>st</sup> Prize

₹51,000



Trophy Certificate of Appreciation

#### Short Story Writing (400 Words)

1<sup>st</sup> Prize

₹10,000



Trophy Certificate of Appreciation

#### Script Writing (Films/Street Play)

1<sup>st</sup> Prize

₹10,000



Trophy Certificate of Appreciation

#### Slogan Writing

1<sup>st</sup> Prize

₹5,000



Trophy Certificate of Appreciation

#### Street Play (5-7 Minutes)

1<sup>st</sup> Prize

₹10,000



Trophy Certificate of Appreciation\*

#### Poster Competition (Size 3x2 Ft.)

1<sup>st</sup> Prize

₹10,000



Trophy Certificate of Appreciation

\*Not more than 6 Actors, all actors shall be honored with a certificate of appreciation

Last Date Of Entry 15<sup>th</sup> September, 2017

For Registration, log on [www.consumerfilmfestival.com](http://www.consumerfilmfestival.com),

Email.: [consumerfilmfestival@gmail.com](mailto:consumerfilmfestival@gmail.com) | Call. 022-2285249 / 22842590

GOLD SPONSOR



SILVER SPONSORS



SUPPORTED BY





COUNCIL FOR FAIR BUSINESS PRACTICES



Rotary International  
District 3141 & 3142



### Our Mission

"We shall promote the highest ethical practices, by business & professionals, in order to provide complete satisfaction to consumers & other stakeholders."



## Participate in Godrej - CFBP Consumer Film Festival Competition

MAKARAND DESHPANDE | ABHINAY DEO | PIYUSH PANDEY | DOLLY THAKORE | HONEY IRANI | SANJAY F. GUPTA | SUNIL BUCH | JUSTICE B. N. SRIKRISHNA

### ADVERTISEMENT FORM

Name of Organization : \_\_\_\_\_

Address : \_\_\_\_\_

Contact Person : \_\_\_\_\_

Contact Number : \_\_\_\_\_

Email : \_\_\_\_\_

Size : \_\_\_\_\_

Email to : [cfbpoffice@gmail.com](mailto:cfbpoffice@gmail.com)

A tax invoice will be forwarded and payment is required two weeks prior to Magazine Issue Deadline latest by 30th September 2016.

Kindly send your cheque in the name of "COUNCIL FOR FAIR BUSINESS PRACTICES"

Kindly send your advertisement to:	The Secretary, Council for Fair Business Practices, 130/132, Great Western Building, S.B. Singh Marg, opp. Lion gate, Mumbai 400 023.
------------------------------------	---

### ADVERTISEMENT RATES & SIZES

Back Page	3,00,000/-
Inside Back Page	2,50,000/-
Front Inside Cover Page	2,50,000/-
Single Coloured Page	1,00,000/-
Single Page (B/W)	75,000/-
Half Page	40,000/-
Copy Details: Completed Artwork - JPEG, CMYK, 300DPI, HI RES PDF	
Must be sent direct to: CFBP office address, Email: <a href="mailto:cfbpoffice@gmail.com">cfbpoffice@gmail.com</a>	

NB: Souvenir copy shall be sent after the souvenir release during the function to be held on \_\_\_\_\_

### COUNCIL FOR FAIR BUSINESS PRACTICES

Great Western Building, 130/132, Shahid Bhagat Singh Road, Mumbai 400 023 | Tel.: 22885249/22842590 | Fax : 2284 4783  
Email: [cfbpoffice@gmail.com](mailto:cfbpoffice@gmail.com) | website: [www.cfbp.org](http://www.cfbp.org) | [www.consumerfilmfestival.com](http://www.consumerfilmfestival.com)

#### GOLD SPONSOR



#### SILVER SPONSORS



Bajaj Electricals Ltd.  
Inspiring Trust



#### SUPPORTED BY



## FROM THE DESK OF PRESIDENT



President Kalpana Munshi

There are many reasons to join CFBP as there are knowledgeable CFBP members. But each one of us has stayed in CFBP because it adds something to our own lives. Through this great organization, we are making a difference in the consumer world; and the more involved we become, the more of a difference of a CFBP make to each of us. CFBP challenges us to become better people, too ambitious in the ways that matter, to strive for higher goals, and to incorporate selfless service towards the consumer movement.

What kind of difference CFBP and its members make through their service will always be their own decision. As an organization, we are guided by three strategic priorities our Board has set in to support the activities and strengthen CFBP, to focus and increase our humanitarian service by bringing consumer awareness and to enhance CFBP public image and awareness.

In the year ahead CFBP will have the support of a greatly augmented array of online tools, including a refreshed and updated website, a simplified membership process. To keep CFBP strong we need to build a membership that reflects the image of true consumerism we serve and that will continue to develop knowledgeable leaders for generation to come.

For 50 long years, one idea has stood at the heart of all our service is sustainability. Sustainable service means our work continues to have a positive impact long after CFBP's direct involvement has ended.

After 50 glorious years of existence we have realized that CFBP has made deference to more and more consumers, in more ways than we can ever count or will ever know. Today, each of us bears a torch, its flame lit by three stalwarts Mr. J.RD TATA, Mr. GODREJ and by Mr. RAMKRISHNA BAJAJ, to make difference in the consumer world by following the mission of CFBP.

**“We shall promote the highest ethical practices, by business & professionals, in order to provide complete satisfaction to consumers & other stakeholders.”**



Ms. Shabana Azami & President Kalpana Munshi



## “GOODS AND SERVICES TAX (GST) - AWARENESS”

**Distinguished Speaker:**

**Mr. Shailesh Haribhakti**, Group Chairman  
Haribhakti Group and Dilip B. Desai Group

I would rather speak in a way that you would have connect with a me, I have a presentation, but I would like to create the context of this subject before I jumped into the presentation plan as what it is, but let me give you what is underlying all of these reforms that India is undertaking. We need to keep three things uppermost in your mind, one is that we are moving from in an informal kind of country to a formalize country. In almost every aspect of life this is beginning to make a big difference, everybody ask the question why should I be taxed?, we have not paid tax for thirty years, why I have been now brought into the tax net?, I have been very simple logical commonsense answer, if all of us pay some tax then the whole country will pay lower tax, we saw that this happened in the case of telecom, as everybody started paying the cost of telecom in India at one point of time, and perhaps today is the lowest cost in the whole world. There is no place on earth where 35000 Crores have been gifted to the people of the country because one telecom player decided to make calls free, the cost of that in terms of benefit to all the citizens of India is computed to be 35000 Crores, the second big thing that you need to hold in your mind when you are discussing GST is that the attempt today in the India is to marketized everything you don't set a price because a controller of capital issue decide that this ought to be the price, or some authority decide that this is the price, the idea is to discover what ought to be a free market willing by a willing seller price in virtually everything, so natural resources, telecom, power in all of this the attempt is to marketized all our functioning that the second thing you need to keep in your mind, formalization, marketization and three and most important discipline. Today everybody comes to us not to figure out how to reduce tax, but to figure out how to comply with the tax situation that emerges in India. This is a transformational change that I have seen in three years and this is because of all the other big ticket reforms that India has undertaken and I would like to pull out Aadhar as one of the biggest thing that India accomplished. Today every human being in India can establish that he or she is the person that he or she claims to be, it is such a fundamental thing or it was not available imagine contract labour which moves from one city to another in search of work, they simply had no means to actually make sure that the payment went to that person or the benefit that was suppose to go to the rural population all of that was impossible to track and whole lot of it got lost in transit, now that has fundamentally changed, the savings in terms of the right resources reaching the right people has been absolutely remarkable and then you take the sum total of all the schemes to unearh, blackmoney and to give people a chance to come good and to make sure that you cannot hide under a benami name and you can't have real estate situations where you take money on the promise of delivering something on a particular day and then delayed for ten years and go scot free, now all of that has been



**Mr. Rajen Desai presents Mr. Shailesh Haribhakti with a special souvenir**

relegated to the past and GST is a crowning reform which seeks to bring India into the formal system, it might surprised all of you to know and I was very surprised when I discovered this there are 84 million enterprises in India, of this only 20% have a formal address and a formal knowledge to the whole wide world that as to where they operate from, only 18000 have a share capital of more than 10 Lakhs, only 6500 companies were listed before 300 were cancelled last week and only 2500 of them are traded in a true sense of the word, all the rest are simply there, whatever purposes the people chose that to be operated for, that is what I call the India staked. Now you bring in a reform like GST where you want to pull this entire population of this 84 million enterprises into the formal system, please remember that this is the big delivery that we should expect as Indian citizens from GST. On account of the compromise which was made as a result of consensus building the GST committee met on 55 occasions, every state's finance minister, finance minister of the country, the bureaucrats who was responsible attended 55 meetings to bring about this compromise solution in few lakhs which has seven rates, which has an unbelievable level of complexity rising from certain people who are completely exempted on account of turnover being low, certain people who are under what is called composition schemes so that if your turnover is below 75 lakhs then you pay a fixed percentage of your turnover and you are done with your obligation, we have the complexities of what do you do with the earlier promises that the state governments had made and the central government had made to lure you into a particular activity or to put up your business into a particular place, all of this was done and what I called a promissory estoppels was in existence, so there was a promise from the State Governments and from the Central Government that we will give you "X" export incentive, that we will give you "Y" duty drawbacks, that we will give you "X" incentives to come to our backward state all of these were promises, everybody was acted on them, there was old tax system so in a business which is going on you had inventory which is not yet been sold, now that inventory had embedded in it the erstwhile taxes that were levied, there was excise, there was

VAT, there was sales tax, there was entry tax and whole plethora of taxes all of them are subsumed, these are all central taxes that are all subsumed and these are all state taxes which have been subsumed into one single what our Prime Minister likes to call Good and Simple Tax is not as good and simple as you would like us to believe because of all the things which I talk to you about. Everything that I said in those last three minutes poses more or less same accountable problems but you are all dealing with it with the hope that as more of us makes the same interpretation hopefully that's will be accepted we don't know what will be the final the moment but we are all taking a stand and saying this is the law and we can read it, this is the rule, the rule has been framed by fifty five people who are sitting in one room and coming to a consensus about it, it ought to be driven by commonsense and so we applied that commonsense and provide solutions and advice but all of these are subsumed and what are our fundamental concepts of GST which you should remember, first thing is that, it is a destination based tax so the final consumer in the final state in which the consumption of the good or services is done must get the benefit of that tax that is why it is highly accretive for states like Uttar Pradesh, Bihar, Orissa which had large populations which they consume "so unke liye bahut accha tha" GST is very good, this is consumption base, destination based tax until you reach that level of consumption all the taxes that are paid on the way get offset and finally you just pay the final consumption tax, it's a tax based on supply, it is not a tax based on production, so what is the first difficulty this has caused?, earlier we used to pay all our taxes based on production, excise was the biggest tax, "ab vo inventory me chala gaya" now that inventory when it is sold then you wonder what offset you will get and how will you get it, so there is a transition issue in GST which many people trying to solve, same thing applies to duty drawbacks, export incentives in all of that which were due to you as a result of what you have performed before GST got levied, now what is a new law, the new law wants to create a level playing field between international players and domestic players, it wants to create level playing field between traders and manufacturers, so it wants everybody to bear for one commodity one tax that is been achieved, it is not one nation one tax, it is one commodity based on HSN Code which is the system of "Harmonized System of Nomenclature-HSN" "uske mutabik harek commodity or service ko ek rate de diya gaya hai, what are the rate zero, three, five, twelve, eighteen, twenty eight and twenty eight plus ye saat rate, bichme ek aur rate hai, is one more rate for some other commodity...seven rates, so these are the rates and they have classified it by these harmonious system of nomenclature-HSN Code, this is very important thing to remember, because that drives what is your GST rate, now let's move to some of the big myths and big controversies, Kalpanaji said in her inaugural address that some people have said it will cause inflation, some people have said that it will cause opposite effect, but what was the logic that was used by all the states finance minister and our own finance minister, and Hasmukh Adhia who was the bureaucrat who sat through the all of these meetings, they said that the tax rate under GST should be as close to the total tax burden that each commodity actually board before hand and therefore it is almost a myth to say "ki isse inflation hoga ya

isse deflation hoga" because the rate was set extremely close to the erstwhile overall tax burden earlier you could not offset your service tax against your manufacturing based tax now you can do that so the entire system today is fully vatable, cascading effect was removed through MODVAT even in the past and through VAT which was the state government levy, further quantum of cascading effect was removed from our system, the only bridge that was not removed was offsetting service related tax to manufacturing related tax and now that has also been accomplished by GST, so this is the way that this massive reform has been planned and executed, to my mind there is no system on earth today which has the capacity to run the number of transactions that our GST system has been geared to accept, imagine every invoice that I raised as a professional or you raise as a manufacturer or industrialist or whatever the services or activity that you are doing will get uploaded, every person will pay a tax at the rate based on their HSN Code and that will be offset automatically against the supply that you have made finally to the destination, so millions and billions I would say trillions of transactions will be processed by the GST in network which is one of the most complex, one of the most advance IT systems on earth, just as our Aadhar processing IT system, is an exceptional system, we don't take enough credit as Indians to feel proud about the way we dematerialized shares, the NSDL what it did in dematerialization of shares was almost a miracle it was within, Rameshbhai, within one or two month we will forgot about trading in shares with papers, woh sub bhool gaye do mahine me, same thing has happened with Aadhar absolute step change in delivery of subsidies, absolute step change in the ability see what Aadhar enable us today, if each one of us for every transaction that we want to make have a quick response code which is autogenerated by a system and if our KYC is done using Aadhar then I can transfer money to you by just matching the QR code, that's it, I just need a bank account to keep my balance and I need a DP account to maintain a track of my shares and my securities that's it, every human being in this country is need these two account, one bank account one DP account baki sab aaj digitize ho gaya hai, we can imagine a world without cash, we will take a few years but we will get that, we can get there, NPCI Infrastructure that has been put in place and all of this will connect with GST, all of this is making India fully networked, fully connected, jaise hum picture me jate hai, there is QR code on tickets, tickets has become a thing of past, same way for all your banking transactions cheque, deposit slips ye sab purani chije thi voh sab bekar ho jayengi,



Mr. Ashok Ajmera receiving token pf Gift from Mr. Nitin Mangaldas

GSTN is fully workflow based tax system you must know what format to use, how you know which format to use, App hai, Government of India ne App banaya hai, use aap download kar dijiye, fir mera invoice aisa hona chahiye, jiske sath aap kaam karte ho uska GSTN Number aapko malum hona chahiye bas, once you get to know that then there is no real complexity left in terms of how to do this because then system takes over, your return filing also that's the other myth, bahut complex hai har mahine return file karna padega, har ek cheej ke liye teen returns, all this is rubbish, there is only one set of information which is very easily available from your own system which you have to fill and then you are done, so let's look at how this system works and I got a small video which might help you to look at how this offsetting happens automatically (video shown) it is very easy to understand, so you see as it goes up the value change, taxes upgrade, wholeseller add this margin, now the price has become 163, retailer buys at 175 add his margin, become 189 add to that a tax, final price became 208 total tax paid was Rs.58, non-GST age in, there was a cascading effect of tax on tax, now how will this operative, same example with GST, we can take to the final slide so that, what is the final outcome that we compare with the two, GST me sab offset ho jata hai that cascading effect has been offset so what happens finally, whole seller ne offset leke baki ka invoice kiya and so on so forth, so the consumer will ultimately pay how much less? Single in rate, lower tax rate in incenralized, so what is that you need to know as a consumer, you told me to focus this whole thing on consumer, what happens is that you begin to pay tax on your consumption, why is this good for India? Today if you analyze our growth rate of 7.0 or whatever it is, 1,2,3,4,5 many estimates are there, let's assume it 7.5% of this a very significant component comes from consumption, 62% of our overall GDP comes from services, only 18% comes from agriculture, so you can imagine that as a consumer if everybody is brought into this chain an nobody furgy invoice the pahale, fictitious invoices the pahale, people using cash, people not reporting transactions all of that used to happen you remove all of that and you will find that we will be able to one day, & my prediction is that in three years time we will be able to come down to a three steps GST rate and an exemption rate for day to day things like food and essential medicines etc. a midrate it could be 16% or could be 18% I don't care it doesn't matter so long as to be full weightability and a sink tax, my sixth sense saying you are not suppose to be doing drinking, smoking whatever else, Gambling that's it and my prediction is that our tax to GDP ratio will go up by atleast 10% in a five years time frame, atleast 10%, in five years time out economy is estimates to pay, offcourse Mr. Rashesh Shah of Edelweiss overly optimistic he thinks we will be at 5 Trillion Dollors in five years and we are growing at 1.8 Trillion dollar per year, but assuming that is not as great as that, let's assume that three Trillion dollar economy, getting 10% more only because of formalization and you see that you have delivered three hundred billion dollars of tax to be used for infrastructure, for creating the soft infrastructure, health, education and hard infrastructure your road, your rails, your ports etc. without there being a call on the fisc, India can be a tax haven, many people call India a tax haven even today because of average rate of tax on all over companies is a tad below 25% why is this so? Because while our stated rate is 33% everybody

claim this or that exemption and is down to less than 25% so if you remove all this rubbish and bring the tax rate down to 25% and you bring down GST to three rates 0, 18, 28 you have a true tax haven which is collecting and generating far more resources for redeployment into infrastructure and to create an absolutely different India from what we can aspire to create today, but just so that you get a sense of how this has all been put into place out of the full pie 43% of all commodities will bear 18% tax today, 19% will bear 28% GST the same tax, 12% GST rate will be for 17%, if you add these two we are talking about 60% of all HSN classification bearing tax of either 12% or 18% and there you are 7% is exempt 14% is at 5%, this is the way as a consumer you need to look at GST, this is the pie chart which I made for you for your session today. So, this is the magic that we can look forward to we have to be patience and for the first two years I always make a public appeal for everybody to get into the compliance mode just get compliant, it's easy to registered, to taking all the formats, to download them, all easy, and if the whole country complies we will have the outcome of 300 billion dollars extra without any efforts to be utilize for regeneration of India and this is you know can give you some of the exempt goods and all of that, I don't need to go through all in my slides because now it is all about implementation, like all other laws that we have brought in the recent past we don't have rigidity about law making any more, its nightmare for people like Rajeshbhai, who like to update everyday, but that's the way we have restructured our law making, the Companies Act is a live Act it changes everyday, GST is a live Act it changes as they meet every time and they realize that we should not put 28% or we should put more or we should put less, it change and people criticize this but the point is that we are a democracy, we are actually participating in law making by giving these inputs to the GST and Committee and as we give the inputs and they accepted, they change if they find the argument forcefully, that will keep happening, that is what I think is important for us to realize, as consumers the country's GDP growth is dependent on consumption so we will not have inflation look at all the things that have decimated inflation 35000 of telecom cost count, cost of electricity has fallen why as huge quantum because of the substitution of incandescent lights with LED lights, so today the problem is in reverse gear if all our power plants were to work at 85% PLF we don't need to add a single megawatt of power and we will have 35% of our power coming by way of renewable at a much lower cost to each one of us, my only conversation with Piyushbhai whenever I meet him stop this cross subsidy so that even we as consumers of domestic power can enjoy the ample power that this country can generate at a cost which is reasonable, so he always keep saying that I put in crores of LED bulbs so you are already got a huge benefit, but the arguments now are these kind of commonsense arguments and we have a government which listens and therefore is reactive to change in the law off course there are complications and that's why people like us find some work to do everyday, but other than that I think this is a truly IT enabled, fully automated work flow driven tax frame work the speed of implementation of GST is again a world record no country in the world has been able to have smooth implementation of GST of this magnitude in such a short time that's where it is. Thank you very much.

## “BANKRUPTCY CODE: OVERVIEW & CHALLENGES”



**Distinguished Speaker:**

**Mr. Rajesh Narayan Gupta**

Managing Partner, SNG & PARTNERS

Ladies & Gentlemen, after the mesmerizing talks of Mr. Shailesh Haribhakti I try to live upto the expectations to showcase few things under the score, Just to give an idea when I joined this legal profession in 1988 and those days when the bankers were used to ask us in how many days we can give the guarantee of recovery of money our answer is to that is it could take 10 years, 20 years, 25 years, we have no idea so as my career as banking lawyer the maximum reform I have seen is the banking industry we all might recall that when we have started we have civil suits, normal suits for recovery, we have summary suit under Order XXXVII, it was special suits, then we got a section 138, dishonor of cheque a criminal offence to support the banking and industry, we got SARAFESI which authorize banks and give power to take possession of assets wherever the borrowers are not co-operative or paying, then we got these DRTs, when DRT Debt Recovery Tribunal came up it was thought that there would be enough recovery mechanism but sooner or later we realize that even DRTs are not sufficient as the NPA numbers went up and up and therefore the need was felt that should we have something different and that is how probably the IBC, Insolvency Bankruptcy Code came into place, now that two views from the market before I come to the thought process, there was a view given by Mr. Aditya Puri most of us read in the paper where he said that IB should not rest to IBC, because IBC leads to two things either the company which is going bad it can be put on track with the help of the professionals but this whole exercise happens in a time bound arrangement, if they are not able to do this in time bound arrangement then this company is pushed to a situation which is called bankruptcy, then it goes to liquidation and the liquidation process starts on a auto route, already there are two cases which had happened and the judgements have come, and orders have come from NCLT where two companies have been already pushed to liquidation situation because they could not come to any resolution plan within the time bound arrangement therefore this is like a weapon which can be use both ways, now you can imagine a company which can be revived but the bankers and the insolvency resolution professionals and the owners don't co-operate even a good company which goes through this medium it can be push to

liquidation if everybody in the chain whoever are involved don't co-operate therefore it is very very important that the banker choose well which company is to be taken before IBC and which company should not be taken before IBC which perhaps is the sentiment of Mr. Aditya Puri also when he said that it has to be use very very carefully, Secondly when this committee was formed and this discussion was happening I read a very important note by one of the eminent members which said in India we do see this companies, we do see the unpaid employees, we see the failed banks but we don't see any sick promoter, so the problem lies somewhere that you know there are money which get siphoned off in the system, there are some actual losses which happen, there are some losses which happened because of negligence of Promoters also, so the balance is to be stuck there what is right and what is wrong, when you come to this insolvency resolution process let me just take a step back, first of all this court does what? This court consolidates lots of laws around bankruptcy space and also put a speedy mechanism around it so that the whole process is done in a time bound arrangement, so when we go to the IBC Forum, you have two class of creditors as all of us know the creditors could be bankers, the creditors could also be the operational creditors, those creditors who are dealing with these companies or with the people who have been taken before IBC, under the IBC they are supplying goods or services, so there could be creditors and operationally or from the banking system now anybody even including the Borrower they can go to the IBC to start this resolution process which can further lead to even liquidation now what is the deterrence?, the deterrence is, the unlike before what happens now is that as soon as this IRP and Insolvency Professionals are appointed the Promoters, the Owners of the Company, they lose control on the management so that is the great deterrence because the minutes these companies are before the NCLT, the first thing which happened, get triggered is, getting the IPs on board and this whole management is taken off, the owners who are so far controlling the Company, so they are no longer in control of the company which is now manage by professionals it is again negative positive because as all of us knows in India 80 to 85% companies are owned by families, when family own the business they knows how they are running the businesses, all of us know how businesses are run, we are trying to curbed upon the bad practices including the black economy, and we are beginning more compliant, but so far the things have been done as their Promoter wished so when you are substituting the professionals with the Promoters, then how these companies were run, what was the good or bad track record, so all these to be addressed in a very very careful and meticulous manner, again a company which can be revived can forcibly go to the liquidation situation even if the IIRP or the interim resolution professionals or the resolution professionals or the bankers they don't take company to the logical ends. Now if you see the slide, I know some of us are professionals sitting here, Chartered Accountant another professional and most of us would be aware of this but those who are not there are time



**Mr. Anantaram Mittal presents  
Mr. Rajesh N. Gupta with a special souvenir**

bound statutory programme given in the code itself. Now we come to the first thing which is filing of the application, now this code was bit tough also in the sense earlier if a banker goes to the Forum, to the NCLT, there was no provisions that the borrower would be called upon to give any explanation which meant that if they say a banker today day zero goes to the NCLT and the matter is admitted straight away the process will start, since there was no notice it was felt that it is defeating principle of natural justice the matter went before NCLT and NCLT also ultimately the Gujarat High Court judgement most of us would have seen because it is reported everywhere in the matter of ESSAR, so ultimately the view taken is, so the matter is filed before NCLT the borrower should be given an opportunity to come before NCLT and explain and if they got any serious objection that the matter itself is not maintainable at least they should get their opportunity but after this opportunity is given and the borrower goes before the NCLT and the process is start, the process is define in a very very time bound arrangement where you get the insolvency professional appointed he has to get a committee of creditors in place and address them, they all have to see whether the company can be put on track under some kind of resolution plan or not for which they have to cooperate and they have took series of meetings for that purpose and after submission of plan there is no plan prepared, if the things can be achieved in a time bound arrangement slowly the company is moving toward the liquidation situation which I just said so the time given is just 180 days now compare these 180 days to the historical time which I just mention which originally 20 years ago or 15 year ago, 10-15 years kind of situation, I remember my father will be telling litigant including banks if you will win you will lose, if you lose you will die so that used to be situation in Court at one point of time so now when you go through this Insolvency Resolution Process again if you see, this is whole process which is listed down, so let's not go into the technicalities but the truth is to be seen is there is define process and procedure under the code so for the first time such powerful step has been taken to address the current NPA levels and all of us again know that the NPA level in the country is very alarming, you will all appreciate that if you want a good economy it may be the introduction of new legislation including GST or any other measure if a banking system is weak then the whole economy will come to stand still, the banking system has to be very very robust, you all know the global meltdown happened with the lehman bank and other what happened in the world outside that point of time I have been remember I am part of several meetings where our RBI and other regulators and bankers they used to say the whole world has been impacted but the Indian Banking System is solid, it was just couple of years back and now just see where we are standing we are talking of the situation where some banks can even fails because of because of NPA level which are so alarming 10% to 12% or may be more, I am just drifting the part because time slot given to me therefore I want to come to the important one's, earlier there was a anomaly on distribution of charges, so what was that?, so now suppose a banker has to recover money from say a borrower and that recovery is also made there was certain legislations and the local acts which came for example Karnataka Sales Tax Act, now what those acts said that even a banker has to recover a money from the borrower against a secured charge basis is still Karnataka Sales Tax Act will take precedence over the charges created by the bank so in a way a banker were lose money to the State bodies or different kind of institutions under the local state laws and therefore the banker were not even aware that inspite having the first secured charge they would be ultimately getting money or not, so this code has put a distribution priority in place which is very very

significant, so now this distribution priorities off course recognize the rights of the labour, the labour charges are to be paid pari passu with the Secured Creditors, so off course that step has been taken to in the interest of labour but the banker's charge has been given precedence over any other charge, if there are some local state laws or whatever so they can't say that the government needs to get first, it is the banker who are having the security and the first charge they will be paid first and after that their money will be distributed to the other charge holders. Technically in this code onvr more important thing has been provided for which is you can compare to the doctrine and marshalling of Property Act where if the Promoters have siphoned off money, and promoter who will going to smell first what will be going to happen with the company, that if he created some kind of charges which were not required to be created or some kind of transaction would be undertaken which are questionable then the bankers will have given rights, creditors will given rights, NCLT been authorized to look into those kind of siphoning of situations or the charges which were re not to be created, created by the Promoters, borrowers, & there are civil and criminal consequences, so siphoning of monies, siphoning of assets by the Promoter, by the Borrower today has become very tough under this code where lots of power has been vested in the Bankers and Creditors to examine all those situations not prospective but even retrospective so therefore this code is directly leads towards that angle. I will come to some of the challenges also and before that I might highlight some of the judgements have come which are very important we might discuss and you may raise your inquiries on those but first of all settlement has come around the word disputes now it is felt and now it is recorded by the NCLT as well as by the Appellate authorities including Supreme Court also the matter went and it has been so far held that if there is a genuine pending dispute pending before any judicial/quasi judicial authority say between borrower and creditor then those matters can't be taken before NCLT because there is a bonafide dispute is pending specially for the operational creditors there might be genuine trade dispute, there may be dispute, there is a amount due and payable and somebody asking for those amounts, say if this is genuine dispute is pending the NCLT will not have power, the second landmark judgement which is come again I just mentioned though, Gujarat High Court, a power has been given to NCLT to ensure that full opportunity should be given to the Borrower to heard, the judgement is significant because a very important issue is raised by Essar Limited which tried to obstruct the proceeding in all possible ways, but the Gujarat High Court held that bankers are not dependent upon RBI to initiate any action against the relinquished borrower because you must recalled and you must have seen the paper reports that shows that the initial twelve cases are initiated at the behest of RBI, then the question was is RBI require to initiate cases each time? Or the Bankers can also do whatever they feel like? So this judgement also clarifies that bankers can go ahead and take appropriate action, the involvement of RBI to that extent is not required from that prospective. The third question as a consumer, as person, some of you might have given guarantees and this kind of stuff, so one matter went before NCLT where it was intended so what happens when the matter goes before NCLT there is a moratorium which is starts, the moratorium means that any action pending before any judicial authority or quasi judicial authority is put to rest while this proceedings are on, so therefore all actions are put on rest including SARFAECI Act, so the question is that the promoters who have given their personal guarantees supposing there is a company A and the promoters given their personal guarantee and mortgage



their own house, whether they also get an exemption or that personal proceedings which is not relating to the company asset will continue, so that clarifications has been come, order has come which says that the proceedings against guarantor is independent and if you have given a personal guarantee and if you mortgage a personal house as a Guarantor all those proceedings can still go and be carried on under SARFAECI Act, so there is not moratorium available for those kind of situations. There are certain judgements which are gone to the Real Estate Sector because there are certain people who filed petitions there, suppose somebody is allottee of a house and he has not getting the house one time, can he go to the NCLT for that purpose the judgement has come negative because there are consumer forums, other means created for all those purposes, so if somebody has, say booked an apartment and is not getting an apartment, although you have paid the money to the builder so those kind of dispute are not been entertain by the NCLT, but today off course you have got an alternate forum to go to which is RERA, so you can go to the consumer forum or RERA, but NCLT powers may not be an appropriate forum, there is an another judgement which came significant that some of us and many people specially NBFCs and also the ultra HNIs and HNIs at time we entered into arrangements with this Developers for assured return income, so even those kind of contract which are sure returns bearings then those are not surely maintainable before NCLTs because there is no operation debt as such, there are no supply of goods or services, you have just made an arrangement for the returns are given on the particular agreed time bound arrangement which is also not recognized. Now what are the challenges you know some of the big challenge which as a professional I found is & at a separate note when I had a discussion with Mr.Haribhakti as well that we are appointing Insolvency Professionals for all these bankruptcy situation which goes before the NCLT, now these Insolvency Professionals is like a hero, is like to be Superman who gets into the control of the whole company he suppose to maintain, manage the whole company, whole company affairs, he has been given rights to appoint professionals and he can take, seek help but ultimately everything around the company say from the running of the business to compliances everything is to manage by him, which also includes many such things like for a listed company for example you may have BSE requirement, NSE

requirement, FEMA requirement, IBA compliances, Company Law requirements, now this pure Insolvency Professionals would it be competent to run the business, do all these compliance and be responsible because there is no indemnity as such which is provided to him, second part is that if you go to the site of NCLT you will find thousands of people who have become the Insolvency Professionals, now question is that we are dealing with, that we are treating a patient who is already in ICU, this patient is in such a bad shape that all the bankers are sick and tired of him, they are not be able to revive business and this company can actually become bankrupt tomorrow now those IPs who don't have basic experience of running these companies or these kind of companies or who have never done operational management of company would he be able to run this company the way it is expected? That appears to be again tough. Again these IPs when single person is appointed as IP then we will find that they are affiliated one or to large firms and by default these large firms are also become part of service provider arrangement along with the IP this is the criticism which is coming, which we have been reading in the papers on almost like daily basis, that how do we create transparency that the IP is the independent person and he is also using services of that company which is the best company to provide services and not the company from where he has come so all these kind of challenges are being seen in the implementation of the code and which are being considered as how best it can be done unfortunately or fortunately one of the notifications said that IP can only be an individual which in my personal opinion may not be correct position because there is provision in the code which is shows IPE that is the company can also be the IP now supposing hypothetically the government agrees and they allow these IPE to become the Insolvency Professional which become one stop shop then officially you don't have to be any backbone arrangement with whom you partner with so there is an IPE which has Insolvency Professional also and this company is fully geared up to provide any kind of service you need to run, manage and control this company, so perhaps I am quite a optimistic on these kind of situation, this is new code and it will take time to ticking problems, I am sure all this will be taken into account and rightly things are put into the place, but yes, there are certain ticking problems which this code is suffering with and I hope in a time to come it will taken care of. Thank you.



**All dignitaries with ISME Management students**



**“Chief Guest - Mr. Ramesh Khanna”**

**Distinguished Speaker:**

**Mr. Ramesh Khanna receiving token of Gift from President Ms. Kalpana Munshi**

I infact honoured to be here today as you saw many fellow Rotarians that I feel at home and then the two speakers Shailesh and Rajesh, again very good friends and who have covered their subject so very lucidly and so very extensively that I don't think any one of us would be left with any doubts as to the efficacy of these two changes that have been brought about ticking troubles, my friend Rajesh mentioned he didn't mention these ticking troubles, but he elluded to them but whenever there is a social transformation there has to be some up even somewhere or the other and the longer we take to fall in line with the new calls, calls of the new order if I may say the longer we will have to live with these ticking problems. Imagine, we as a consumer, and we are here as consumer each one of us is a consumer and his or her right any moment of the day, when we go into the market, after we have understood what is the impact of the GST should be, we should be able to insist that the price exclusive of tax should be substantially lower then what it was before 1st of July, because before 1st of July he was not getting any credit for the intervening taxes that had been paid and after 1st of July he will be getting credit of all that, his input cost have come down because of the taxes charge to him by his suppliers see the

inbuilt incentive to deal only with registered, regularize suppliers of your inputs, I don't think therefore I am in a bigger disincentive to cash payments, you pay out in cash, you don't get a bill, you don't get an input credit, and if as a customer we keep on sleeping, this will keep on going on, but if we keep and ask for our rights that your net off tax price should today should be lower than what it was, he will have to reduce the price and there is an incentive for him to go for his purchasers only to registered dealers enhanced tax based we all know there is always advantage in greater numbers so more contributor to the national kitty the less perhaps would be the expectations to be made from contribution to be made by one individual, we have all according to me are become tax collectors on behalf of the Government by one stroke of this enactment we don't need Income tax Inspectors, we all become Tax Collectors in our own interest the best part is we are government's tax collectors without being paid, is only insured Mr.Khanna you better collect funds for me because this is just in your interest to collect funds, a master stroke, ladies and gentleman on behalf of all of you I must thank both the speakers, thank you.



**Mr. Niranjn Jhunjunwala, Mr. Nitin Mangaldas, Mr. Swapnil Kothari, Mr. Ashok Ajmera, Mr. Shailesh Haribhakti, President Ms. Kalpana Munshi, Mr. Ramesh Khanna, Mr. Rajesh N. Gupta & Mr. Anantaram Mittal**

Title Sponsor



GOLD SPONSOR

SILVER SPONSORS



SUPPORTED BY



APPEAL FOR LOGO SPONSERSHIP

CFBP was established in 1966 by stalwarts of business & industry like Mr. J.R.D. Tata, Mr. Ramkrishna Bajaj , Mr. Arvind Mafatlal, Mr. F. T. Khorakiwala, Mr. Naval Tata, Mr. S. P. Godrej, Mr. Ashok Birla, Mr. J. N. Guzder and Mr. Keshub Mahindra & others who recognized the imperative need of business & industry to regulate itself.

CFBP strives to spread its message and create awareness about Fair Business Practices amongst Businessmen & Associations through talks, workshops, seminars, publications, audio visual presentations and media in order to maintain the highest ethical standards in business professions.

Film Federation of India, Films Division, Rotary International 3141 & 3142, NHAH (Niki Hingad Art Foundation), ISME (Indian School of Management & Entrepreneurship- Ms Indu Shahani), Shrimati Malti Dahanukar Trust, Rotract District. 3141, Pocket Films and Dignity Foundations have officially joined hands with CFBP to support all the activities of CFBP and thus support consumer movement by bringing consumer awareness following the fair business practices

CFBP will be honoured to invite your prestigious organisation to join hands in promoting the mission of the CFBP.

Joining hands with your organisation will go a long way in spreading awareness among the consumers.

Kindly permit us to use your logo officially in all our communications and publishing materials along with other supporters.

Logo Sponsorship till September 2018 is Rs. One lac.

Kindly send your cheque in favour of "Council For Fair Business Practices.

Your involvement in all the above activities will be of great support. CFBP will be much honoured for this very valuable collaboration.

CFBP is an NGO which functions with the support of large hearted donors.

Your immediate consent will be much appreciated.

Kindly send the artwork of your logo and the name.

Together we shall take the mission of CFBP to greater heights in the interest of consumers.

Kalpna Munshi

**Kalpna Munshi**

President - CFBP

# YOU ARE CORDIALLY INVITED FOR A SEMINAR ON

## “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)”

### “DEMYSTIFYING THE ACT”



Distinguished Speaker  
Mr. Suhas Tuljapurkar  
Managing Partner, Legasis

### “LANGUAGE OF HARASSMENT”



Distinguished Speaker  
Dr. Sunita Chugh  
On Last Mile

### “CHIEF GUEST”



Distinguished Speaker  
Mr. Vithal Palekar  
Past President, CFBP

### AN EDUCATIONAL PROGRAMME

Day & Date: Friday, 15<sup>th</sup> September, 2017 | Time : 5:45 p.m.- Registration  
Venue: Babubhai Chinai cominity Room, 2nd Flr., Opp. Churchgate Station,  
Indian Merchants Chamber, Mumbai.

Hosts: Blue Cross Laboratories Pvt. Ltd and Rotary Clubs

## Wealth and Succession Planning

### “WEALTH AND SUCCESSION PLANNING ESSENTIALS”



Distinguished Speaker  
Mr. Dr Rajiv Agarwal,  
Centre For Family  
Managed Business, S. P. Jain

### “KEY LEGAL DOCUMENTS: WILLS, FAMILY TRUSTS AND FAMILY CONSTITUTIONS”



Distinguished Speaker  
MS. Tahera Mandviwala  
Head Private Client Practice, Tdt Legal

### “CHIEF GUEST”



Hon'ble Justice  
Mr. B. N. Srikrishna  
Former Judge  
Supreme Court of India

### AN EDUCATIONAL PROGRAMME

Day & Date: Friday, 27th October, 2017 | Time : 5:45 pm – Registration  
Venue : Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground fl, 226 Nariman Point, Mumbai 400021.

Shelly Gupta  
Chairperson, Programmes committee

Dr. Anita Shantaram  
Co-Chairperson, Programmes committee

Hosts: Roman Group and Rotary Clubs



Rotary International  
District 3141 & 3142

# Rotary District 3141 & CFBP

Present



## Interact Young Consumers Conference Muskaan

Dear Sir / Madam,

A rotary youth enrichment programme is organised on -

Day: Saturday | Date: 16th September, 2017 | Time: 8.30 am – 1.30 pm.

Venue: Birla Matoshree hall, Marine Lines

The aim of this programme is to give the students an exposure to consumer awareness about their rights and also let them know how important a role each one can play to enforce Fair Business Practices.

The interact club of Gopal Sharma International School is the lead club & Rotary Club of Bombay Seaface is the main Host Club.

A street play competition is also organized to highlight young Consumer rights, roles and responsibilities through their acting talents.

On behalf of Rotary Dist. 3141, we would like to inform you about a Mega event that we have planned for the youth and students of all the schools in Mumbai. CFBP has entrusted us with a unique opportunity to organize “Interact Young Consumer Conference - MUSKAAN” in South Bombay.

We propose to have a gathering of 800 - 1000 students. The entire programme from Introduction to Vote of Thanks will be conducted and chaired by the young consumers.

### Programme Highlights:

- **Session I** : Inauguration by Chief Guest D. G. Rtn. Praful Sharma, Speech by the Key Note Speaker
- **Session II** : Street Play Competition (5 minutes Duration, students participates 10 – 15)

### Topics for Street Play Competition:

- |                                    |   |
|------------------------------------|---|
| 1. Be a wise consumer              | 2. Young consumers are cheated left and right |
| 3. Handling crooked salesmen       | 4. Bringing in Fair Business Practices        |
| 5. Water is precious - Save it now | 6. Swachh Bharat – “Hamari Jimmedari”         |
| 7. Jago Grahak Jago                | 8. Any other topic with a Social Message      |

### Notes:

1. This conference is open to students of std VII, VIII and IX.
2. A beautiful gift bag and goodies will be given to each participant.
3. Attractive Certificates of Participation will be handed over to each participant at the end of the session.
4. The students and moderators will be provided with lunch boxes.
5. Registration charges Rs. 60/- per student. Any number of students can attend.
6. All moderators accompanying the students will be Free.

Please involve all your school Interactors and other students as it will really enrich them to believe “Consumer is the King”.

I invite you all to be co-hosts with a contribution of Rs. 10,000/-. All clubs will be duly recognized.

Our target is high but not unachievable. So let's join hands and make this day a grand and a memorable success.

Please contact Rtn. Gool Ghadiali on 9821863204 for sponsorship.

Send the duly filled forms on or before 1<sup>st</sup> September 2017 to confirm your participation. Registration form attached.

**Rtn. Kalpana Munshi**  
President – CFBP  
Counselor – Rotary Dist 3141  
Vocational Service 3

**Rtn. Gool Ghadiali**  
Convenor  
Counselor – Rotary Dist 3141

**Rtn. Rajen Desai**  
President  
Rotary Club of Bombay Seaface

**CFBP Jointly with NHAF &  
IC Women's Welfare Association  
(AGNI JAAG Member)**

*Childrens' Painting  
Competition*



**Topic of Painting:  
"Consumer Rights"  
"Sarva Swachhata Abhiyan"**

**PAINTING PROGRAMME**

**Day & Date: Monday, 21 August, 2017 | Time : Evening 6:00 p.m to 8:00 p.m**

**Venue : Community Centre (Samaj Kalyan Kendra),  
Holy Cross Road, next to YMCA, Borivali West, Mumbai.**



Godrej

No.1

3/4

*sandal, turmeric &  
other ingredients  
that give your skin  
a natural glow.*





Through the journey of life, through the good times and the difficult ones, you'll find us by your side. Sometimes like a cool breeze, sometimes with warm food and sometimes straightening out the wrinkles of your everyday life.

**APPLIANCES | FANS | LIGHTING | EPC**

Helpline Nos.: 1800 102 5963 / 022 4128 0000 | [shop.bajajelectricals.com](http://shop.bajajelectricals.com) | [f](#) | [t](#) | [i](#)

