

Chp 14 Appearance before Regulatory & Quasi Judicial authorities.

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* Introduction →

↓
CS act as compliance officers & key contacts b/w co. and their stakeholders, offering valuable professional services.

↓
They are auth. to represent co. before various regulatory bodies & tribunals like NCLT, CCI, SEBI and others.

* Quasi-Judicial Authority →

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Quasi judicial authorities make binding decisions on legal matters in specific sectors like SEBI, TRAI, BERA etc.

↓
They conduct hearings, follow fair hearing rules and can impose penalties/sanctions.

↓
Decisions made by these authorities are legally enforceable but can be appealed to higher courts/tribunals.

↓
They regulate industries, ensuring compliance with laws & protect the rights of individuals/entities involved.

* Procedure for appearance → [before Quasi Judicial authorities]

- ① Preparation of case : Review relevant docs, identify key legal issues and gather evidence to support your case.
- ② Appn of legal counsel : It's advisable to hire experienced legal counsel to guide & represent you in legal proceedings.
- ③ Compliance with procedural Rules : Adhere to all Rules & deadlines set by the authority to avoid negative consequences, such as dismissal of case.

④ Conduct during proceedings: maintain a professional & respectful demeanor, present arguments clearly and avoid disruptive behaviour during proceedings.

⑤ Compliance with orders: Follow any orders / directions ^{given} by the authority to avoid penalties / sanctions.

* Right to legal representation →

- Everyone has a right to lawyer in legal matters to protect their rights.
- It helps balance the power b/w parties and protects key rights like life & liberty.
- In some cases, like admⁿ hearings: legal representation may not be allowed, but fairness must still be ensured.

* Appearance under Companies Act, 2013 →

Companies can be represented by authorized professionals like CS, CA or legal practitioners in legal proceedings. Individual directors / officers must arrange their own legal representation.

Key authorities for appearance:

① Registrar of companies → Companies may appear before ROC for compliance matters, such as filing returns, verifying office addresses.

② National Co. law Tribunal (NCLT) → Co. appear ^{here} for disputes related to

- mergers
- insolvency
- interpretation of Co. Act

③ Serious fraud investigation office (SFIO) → Appearance may be required for investigations into corporate fraud / financial crimes.

④ Securities & Exchange Board of India (SEBI) → Companies & Individuals may appear before SEBI for compliance issues like insider trading / market manipulation.

In summary: Co. & their officers may need to appear before various authorities for compliance, disputes, investigations and should seek legal representation when necessary!

* Appearance under TRAI →

CS can represent cases before Telecom Regulatory Appellate Tribunal (TRAT).

Key areas for appearance:

① Tariff Related matters — Telecom service providers may ^{need to} appear for hearings on tariff regulation.

② Consumer related matters — Issues like service quality, billing disputes and complaints may require appearances.

③ Licensing matters — Parties may appear for hearing on licensing, eligibility or fees.

④ Disputes & grievances — Parties may need to appear & resolve telecom* related disputes.

* Appearance under SEBI, 1992 →

Parties can appear in person / represented by CS / CA / legal practitioners or their officers before SAT.

Key areas for appearance →

- ① Compliance issues — co. of intermediaries may need to appear for non-compliance with SEBI Rules.
- ② Investigations — SEBI investigates market manipulation, insider trading & fraud requiring parties to appear with evidence.
- ③ Adjudication — SEBI handles disputes & grievances related to securities market violations.
- ④ Appeals — Appeals against SEBI's decisions can be made to SAT @ SC.

* Appearance under Competition Act, 2002 →

CS can represent parties before CCI and provide advice on competition law matters such as market definitions & anti-competitive practices.

Key areas for appearance —

- ① Compliance & Investigations : parties may be called to appear for investigation into anti-competitive practices.
- ② Merger & acquisitions : CCI reviews combination (mergers/acquisitions) that could harm competition.
- ③ Appeals — appeals against CCI's decisions can be made to NCLAT @ SC.

④ leniency - parties disclosing anti-competitive practices may appear under leniency program.

CS can provide expert advice on matters as under competition Act, 2002, helping parties in handling cases.

* Appearances under RERA →

PCS can represent parties before RERA, appellate tribunal & Adjudicating officer in real estate matters.

Key areas of appearance -

- ① Complaints - Representing parties in complaints against real estate developers for non-compliance.
- ② Regn - Assisting with Regn of real estate projects.
- ③ Disputes - Representing parties in dispute resolution matters related to real estate projects.
- ④ Appeals - Appearing before Appellate tribunal for appeals against RERA decisions.

* Appearance under RBI, 1934 →

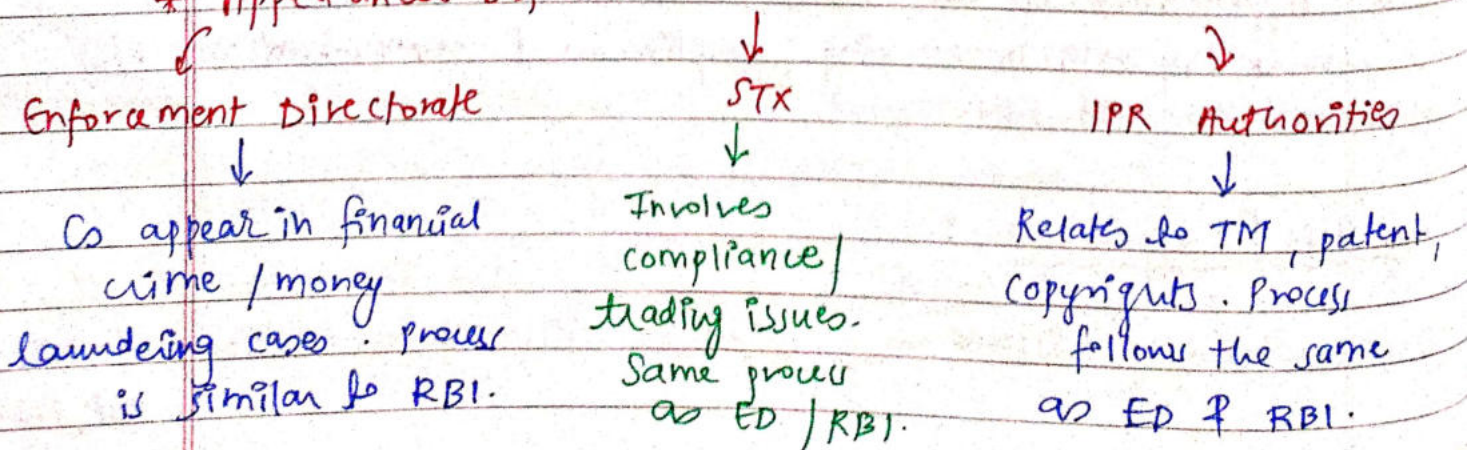
CS play a key role in ensuring compliance & communication b/w organisations and RBI.

Key steps for appearance :

- ① Understand provisions - familiarize with relevant sections of RBI Act, 1934

- ② prepare info - Gather all necessary docs like FS & compliance reports.
- ③ consult stakeholders - collaborate with senior mgt & legal teams to align with RBI requirements.
- ④ engage legal counsel - seek legal advice if needed, especially for complex matters.
- ⑤ Professional preparation - Be well-prepared for discussions, anticipate questions and ensure clear responses.
- ⑥ Follow RBI instructions - comply with any specific RBI guidelines & timelines.
- ⑦ facilitate communication - provide accurate & concise info. during the appearance.
- ⑧ Record keeping - take detailed notes & maintain records of discussion & outcomes.
- ⑨ post-appearance compliance - Ensure timely, follow-up & address any actions required by the RBI.

* Appearances before :



* Appellate authorities under Co Act, 2013

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① National Co. law appellate tribunal (NCLAT) →

- Hear appeals against orders of NCLT
- Section 408 & 410 of Co. Act, 2013
- appeals must be filed within 45 days. [> 45 days if sufficient cause]
- After hearing, NCLAT can

<ul style="list-style-type: none">- confirm- modify- set aside	} decision of NCLT.
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② Appeal to SC -

- appeals from NCLAT orders on question of law.
- Section 923 of Co. Act, 2013.
- Appeals must be filed within 60 days from receiving NCLAT's order, extendable with sufficient cause.

③ Regional Director -

- Hear appeals against decisions of ROC
- appointed by CG.
- supervises ROC offices & ensure compliance with Co. Act.

④ Company law Board -

- was the appellate authority under Co. Act, 1956.
- dissolved under Co. Act, 2013.
- functions transferred to

<ul style="list-style-type: none">- NCLT- NCLAT	}
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* Appeal to Securities Appellate Tribunal (SAT) →

SAT hears appeals against orders of SEBI / related authorities.

Who can appeal? any person aggrieved by SEBI's ^{order} / similar decision (IRDA / PFRDA) can appeal to SAT.

Time limit: file appeal within 45 days of receiving order + extn for sufficient cause.

Process:

- ① Submit appeal with necessary docs.
- ② SAT notifies SEBI / relevant authority.
- ③ SAT hears both parties & reviews evidence.
- ④ SAT can
 - conform
 - modify
 - set aside
 } SEBI order.

⑤ final decision = binding & final!

SAT aims to resolve appeals within 6 months.
SAT sends final order to all parties involved.

* Appellate authorities under IT Act, 1961 →

IT Act, 1961 has several authorities for taxpayers to appeal tax decisions.

① Comm'n of IT - 1st level of appeal against assessing officer's decisions. Can confirm, change, modify, cancel Ao's order.

② IT Appellate Tribunal - 2nd level of appeal if not satisfied with CIT's order. Can modify, cancel CIT's order.

③ HC - Hears appeals on legal issues from ITAT's order.

④ SC - final authority for appeals on legal questions from HC.

* Appellate Authorities under Competition Act, 2002 →

Competition Act, 2002 aims to promote fair competition & protect consumers in India. It provides for several appellate authorities to resolve disputes & appeals related to competition law violations.

① NCLAT —

- main appellate body for competition matters.
- Hears appeals against orders from CCI / Director General (DG) of CCI.
- can

}	<ul style="list-style-type: none"> — modify — confirm — set aside 	}	CCI / DG order.
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② High courts — can hear appeals against CCI / DG orders

- appeals are filed under A226 of COI for judicial review.

③ Supreme Court — final appellate authority!

- Hears appeals against NCLAT's decision, mainly on question of law.

* Essar steel CIRP case →

Essar Steel with a debt of ₹54,000 Cr, went into Insolvency Resolution under IBC.

Bids Received :

- JSW steel & Tata steel submitted bids.
- JSW steel's bid was ₹19700 Cr was approved by committee of creditors.

Legal Issues

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Rusia family
(former promoters)
claimed the assets were undervalued.

↓
Standard chartered Bank raised concerns about unfair treatment.

↓
The case went through years of legal disputes.

Final decision - SC finally approved JSW Steel's plan to acquire Essar Steel.

* CIRP of Jaypee Infratech Ltd → (JIL) →

Background: Jaypee Infratech Ltd, a real estate co. was unable to repay its debt & complete the projects.

- In August 2017, it was declared insolvent by NCLT.

CIRP process: Resolution professional was appointed to manage the process.

- Bids were invited from potential buyers, but no plan was approved.
- The process was delayed multiple times.

SC involvement: SC set a 90 day deadline for the process and allowed only 2 bidders: Suratsha Group & NBCC.

- Suratsha Group's bid was challenged by homebuyers who hadn't received their flats.
- Suratsha revised the plan to address homebuyer's issues & it was finally approved later on.

Outcome : The process took over 3.5 years instead of expected 270 days, causing financial losses to creditors & homebuyers.

* JET Airways CIRP Summary →

Background : Jet Airways, one of a major airline, stopped operations in April 2019 due to financial problems, owing over ₹ 8000 Cr.

- Airline was referred to NCLT for CIRP under IBC.

Process : ① Resolution professional appointed to manage the case.

② Two main bids were considered :

- Kalrock Capital (UK) & Murari Lal Jalan (VAE)
- Siva Kumar Rasiah (Canada)

③ The Kalrock - Jalan consortium's plan was approved to acquire the airlines' assets & revive operations.

Challenges : - DGCA (aviation regulator) delayed approvals
- Creditors raised legal issues.

Outcome : - NCLT approved the plan
- Kalrock - Jalan group took over airline & is working on its revival.

* flipkart - walmart acquisition →

Deal : Walmart bought 77% in flipkart for \$36 Billion in 2018.

Approval process : The deal needed approval from CCI because it could affect market competition.
- CCI reviewed deal's impact on market share, competition & consumers.

Outcome : CCI approved deal with conditions -

↓
flipkart must remain independent entity.

↓
walmart ~~can~~ couldn't control flipkart's operations

↓
Both co. had to report compliance regularly!

Key takeaway : This case shows how CCI ensures that business mergers don't harm competition / consumers and that they meet legal requirements under competition Act, 2002.

* Reliance & future group deal →

Deal overview : Reliance Ind. planned to buy Future group's retail & logistics biz for \$ 3.4 Billion.

- The assets were to be transferred to Reliance Retail ventures (a Reliance subsidiary)

CCI approval : CCI reviewed the deal to ensure it wouldn't harm competition.

CCI approved it with conditions, including:

↓
No exclusive agreements
b/w Reliance & Future
group.

↓
future group must remain
independent & fair to all
sellers.

Amazon's legal action:

- Amazon (which owned a stake in future) objected to the deal.
- Amazon claimed future violated their agreement by selling to Reliance without consent.
- Singapore court temporarily blocked the deal.

Key points: The case highlights legal complexity of major business deals and the importance of respecting contracts!