

PAPER 13- CORPORATE LAWS & COMPLIANCE

Paper-13: CORPORATE LAWS AND COMPLIANCE

Full Marks: 100

Time Allowed: 3 Hours

Answer Question No. 1 which is compulsory carries 20 marks and answer any 5 Question from Q. No 2 to Q. No. 8.

1. Answer all questions mentioned below: [10x2=20]
Mark the correct answer and state with justification:
- A. 'Small Company' means a Company of which:
(i) Paid -up-share capital is ₹. 50 Lakhs to 5 Crores
(ii) Turnover is ₹. 2Crores to 20 Crores
(iii) None of the above
(iv) Both the above
- B. Any allotment of securities made on the basis of Prospectus should be void if permission of listing is not granted by the Stock Exchange before expiry of
(i) 12 weeks from the closure of the issue
(ii) 10 weeks from the closure of the issue
(iii) 8 weeks from the closure of the issue
(iv) 30 days from the closure of the issue
- C. Every Company shall hold the first Board meeting within
(i) 3 months of its incorporation
(ii) 30 days of its incorporation
(iii) 15 days of its incorporation
(iv) 4 months of its incorporation
- D. Strategy to tackle black money under The Prevention of Money Laundering Act, 2002:
(i) Preventing generation of black money
(ii) Effective detection, investigation & adjudication of black money
(iii) Both the above
(iv) None of the above
- E. According to The Insolvency and Bankruptcy Code, 2016, corporate insolvency resolution process shall be completed within a period of:
(i) 365 days from the date of admission of the application to initiate such process,
(ii) 270 days from the date of admission of the application to initiate such process,
(iii) 180 days from the date of admission of the application to initiate such process,
(iv) 90 days from the date of admission of the application to initiate such process.
- F. As per SEBI (ICDR) Regulations, 2009 in case of Initial Public Offer /IPO, the minimum Promoters' contribution should not be:
(i) less than 15% of the post issue capital
(ii) less than 20% of the post issue capital
(iii) less than 25% of the post issue capital
(iv) less than 30% of the post issue capital
- G. Every Nidhi shall maintain Net Owned Funds (excluding the proceeds of any preference share capital) of not less than
(i) ₹ 10,00,000
(ii) ₹ 15,00,000
(iii) ₹ 20,00,000
(iv) ₹ 25,00,000.

- H. Companies Act, 2013 contemplated Penalties which are of
(i) 10 types
(ii) 5 types
(iii) 7 types
(iv) 3 types
- I. Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides that companies shall appoint at least one woman director:
(i) Where paid-up share capital is at least ₹100 crore
(ii) Turnover of the company is at least ₹ 300 crore
(iii) Both the above
(iv) None of the above
- J. As per The Securities Exchange Board of India Act, 1992 Revised Clause 49 (VI) is applicable to:
(i) Top 100 companies by market capitalisation
(ii) Top 200 companies by market capitalisation
(iii) Only (i) above
(iv) Only (ii) above.

Answer:

1. (A) (iv)
Justification: As per Section 2(85) of The Companies Act, 2013, "small company" means a company, other than a public company where both the mentioned conditions apply, hence, answer is (iv).
- (B) (ii)
Justification: Under Sec. 40 of The Companies Act, 2013 any allotment of securities made on the basis of Prospectus should be void if permission of listing is not granted by the Stock Exchange before the expiry of 10 weeks from the closure of the issue, hence, answer is (ii).
- (C) (ii)
As per Sec. 173 (1) the Board Meeting shall be held within 30 days of the date of its incorporation, hence, answer is (ii).
- (D) (iii)
Justification: The Prevention of Money Laundering Act, 2002, has identified all of the strategies mentioned here, are to be applied for tackling back money, hence, answer is (iii).
- (E) (iii)
Justification: According to the Insolvency and Bankruptcy Code, 2016 corporate insolvency resolution process shall be completed within a period of 180 day's from the date of admission of the application to initiate such process, hence, answer is (iii).
- (F) (ii)
Justification: Under Regulation 32 of the SEBI Issue of Capital and Disclosure Requirements Regulations 2009, it has been stipulated that in case of an Initial Public Offer, the minimum contribution of the promoters' should not be less than 20% of the post issue capital, hence, answer is (ii).
- (G) (i)
Justification: Every Nidhi shall maintain Net Owned Funds (excluding the proceeds of any preference share capital) of not less than ten lakh rupees or as specified by the Central Government, from time to time, hence, (i).

(H) (ii)

Justification: Companies Act, 2013 contemplated penalties which are of 5 types. hence, answer is (ii).

(I) (iii)

Rule 3 of the Companies (Appointment and qualification of Directors) Rules, 2014 provides that the following class of companies shall appoint at least one woman director:

(1) every listed company.

(2) every other public company having

(a) paid-up share capital of one hundred crore rupees or more or

(b) turnover of three hundred crore rupees or more ,hence, answer is (iii).

(J) (i)

Justification: As per Clause 49(VI) of the Revised Clause 49 of the Listing Agreement and Guidelines Issued Under Clause 49; risk management is applicable only to the top 100 companies by market capitalisation as at the closing of immediate previous financial year, hence, answer is (i).

2. (a) What do you mean by 'Small Company'?

(9+7)

(b) The Board of Directors of Nirma Ltd. proposes to transfer more than 10% of the profits of the company to the reserves for the current year. Advise the Board of Directors by mentioning relevant provisions of the Companies Act, 2013.

Answer:

2. (a) According to Section 2 (85) of Companies Act, 2013 a "small company" means a company, other than a public company:

(1) Paid-up share capital of which does not exceed fifty lakh rupees or such higher amount as may be prescribed which shall not be more than five crore rupees. Or Turnover of which as per its last profit and loss account does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than twenty crore rupees.

Provided that nothing in this clause shall apply to:

(i) Holding company or a subsidiary company.

(ii) A company registered under Section 8, or

(ii) A company or body corporate governed by any special Act.

Some of the advantages enjoyed by the small companies are:

(i) Holding of two board meetings instead of four—one each in the first and second half years and the gap between the two meeting should not be more than 90 days. (section 173(5))

(ii) Not required to give cash flow statements with the financial statements (section 2(40)).

(b) The first provision to Sec 123 (1) of the Companies Act, 2013 provide that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company. Therefore, under the Companies Act, 2013 the amount transferred to reserves out of profits for a financial year has been left at the discretion of the company acting vide its Board of Directors. Therefore, the company is free to transfer any part of its profits to reserves as it deems fit.

3. (a) What do you mean by Memorandum of Producer Company? [6+10]

(b) State the Rule of keeping 'Women Director' in the Board.

Answer:

3. (a) The memorandum of association of every Producer Company should contain the following:
- (a) the name of the company with 'Producer Company Limited' as the last words of the name of such Company.
 - (b) the State in which the registered office of the Producer Company is to situate.
 - (c) the main objects of the Producer Company shall be one or more of the objects specified in Section 581B.
 - (d) the names and addresses of the persons who have subscribed to the memorandum.
 - (e) the amount of share capital with which the Producer Company is to be registered and division thereof into shares of a fixed amount.
 - (f) the names, addresses and occupations of the subscribers being producers, who shall act as the first directors in accordance with Sub-Section (2) of Section 581J.
 - (g) that the liability of its member is limited.
 - (h) opposite to the subscriber's name the number of shares each subscriber takes:
 - (i) in case the objects of the Producer Company are not confined to one State, the States to whose territories the objects extend.

(b) At least one woman director shall be on the Board of such class or classes of companies as may be prescribed. [Second proviso to section 149(1)]

Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides that the following class of companies shall appoint at least one woman director:

- (1) every listed company.
- (2) every other public company having:
 - (a) paid-up share capital of one hundred crore rupees or more; or
 - (b) turnover of three hundred crore rupees or more.

A company, which has been incorporated under the Act and is covered under provisions of second proviso to sub-section (1) of section 149 shall comply with such provisions within a period of six months from the date of its incorporation.

Further, any intermittent vacancy of a woman director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.

Example: in XYZ Ltd., an intermittent vacancy of the women director arises on 15th June, 2015. Thus, the vacancy shall be filled-up by the Board at the earliest but not later than the date of the next Board meeting or three months from the date of such vacancy whichever is later. If after the vacancy, the immediate Board meeting was held on 14th August, 2015, then the vacancy shall be filled-up by 14th August, 2015 or by 14th September, 2015 (3 months from the date of such vacancy) whichever is later. In this case it shall be filled up by 14th September, 2015. If after the vacancy, the immediate Board meeting was held on 14th October, 2015 then the vacancy shall be filled-up by 14th October, 2015 or by 14th September, 2015 whichever is later. In this case it shall be filled up by 14th October, 2015.

Explanation: For the purposes of this rule (woman director on board), it is clarified that the paid up share capital or turnover, as the case may be, as on the last date of latest audited financial statements shall be taken into account.

4. (a) State the Power of Securities and Exchange Board of India to make regulations.

(b) State the Evaluation of appropriate adverse effect on competition of the Competition Act, 2002. (9+7)

Answer:

4. (a) (I) Without prejudice to the provisions contained in Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India may, by notification in the Official Gazette, make regulations consistent with the provisions of this Act and the rules made there under to carry out the purposes of this Act.

(II) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:

(i) the manner, in which at least fifty-one per cent of equity share capital of a recognised stock exchange is held within twelve months from the date of publication of the order under Sub-Section (7) of Section 4B by the public other than the shareholders having trading rights under Sub-Section (8) of that Section.

(ii) the eligibility criteria and other requirements under Section 17A.

(iii) the terms determined by the Board for settlement of proceedings under Sub-Section (2) of Section 23JA.

(iv) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations.

(III) Every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.

(b) The Act envisages appreciable adverse effect on competition in the relevant market in India as the criterion for regulation of combinations. In order to evaluate appreciable adverse effect on competition, the Act empowers the Commission to evaluate the effect of Combination on the basis of factors mentioned in sub Section (4) of Section 20. Factors to be considered by the Commission while evaluating appreciable adverse effect of Combinations on competition in the relevant market:

(a) actual and potential level of competition through imports in the market.

(b) extent of barriers to entry into the market.

(c) level of concentration in the market .

(d) degree of countervailing power in the market.

(e) likelihood that the combination would result in the parties to the combination being able to significantly and sustainably increase prices or profit margins.

(f) extent of effective competition likely to sustain in a market.

(g) extent to which substitutes are available or are likely to be available in the market.

(h) market share, in the relevant market, of the persons or enterprise in a combination, individually and as a combination.

(i) likelihood that the combination would result in the removal of a vigorous and effective competitor or competitors in the market.

(j) nature and extent of vertical integration in the market.

- (k) possibility of a failing business.
- (l) nature and extent of innovation.
- (m) relative advantage, by way of the contribution to the economic development, by any combination having or likely to have appreciable adverse effect on competition.
- (n) whether the benefits of the combination outweigh the adverse impact of the combination, if any.

5. (a) Mr. Rao is a director Rawa Ltd. He has approached Housing Finance Co. Ltd. for a loan amounting to ₹. 60 lacs., to be utilised for the construction of his personal residence. The authorities of Housing Finance Co. Ltd. sanctioned the loan on condition that Rawa Ltd. should be the guarantor of Mr. Rao; in case he fails to repay the loan. Is it justified? Advise Mr. Rao.

(b) State the Salient Features of the Insolvency and Bankruptcy code, 2016. (8+8)

Answer:

5. (a) According to Section 185 of the Companies Act, 2013, no company shall, directly or indirectly advance any loan including any loan represented by a book debt; to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. Thus, Mr Rao is not allowed for taking the specified amount of ₹. 60 lacs against the guarantee by Rawa Ltd.

(b) **Salient Features of the IBC, 2016**

- (i) Application on default - Any financial or operational creditor(s) can apply for insolvency on default of debt or interest payment.
- (ii) Moratorium period - Adjudication authority will declare moratorium period during which no action can be taken against the company or the assets of the company.
- (iii) Credit committee - A credit committee of financial creditors will be constituted. Operational creditors are certain to act as observer in the credit committee meeting. Resolution plan to be approved by the credit committee with at least 75 per cent of the financial creditors by value.
- (iv) Process of revival - Existing management have no say during the process of revival as well as resolution, accordingly no fetters by them.
- (v) Liquidation procedure - Fast track liquidation procedure has been introduced. Failure to approve the resolution plan within specified days will cause initiation of liquidation. Debtors can also opt for voluntary liquidation by a special resolution in a general meeting.

6. (a) How does Money Laundering actually take place?

(b) What constitutes Competition Law and Policy?

(c) Explain transfer of certain pending proceedings of NCLT under Section 434. (8+3+5)

Answer:

6. (a) The process of Money Laundering generally involves the following three stages:
(a) Placement: The Money Launderer, who is holding the money generated from criminal activities, introduces the illegal funds into the financial systems. This might be done by breaking up large amount of cash into less conspicuous smaller sums which are deposited directly into a Bank Account or by purchasing a series of

instruments such as Cheques, Bank Drafts etc., which are then collected and deposited into one or more accounts at another location.

- (b) Layering: The second stage of Money Laundering is layering. In this stage, the Money Launderer typically engages in a series of continuous conversions or movements of funds, within the financial or banking system by way of numerous accounts, so as to hide their true origin and to distance them from their criminal source. The Money Launderer may use various channels for movement of funds, like a series of Bank Accounts, sometimes spread across the globe, especially in those jurisdictions which do not co-operate in anti Money Laundering investigations.
- (c) Integration: Having successfully processed his criminal profits through the first two stages of Money Laundering, the Launderer then moves to this third stage in which the funds reach the legitimate economy, after getting inseparably mixed with the legitimate money earned through legal sources of income. The Money Launderer might then choose to invest the funds into real estate, business ventures & luxury assets, etc. so that he can enjoy the laundered money, without any fear of law enforcement agencies.

The above three steps may not always follow each other. At times, illegal money may be mixed with legitimate money, even prior to placement in the financial system. In certain cash rich businesses, like Casinos (Gambling) and Real Estate, the proceeds of crime may be invested without entering the mainstream financial system at all.

- (b) Competition law and policy is defined as those Government measures that affect the behaviour of enterprises and structure of the industry with a view to promote efficiency and maximize welfare.
The two elements of such Government measures are:
Competition Policy: Set of policies, such as liberalized trade policy, relaxed FDI policy, de-regulation, etc., that enhances competition in the markets.
Competition Law: To prevent anti-competitive practices with minimal intervention.

- (c) Explain transfer of certain pending proceedings of NCLT under Section 434.

Section 434 of the Act contains the provisions as to Transfer of certain pending proceedings. According to this Section:

- (a) On such date as may be notified by the Central Government in this behalf:
- (1) All matters, proceedings or cases pending before the Board of Company Law Administration shall stand transferred to the Tribunal and the Tribunal shall dispose of such matters, proceedings or cases in accordance with the provisions of this Act.
 - (2) any person aggrieved by any decision or order of the Company Law Board made before such date may file an appeal to the High Court within sixty days from the date of communication of the decision or order of the Company Law Board to him on any question of law arising out of such order.
 - (3) all proceedings under the Companies Act, 1956, shall stand transferred to the Tribunal and the Tribunal may proceed to deal with such proceedings from the stage before their transfer.
 - (4) any appeal preferred to the AAIFR or any reference made or inquiry pending to or before the BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 immediately before the commencement of this Act shall stand abated,
- (b) The Central Government may make rules consistent with the provisions of this Act to ensure timely transfer of all matters, proceedings or cases pending before the Company Law Board or the courts, to the Tribunal under this Section. The

notification regarding the transfer of matters or proceedings or cases pending before the Company Law Board to National Company Law Tribunal has also been issued.

7. (a) What does it mean by Absentee Shareholder Primacy and Protection'; provided for the Corporate Governance Practices under the Companies Act, 2013?

(b) CSR and Sustainability are closely entwined; explain (8+8)

Answer:

7. (a) Absentee Shareholder Primacy and Protection:

A major downside of the corporate format from the absentee shareholders' viewpoint is their vulnerability to exploitation by those in operational control, notwithstanding the presence of the board of directors with fiduciary responsibility to protect and promote investor interest. This leads to a more compounded principal-principal problem (besides the traditional principal-agent problem) where some shareholders also do the mantle of controlling managers. Since conventional wisdom favored equality of voting at members' meetings despite apparent (but inevitable) inequalities in their proximity to management control and corporate decision making, such shareholders in control could get their way at members' meetings on matters where they may even be beneficiaries. This is further facilitated by the fact that attendance at members' meetings is usually very limited: individual or small investors may have neither the expertise nor the inclination to get involved (further exacerbated by geographical distances between their location and the meeting venue); institutional investors are generally constrained by costs of such monitoring and participation, or other pressures that interfere with their decision making on such matters. In either case, the result is a marked indifference to actively participate in major decisions at members' meetings, a 'rational reticence' that translates into a willingness to respond to governance proposals but not to proactively propose them. Clearly, such possibilities also weighed on board members with reservations on some of the contentious management proposals that led them to refrain from acting on their concerns since their efforts were inevitably doomed to be in fruitless when such matters were put to vote at members' meetings. Such an approach on the part of directors, although theoretically untenable, cannot be wished away in practice and needed to be addressed through regulation, an objective the 2013 initiatives have largely met.

(b) Sustainability (Corporate Sustainability) is derived from the concept of sustainable development which is defined by the Brundtland Commission as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Corporate sustainability essentially refers to the role that companies can play in meeting the agenda of sustainable development and entails a balanced approach to economic progress, social progress and environmental stewardship.

CSR in India tends to focus on what is done with profits after they are made. On the other hand, sustainability is about factoring the social and environmental impacts of conducting business, that is, how profits are made. Hence, much of the Indian practice of CSR is an important component of sustainability or responsible business, which is a larger idea, a fact that is evident from various sustainability frameworks. An interesting case in point is the National Voluntary Guidelines (NVGs) for social, environmental and economic responsibilities of business issued by the Ministry of Corporate Affairs in June 2011. Principle eight relating to inclusive development encompasses most of the aspects covered by the CSR clause of the Companies Act, 2013. However, the remaining eight principles relate to other aspects of the business. The United Nations (UN) Global Compact, a widely used sustainability framework has

10 principles covering social, environmental, human rights and governance issues, and what is described as CSR is implicit rather than explicit in these principles. Globally, the notion of CSR and sustainability seems to be converging, as is evident from the various definitions of CSR put forth by global organisations. The genesis of this convergence can be observed from the preamble to the recently released rules relating to the CSR clause within the Companies Act, 2013 which talks about stakeholders and integrating it with the social, environmental and economic objectives, all of which constitute the idea of a triple bottom line approach. It is also acknowledged in the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE) in April 2013. The new guidelines, which have replaced two existing separate guidelines on CSR and sustainable development, issued in 2010 and 2011 respectively, mentions the following:

"Since CSR and sustainability are so closely entwined, it can be said that CSR and sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical."

- 8. Write short notes on: (4 Questions are to be answered) (4x4=16)**
- (i) Mediation & Conciliation**
 - (ii) Suspicious Transaction Reports**
 - (iii) Cognizable offence and Non-Cognizable Offence**
 - (iv) Central Registry under SARFAESI Act, 2002**
 - (v) Investment Vehicle under FEMA, 1999.**

Answer:

- 8. (i) Mediation & Conciliation** - Section 442 of the Companies Act, 2013 provides for maintenance of Mediation and Conciliation Panel. It states that the Central government shall maintain a panel of experts for mediation between the parties. Such panel may be called Mediation and Conciliation Panel. The parties during the pendency of any proceedings before the Central Government or the Tribunal or the Appellate Tribunal under the Act may resort to mediation under these provisions. After receiving application for referring the matter to Mediation and Conciliation Panel, the Central Government or Tribunal or the Appellate Tribunal, as the case may be, shall appoint one or more experts from such Panel. The matter is required to be disposed off within a period of three months from the date of such reference. The Panel is required to forward its recommendations to the Central Government or Tribunal or the Appellate Tribunal, as the case may be, within that period. The aggrieved party may file its objections to the Central Government or Tribunal or the Appellate Tribunal, as the case may be. The Central Government or Tribunal or the Appellate Tribunal, may, suo motu, refer any matter pertaining to such proceedings to experts from the Panel.

The Prevention of Money Laundering Act, 2002 and the Rules made there under require every banking company to furnish details of suspicious transactions whether or not made in cash. Suspicious transaction means a transaction whether or not made in cash which, to a person acting in good faith:

- (a) Gives rise to a reasonable ground of suspicion that it may involve the proceeds or crime, or
- (b) Appears to be made in circumstances of usual or unjustified complexity, or
- (c) Appears to have no economic rationale or bonafide purpose.

- (ii) Suspicious Transaction Reports-** The Prevention of Money Laundering Act, 2002 and the Rules made there under require every banking company to furnish details of

suspicious transactions whether or not made in cash. Suspicious transaction means a transaction whether or not made in cash which, to a person acting in good faith:

- (a) Gives rise to a reasonable ground of suspicion that it may involve the proceeds or crime;
- (b) Appears to be made in circumstances of usual or unjustified complexity;
- (c) Appears to have no economic rationale or bonafide purpose.

(iii) Cognizable offence and Non-Cognizable Offence- According to the Companies Act, 2013, 'Cognizable offence' is an offence and 'Cognizable case' is a case for which a police officer may arrest without warrant, while 'Non-cognizable offence' is an offence and 'Non-cognizable case' is a case for which a police officer has no authority to arrest without warrant. Schedule I specifies which offences are cognizable and which are non-cognizable under the Indian Penal Code and under other statutes. Non-cognizable cases are considered less grave than cognizable cases. Likewise, non-cognizable offences are considered less serious than cognizable offences.

A police officer can investigate a cognizable case without an order of a magistrate, but he cannot investigate without such order if the case is non-cognizable one. If a case involves one or more cognizable offence it would be a cognizable case even if other offence or offences may be non-cognizable.

(iv) Central Registry under SARFAESI Act, 2002

Under Section 20 of The Securitization And Reconstruction of Financial Assets And Enforcement of Security Interest Act, 2002, the Central Government is empowered to set up by notification a registry to know as Central Registry with its own seal for the purpose of registration of transactions of securitisation and reconstruction of financial assets and creation of security interest under this Act. The head office and the branches of the central registry shall be at such places as the Central Government may specify. The territorial limits within which the registry can exercise its functions shall be specified by the Central Government.

The Central Government will appoint a person called the Central Registrar who will exercise the powers granted to the Central Registry. Also the Central Government shall appoint other officials who shall discharge their functions under the directions of the Central Registrar.

(v) Investment Vehicle under FEMA, 1999.

An entity being 'investment vehicle' registered and regulated under relevant regulations framed by SEBI or any other authority designated for the purpose including Real Estate Investment Trusts (REITs) governed by the SEBI (REITs) Regulations, 2014, Infrastructure Investment Trusts (InvIts) governed by the SEBI (InvIts) Regulations, 2014, Alternative Investment Funds (AIFs) governed by the SEBI (AIFs) Regulations, 2012 and notified under Schedule 11 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 is permitted to receive foreign investment from a person resident outside India (other than an individual who is citizen of or any other entity which is registered / incorporated in Pakistan or Bangladesh), including an Registered Foreign Portfolio Investor (RFPI) or a non-resident Indian (NRI).