

Message from Director (Marketing), STC

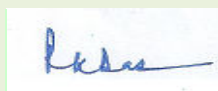


I am happy to note that Vigilance Department is bringing out the 4th issue of quarterly e-Newsletter 'NAI DISHA'.

This e-Newsletter is being published with the objective to serve as an effective and useful medium to communicate with the stakeholders in the development and implementation of rationale and transparent work environment in the Corporation.

It provides information about the important instructions/guidelines issued by the Central Vigilance Commission or other authorities. The case studies in particular help in increasing the awareness level among the employees and facilitate them in taking timely and right decision-making. The system improvement measures initiated by Corporate Vigilance in recent months would significantly contribute in bringing greater efficiency and transparency in the Corporation.

I congratulate the Vigilance department for its positive role in inculcating the transparency & accountability and promoting integrity & honesty in the Company.



(P.K. Das)

Date: 12.7.2017

Director (Marketing)

"Incorruptibility" is the ultimate remedy against corruption : Dr. Jitendra Singh

Dr. Jitendra Singh, Minister of State (PP) delivered a lecture on "Government's Recent Initiatives to Curb Corruption" at Central Vigilance Commission on 09.05.2017. Speaking on the occasion he said that "Incorruptibility" is the ultimate remedy against corruption. The drive against corruption cannot be achieved simply by eradication of corruption but by achieving a state of mind which is incorruptible.



Dr. Jitendra Singh at Central Vigilance Commission

Dr Jitendra Singh recalled that the statements made by the Prime Minister, Shri Narendra Modi focused on "Minimum Government, Maximum Governance". This dictum goes hand in hand with the crusade against corruption because governance can never achieve its maximum limit or potential as long as it is constantly hampered by the menace of corruption.

Dr Jitendra Singh said, the focus of the Union Government has been two-fold,

- (1) an approach towards zero corruption and
- (2) adequate protection to officials who perform their duty with diligence and

competence without indulging in any unethical or corrupt practices.

Dr Jitendra Singh recalled that several path-breaking and even revolutionary decisions were taken to bring in more transparency and citizen centricity in various organs of the Government, which also exercises a check on corrupt and malafide practices. A courageous decision was taken to abolish the practice of holding interviews for selection to junior level and non-gazetted posts. This single decision has gone a long way in checking nepotism and favoritism in appointments and has at the same time, also brought about considerable saving to the public exchequer.

An important evidence, to check corruption with conviction and courage, is the path breaking decision of re-monetization.

The Lecture was attended by the Chief Vigilance Officers (CVOs) of Government Departments based in Delhi NCR as well as CMDs, Directors and other officers of Government Ministries / Departments, Central Public Sector Enterprises, Nationalized Banks, and other Organizations. Senior Officers of the CBI and Enforcement Directorate also participated.

If the country is to be corruption-free and become a nation of beautiful mind, I strongly feel that there are three key societal members who can make a difference. They are the father, mother and the teacher.

-Abdul Kalam

CVO Reviewed Functioning of Vigilance in STC Branch Offices

A review of functioning of Vigilance Branches of STC was conducted by the Chief Vigilance Officer, Arvind Kumar Kadyan on 19.04.2017 through video conferencing. During the meeting the issues concerning scrutiny of cases, preventive measures and system improvement were discussed.

The CVO emphasized that there is a need for improvement in the area of record maintenance. The Vigilance Officers were advised to conduct surprise checks regarding maintenance and movement of files in their respective branches to find out whether action has been taken by the Branches for implementation of instructions issued by Corporate Vigilance vide Circular No.5/2017 dated 15.03.2017 and apprise the status of implementation to the Branch heads.



Video Conferencing with Branch VO's in Progress

The VO's were advised (i) to go through Audit report of their respective Branch of last three years and see what action has been taken by Branch Management to improve system and submit report to Corporate Vigilance (ii) Hold quarterly structured meetings with Branch Managers & discuss issues about preventive measures & system improvement (iii) to identify areas where wasteful/ avoidable expenses can be curtailed.

“Tax Regime for Countering Corruption”

Smt. Anita Kapur, Member, Competition Appellate Tribunal delivered a lecture on “Tax Regime for countering Corruption” at Central Vigilance Commission on 26.04.2017.

Smt. Kapur drew attention to the relationship between transparency, development and corruption in various countries. The provisions of various international tax agreements as well as the United Nations Convention `against Corruption (UNCAC) were explained and implications for tax enforcement as well as the concerns of investigative agencies other than tax authorities were explained. The broader shift from request based sharing of information between countries to automatic exchange of information in respect of financial transactions was highlighted in the lecture.

The Central Vigilance Commissioner, Shri K.V.Chowdary, speaking on the occasion, said that corruption and black money were affecting a large number of people in the country. Shri Chowdary said that the Commission has been empowered since 2015 as a Notified Authority to receive information regarding suspicious transactions under u/s 66(ii) of Prevention of Money-Laundering Act.

The program was attended by CMDs, Directors and other officers of Government Ministries/Departments, Central Public Sector Enterprises/Nationalized Banks as well as Senior Officers of CBI , ED and Chief Vigilance Officers posted in Delhi/NCR.

Justice does not help those who slumber but helps only those are vigilant

.....Mahatma Gandhi

Government e-Marketplace Procurement Made Smart

Public procurement forms a very important part of Government activity and reform in Public Procurement is one of the top priorities of the present Government. Government e-Marketplace (GeM) is a very bold step of the Government with the aim to transform the way in which procurement of goods and services is done by the Government Ministries/ Departments, PSUs, autonomous bodies etc.

GeM owes its genesis to the recommendations of two Groups of Secretaries made to the Hon’ble PM in January 2016. They recommended setting up of a dedicated e-market for different goods & services procured/sold by Government/PSUs besides reforming DGS&D.

DGS&D with technical support of NeGD (MeitY) has developed GeM portal for procurement of both Products & Services. **The portal was launched on 9th August 2016 by the Hon’ble Commerce & Industry Minister.** Procurement on GeM has been authorized by GFR by adding Rule 141A (DoE OM dated 3rd May 2016). Presently more than 33000 products in about 620 product categories and 4 Services are available on GeM POC portal. Transactions for more than Rs.530 Crore have already been processed through GeM.

GeM is a completely paperless, cashless and system driven e-market place that enables procurement of common use goods and services with minimal human interface.

Benefits of GeM to the Government, Sellers and the Indian industry and economy :

I- Transparency

- eliminates human interface in vendor registration, order placement and payment processing, to a great extent.
- offers no entry barriers to bona-fide suppliers who wish to do business with the Government.
- SMS and e-Mail notifications are sent to both buyer, his/her head of organization, paying authorities as well as sellers.
- Online, cashless and time bound payment on GeM is facilitated through integration with PFMS and State Bank Multi Option System (SBMOPS);
- web-services integration is being extended to payment systems of Railways, Defence, major PSUs and State Governments.

II- Efficiency

- Direct purchase on GeM can be done in a matter of minutes and the entire process in online, end to end integrated and with online tools for assessing price reasonability.
- For procurements of higher value, the bidding/RA facility on GeM is among the most transparent and efficient, in comparison to e-procurement systems in vogue within the Government sector. For creating a bid/RA, the buyer does not need to create his/her own technical specifications as they have been standardized on GeM.
- The bid/RA can be created in a matter of minutes and finalized within a minimum of 7 days. The bid is notified via e-mail and SMS to all the eligible suppliers;
- New suppliers are also notified once they get themselves registered online on GeM and are determined as 'eligible' by the system.
- GeM bidding/RA therefore ensures competition, fair play, speed & efficiency and leads to proper price discovery.
- The reasonableness of the rates can also be confirmed through online comparison with market price on leading e-Commerce portals.

III- Secure and safe

- GeM is a completely secure platform and all the documents on GeM are e-Signed at various stages by the buyers and sellers.
- The antecedents of the suppliers are verified online and automatically through Aadhar and PAN databases.
- In addition, SEBI empaneled credit rating agencies are also being used for conducting third-party assessment of suppliers. This would further strengthen due diligence about the veracity of suppliers wanting to do business on GeM.
- For high value bids/RA on GeM, an e-Bank Guarantee is also being introduced.
- GeM is a far better system than the existing one which relies more on financial instruments (EMD in case of tenders for large procurements only) to guarantee good conduct by the suppliers. GeM does a 100% online verification of all vendors irrespective of the value of procurement.

IV- Potential to support Make in India

- The filters for selecting goods which are Preferential Market Access (PMA) compliant and those manufactured by Small Scale Industries (SSI), enables the Government buyers to procure Make in India and SSI goods very easily.
- Easily accessible MIS also enables the administrators and policy makers to easily and effectively enforce the Government regulations on PMA and SSI sourcing.

V- Savings to the Government

- The transparency, efficiency and ease of use of the GeM portal has resulted in a substantial reduction in prices on GeM, in comparison to the tender, Rate Contract and direct purchase rates.

- The average prices on GeM are lower by atleast 15-20%, and in some cases even upto 56%.
- GeM is also doing Demand Aggregation for items that are to be procured by various Central/State Government Departments.
- Demand aggregation for most of the common use goods and services is estimated to result in annual savings to the tune of Rs.40,000 crore per annum.
- GeM would eventually emerge as the National Public Procurement Portal, keeping in tune with the Global best practices.

Need for Simplification of Systems, Rules and Procedures

In order to avert ad-hoc decision making process and non-transparent style of functioning in PSEs, CVC has been emphasizing to codify the systems, rules, procedures and criteria in critical domains like award of contracts, purchases, stores, operations, finance and human resources management. To ensure transparency in public procurement, it is important to adopt benchmarked best practices in procurement with added emphasis on strengthening e-procurement process. Application of Communication and Information Technology is inevitable for improving vigilance administration. In the changed scenario, PSEs have to be increasingly customer centric, performance driven, result oriented, and ensuring value for money by optimum utilization of productive resources, quality service delivery and enhanced bottom line.

While adhering to ethical business practices PSEs must operate efficiently, effectively and economically by continuously learning, adopting appropriate modern technology in all areas of manufacturing and operation, being innovative and reformative in

its ways of doing business strictly within the prescribed framework of systems, regulations and procedures. Many PSEs have identified deficiencies in systems and procedures including failure in contract management during preventive vigilance inspection and taken measures to amend rectify them. Online Vigilance Clearance System based on digital signature by competent authorities available through Intranet in some PSEs enhances the credibility and transparency of vigilance administration as No Objection Certificate is required for various purposes like confirmation, Promotion, voluntary retirement, deputation, issue of passport and foreign visit. In PSEs vigilance should be an integral part of the managerial function with a view to enhance managerial efficiency, effectiveness and productivity. As risk taking is an integral part of business decision making, every loss caused to the entity may not become the subject matter of a vigilance inquiry. It would be unfair to question the technical merits of managerial decisions on hindsight, but motivated or reckless decisions that adversely impacted the organization should be investigated. It is important to ask the fundamental question: Did the business loss arise in spite of bona-fide commercial or operational decision or due to any mala fide, motivated or reckless performance of duties? Would a person of common prudence, working within the framework of the prescribed rules, regulations and procedures take the decision taking into account the prevailing circumstances? Considering the complexities involved in commercial decision making process, it may be desirable for the investigating agency CBI to obtain expert advice. A Central Advisory Board constituted to assist CBI for this purpose, with the approval by CVC can provide considered opinion within reasonable time, failing which the CBI would be competent to decide the matter without advice.

Difference Between Bank Guarantee and Letter of Credit

A **bank guarantee** and a **letter of credit** are similar in many ways but they're two different things. Letters of credit ensures that a transaction proceeds as planned, while bank guarantees reduce the loss if the transaction doesn't go as planned.

A letter of credit is an obligation taken on by a bank to make a payment once certain criteria are met. Once these terms are completed and confirmed, the bank will transfer the funds. This ensures the payment will be made as long as the services are performed.

A bank guarantee, like a line of credit, guarantees a sum of money to a beneficiary. Unlike a line of credit, the sum is only paid if the opposing party does not fulfill the stipulated obligations under the contract. This can be used to essentially insure a buyer or seller from loss or damage due to nonperformance by the other party in a contract.

For example, a letter of credit could be used in the delivery of goods or the completion of a service. The seller may request that the buyer obtain a letter of credit before the transaction occurs. The buyer would purchase this letter of credit from a bank and forward it to the seller's bank. This letter would substitute the bank's credit for that of its client, ensuring correct and timely payment.

A bank guarantee might be used when a buyer obtains goods from a seller then runs into cash flow difficulties and can't pay the seller. The bank guarantee would pay an agreed-upon sum to the seller. Similarly, if the supplier was unable to provide the goods, the bank would then pay the purchaser the agreed-

upon sum. Essentially, the bank guarantee acts as a safety measure for the opposing party in the transaction.

These financial instruments are often used in trade financing when suppliers, or vendors, are purchasing and selling goods to and from overseas customers with whom they don't have established business relationships. The instruments are designed to reduce the risk taken by each party.

BASIS FOR COMPARISON	LETTER OF CREDIT	BANK GUARANTEE
Meaning	Is a financial document for assured payments, i.e. an undertaking of the buyer's bank to make payment to seller, against the documents.	Is given by the bank to the beneficiary on behalf of the applicant, to effect payment, if the applicant defaults in payment.
Liability	Primary	Secondary
Risk	Less for merchant & more for bank	More for merchant & less for bank
Parties involved	5 or more	3
Default	Doesn't wait for applicant's default & beneficiary to invoke undertaking	Becomes active only when the applicant defaults in making payment
Payment	Payment is made only when the condition specified is fulfilled	Payment is made on the non-fulfillment of obligation
Suitable for	Import & Export Business	Government contracts
Types	Various types of Letter of credit include Sight L/C, Usance L/C, Revolving L/C, Irrevocable L/C, Standby L/C, Confirmed L/C and so on.	There are two types of bank guarantee – Financial Guarantee & Performance Guarantee

Vigilance Study Circle Meeting held at EIL

A meeting of Vigilance Study Circle, Delhi and NCR region was held on 14th June 2017 at Corporate Office of Engineers India Limited at New Delhi. The meeting was chaired by M. Radha Krishna, IPS President of VSC and CVO of CPWD. The meeting was attended by about 35 CVOs of Public Sector Enterprises located at Delhi and NCR.

On this occasion, A.K.Kamra, DDG, DGS&D made a presentation on Government e-Marketplace (GEM) and explained the advantages of the portal.



Vigilance Study Circle meeting in progress

“To take up one idea, Make that one idea your life – thing of it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea alone. This is the way to success”
....Swami Vivekananda

Case Study And Learning Points

Distribution for fertilizers to tobacco farmers in Karnataka a/c Tobacco Board

One of the STC's Branch entered into Agreement(s) with M/s Tobacco Board for distribution of fertilizers to their registered FCV (Flue-Cured Virginia) tobacco growers at various designated platforms in Karnataka.

STC was paid a price of Rs.400 PMT & Rs.405 PMT in 2014 & 2015 respectively, inclusive of all expenses by Tobacco Board for the services rendered.

Branch invited quotations through limited tenders for undertaking the distribution work of 45000 MT fertilizers to tobacco farmers.

Observations

- The credentials of the firms and the criteria adopted for selection was not put on record;
- Limited tenders were issued even though amount of tender was more than Rs.2.00 lacs as per STC Purchase Procedures;
- Limited tenders were not invited from reputed registered manpower service providers/ agencies having experience of distribution work;
- Work was awarded to the company/Society who did not participate in the tender or given any price quote. In the year 2014, the job was assigned to the Company who was looking after house Keeping/Maintenance of STC Building;
- Reimbursement of all expenses at actuals to the Society awarded work, was allowed without approval of Competent Authority;
- Payment of lump sum fee of Rs.4.00 Lakh as Professional Fee to Companies on the completion of services rendered was allowed without approval of Competent Authority.

Lessons learnt

- When there is no list of approved vendors/ parties and amount is more than Rs.2.00 lacs, as per STC Purchase Procedures, Open Tender shall be invited for award of work/ service;
- Tender shall be given wide publicity to ensure competitive tendering and achieve value for money as per STC Purchase Policy;
- Tender shall be awarded to only L-1 party and in no case any party who have not submitted quote or submitted invalid quote shall be considered for award of tender;
- Approval of Competent Authority shall be obtained as per DoP or items which are not covered under the approval already obtained.

Important Circulars

I-Seeking Similar information through repeated RTI Applications Central Information Commission’s decision – regarding (CVC Circular No.06/2017 dated 19.04.2017)

The Central Vigilance Commission vide Circular No.03.03.2017 dated 10.03.2017 has advised that CPIOs/Appellate Authorities of the Organizations may consider the Central Information Commission’s (CIC’s) decision dated 25.06.2014 in case No. CIC/AD/A/2013/001326-SA, while deciding about the RTI Applications seeking similar information through repeated RTI Applications.

2. **The Central Information Commission**, in its decision, had observed that:

“The Commission noticed that several applicants seek some information from one wing of the public authority and based on the responses file a bunch of RTI questions from the same or other wings of same public authority. As the PIOs go on answering, more and more questions are generated out of the same and in the same proportion the number

of repeated first appeals and second appeals will be growing.”

3. The Commission after considering various aspects of the issue and the provisions of the acts of similar nature in other countries, and also the decisions of earlier Information Commissioners has concluded that :-

- (i) “Even a single repetition of RTI application would demand the valuable time of public authority, first appellate authority and if it also reaches second appeal, that of the Commission, which time could have been spent to hear another appeal or answer another application or perform other public duty.***
- (ii) Every repetition of RTI application which was earlier responded will be an obstruction to flow of information and defeats the purpose of the RTI Act”.***

4. The Central Information Commission (CIC) vide its decision No.CIC/ AD/A /2013/ 001326-SA dated 25.06.2014 has thus decided that :

- a) “No scope of repeating under RTI Act.***
- b) Citizen has no Right to Repeat.***
- c) Repetition shall be ground for refusal.***
- d) Appeals can be rejected.”***

II-Investigation by Central Bureau of Investigation- Reporting of case to CBI (STC Corporate Office Vigilance Circular No.8/2017 dated 23.05.2017)

Central Vigilance Commission vide OM No.007/POL/029-219129 dated 10/07/2013 advised for handing over the cases to CBI if there is a fraud played on STC by any Corporate.

2. Vigilance Manual (Vol.-I) provides that ‘Unless there are any special reasons to the contrary, cases which are to be investigated by

the Central Bureau of Investigation should be handed over to them at the earliest stage.'

3. As a general rule investigations of the types given below should be entrusted to the Central Bureau of Investigation or the any-corruption branch in the Union Territories.

- (i) Allegations involving offences punishable under law which the Delhi Special Police Establishment are authorized to investigate, such as offences involving bribery, corruption, forgery, cheating, criminal breach of trust, falsification of records, etc.;**
- (ii) Possession of assets disproportionate to known sources of income;**
- (iii) Cases in which the allegations are such that their truth cannot be ascertained without making inquiries from non-officials persons or those involving examination of non-Government records, books of accounts etc.; and**
- (iv) Other cases of a complicated nature requiring expert police investigation.**

4. It is observed that there is lack of clarity regarding the responsibility to report the case(s) to CBI for registration of FIR in cases. In this connection, following clarification is issued to avoid any delay in the matter:

- a) Cases in which preliminary investigation is done by the Vigilance in any transaction, where any loss has been caused or fraud has been committed against the Corporation and while examining the role of STC employees, it is noticed that role of Associate/private party is also required to be looked into to ascertain the truth in the case, such cases will be reported by Vigilance Division to the CBI for registration of FIR.
- b) Cases in which during internal inquiry by the concerned Division/Branch, in any transaction with the Associate/Supplier, it is

revealed that Associate/Supplier has committed any fraud, cheating etc. against the Corporation, such cases/matters shall be reported to the CBI for registration of FIR against the associates by the concerned Division/Branch with the approval of CMD.

However, in case it is revealed that role of employees of the Corporation is required to be looked into, the case may be referred to Vigilance Division along with all relevant documents clearly mentioning the misconduct/lapses noticed on the part of employees.

III-Amendments / Addition / Deletion/ Interpretation of the Delegation of Powers
(STC Corporate Office Circular No.7/2017 dated 19th May, 2017)

Board Secretariat & Parliament Division vide Circular No.225 dated 08.05.2017 with respect of amendment, addition, deletion and interpretation of the Delegation of Powers (DoP), has decided as follows :

“Proposals for change by way of amendments/ modifications in the existing clauses of DoP, addition of any new clause or deletion of any existing clause will be initiated by the Management Service Division (MSD). After approval of the proposal for changes in DoP by the Competent Authority, the final circular will be issued by the Company Secretary Board Secretariat & Parliament Division (BS&P).

Interpretation of DoP, if required or asked by any Division/Branch/Director will be done by the MSD.”

IV-Role of executives in processing, approving, implementation of trade proposals.
(STC Corporate Office Circular No.9/2017 dated 6th June, 2017)

During examination of various cases concerning Trade Transactions, it is observed that some of the executives particularly at junior level require more clarity about their role and responsibility in processing the trade proposals, to enable them to work more efficiently and effectively.

2. In this regard, on the basis of prevailing/extant practices in the Corporation, necessary guidelines have been formulated describing the role and responsibility of executives in STC.

I. Role of AM/DM/MM

- To scrutinize the proposals received for availing financial assistance and obtain all required documents from the party duly signed by the Authorised person;
- To examine the feasibility of trade proposal;
- To carry out background check of the party;
- To examine the credibility/creditworthiness of the party as per STC guidelines/ instructions issued from time to time;
- To check the quality of securities provided by the party;
- Submit the proposal/to next higher authority with the recommendation/justification for acceptance/rejection of the proposal;
- To monitor the implementation of trade transactions as per STC trade guidelines/ instructions issued from time to time.

II. Role of CM/DGM/GM/Head of Marketing/ Head of Finance

- To examine to ensure whether the proposals received for availing financial assistance has been properly examined and to check whether all required documents are enclosed duly signed by the authorized person of the party ;
- To examine to ensure the feasibility of trade proposal;

- To examine to ensure and comment whether the proposal for financing has been processed and put up as per STC Trade Guidelines/ instructions along with all relevant papers duly signed by the authorized person;
- To examine to ensure and comment whether information required to carry out background check of the party has been collected;
- To examine to ensure and comment about the credibility/creditworthiness of the party as per STC guidelines/instructions issued from time to time;
- To examine to ensure and comment about the quality of securities provided by the party to safeguard the interest of the Corporation;
- In case there are outstanding amount beyond usance period, reasons for the same shall be mentioned along with action plan;
- Submit the proposal/to next higher authority with the recommendation/justification for acceptance/rejection of the proposal.
- To monitor the implementation of trade transactions as per STC trade guidelines/instructions issued from time to time.

III. Role of CGM / Head of Division/ Branch Manager

- To recommend/approve proposals for financial assistance as per DoP, complying with STC trade guidelines/instructions;
- To ensure that proposal has been processed as per STC trade guidelines;
- To issue instructions/guidelines regarding processing of trade proposals, whenever any new item is taken up for financing and arrange internal training;
- To ensure that there are no outstanding amount (beyond usance period) against the Associate;
- To obtain and examine the reasons for undue delay in recovery and issue directions for initiating recovery action;

- To ensure and obtain regular physical inspection reports of stocks as per STC guidelines from subordinates/Branch;
- To ensure while recommending/approving finance proposals that STC is not exposed to risk, without adequate and enforceable securities;
- To monitor the implementation of trade transactions on regular basis;
- To ensure that when the proposal is submitted to Corporate office/COM , all facts are put up along with comments specifically reasons for outstanding amount and how the interest of STC will be protected;
- To submit the proposal to next higher authority with the recommendation/justification for acceptance/rejection of the proposal;
- To ensure and monitor implementation of trade transactions as per STC trade guidelines/instructions issued from time to time.

IV. Role of Directors

- To recommend/approve proposals for financial assistance as per DoP, complying with STC trade guidelines/instructions;
- To consider the justification for further financing where there is outstanding amount against the party and see what kind of securities have been provided by the party to safeguard the financial interest of the Corporation;
- To regularly monitor/review the cases where amount is outstanding beyond usance period and issue directions for recovery action and stop further financing;
- To monitor the progress of trade transactions undertaken by Branches/ Corporate Office.

Reader's Feedback

The 3rd Issue of Vigilance Newsletter "NAI DISHA" gave a series of factual event that STC has undergone and the various steps/actions undertaken by Vigilance Division in order to streamline the functioning of the organization, which is highly appreciable.

The section elaborating the difference between Agreement and Contract gave an appropriate description of documents utility and its functions.

The insight from case study section highlighting the Merchanting trade transactions of Drugs & Pharmaceuticals was very informative.

The newsletter may also include a brief on import documents and their functions/effects.

**Nayan Arya,
Deputy Manager, C.O**

Q & A

Q. How the term 'Fraud' has been defined under The Company Act, 2013 ?

Ans. For the purpose of section 447 of The Company Act, 2013, the term 'Fraud' implies that -

- "fraud" in relation to affairs of a company or any body corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interest of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss;
- "wrongful gain" means the gain by unlawful means of property to which the person gaining is not legally entitled;
- "wrongful loss" means the loss by unlawful means of property to which the person losing is legally entitled.

Any suggestion(s)/query/article(s) may be mailed to: - cvo@stclimited.co.in