

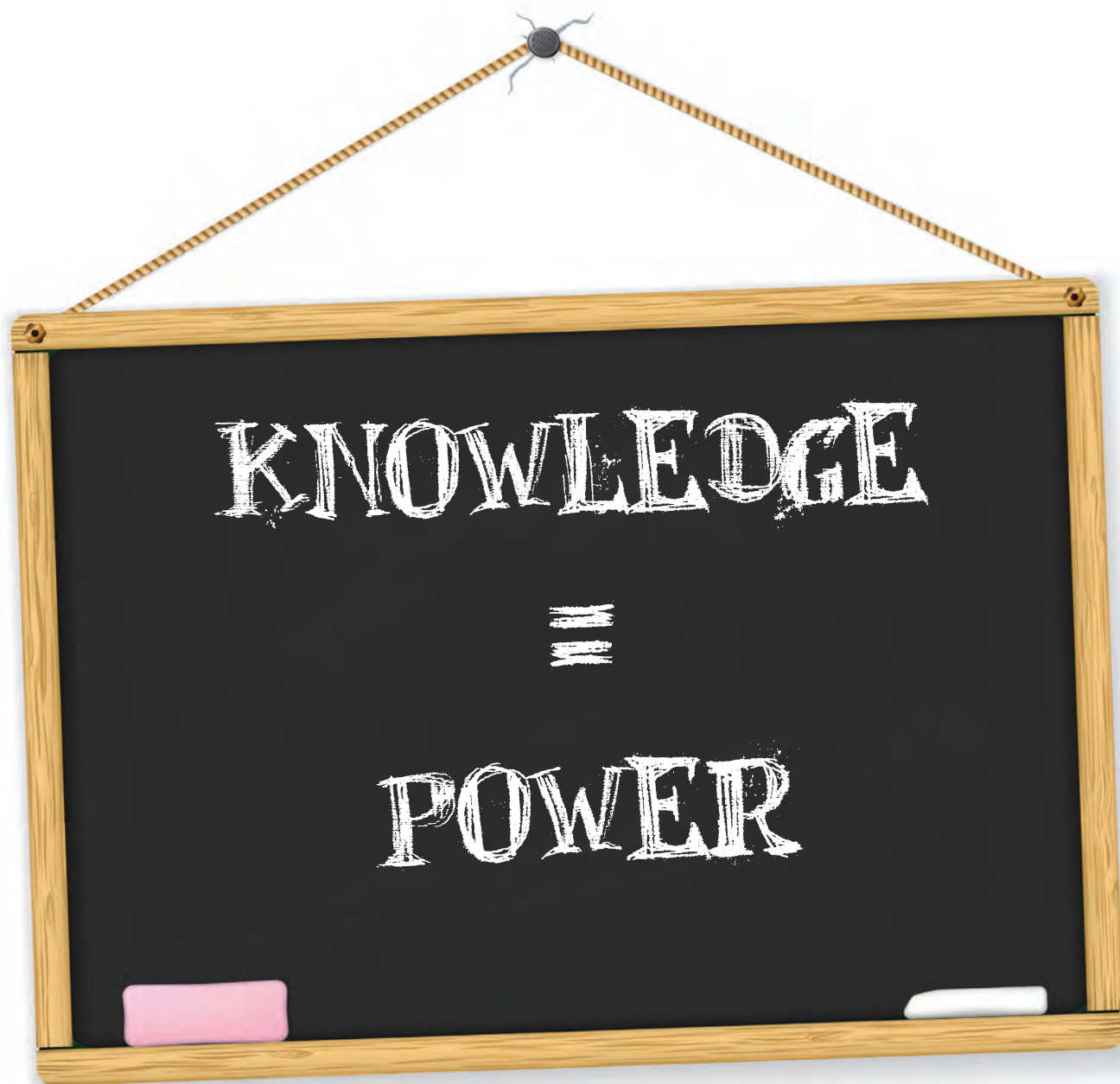
FOCUS

A MONTHLY JOURNAL FOR CORPORATE EXECUTIVES & PROFESSIONALS

“प्रगतिश्च विकासश्च जीवनं जीवनं खलु।”

VOL. XXX No. 04

April 2013





CS Hitesh Buch

My Dear Professional Friends,

“A great leader’s courage to fulfill his vision comes from passion, not position.”

- John Maxwell

I hope you have been enjoying reading FOCUS both in physical and in e-book mode.

I thank all the members and students for participating in the programs conducted by ICSI-WIRC during last one month. Various programs are proposed to be held in future. It will be our pleasure to have your suggestions on the topics that could be considered for future programs. You can write to me or to CS Prakash Pandya, who is heading the Professional Development Committee of ICSI-WIRC.

I was happy to attend Two - days’ Residential Seminar organized by Ahmedabad Chapter at Nadiad on 23rd and 24th March 2013 on “Dynamics of CS Profession in Changing Scenario” which was attended by more than 200 members / students. Our Honourable President, CS S. N. Ananthasubramanian also graced the occasion.

As you are all aware ICSI-WIRC is holding Workshop titled **“Enhance Your Effectiveness” (EYE)** covering Public Speaking, Business Presentation Skills, Personality Development, Voice Culture, Professional Grooming and Etiquette. The number of participants is limited to 30. The response so far is overwhelming. The program may be repeated in future considering the response.

It has been observed that large number of our members have not joined CSBF. I earnestly request the members to join CSBF, if they have not joined till date.

The members in employment are requested to register their employee - company for imparting management training.

With Warm Regards,

CS Hitesh Buch

11th April 2013 - Ahmedabad

APPEAL

Join Company Secretaries Benevolent Fund (CSBF)

Contribute to Fund Raising Initiatives of ICSI-WIRC

Join Professional Membership Scheme (PMS) of ICSI-WIRC

Perceive - Plan - Perform

Dear Readers,



CS MAKARAND LELE

If money is your hope for independence you will never have it. The only real security that a man will have in this world is a reserve of knowledge, experience and ability.

Henry Ford

Knowledge is something that everyone wishes to possess, but not everyone is willing to put in the work to continue expanding his or her knowledge. The first step in this direction is to acknowledge that you don't know everything and then to continue working to attain knowledge.

To seek knowledge, it is important to know what it isn't. Knowledge is not merely information and there is no limit on the amount of knowledge a person can gain in life. By remaining open to knowledge, you can continue to increase it during every phase of life.

In this edition of focus we have published articles on varied topics to inspire you to continue seeking knowledge. Our attempts will continue and we have decided to dedicate the May Focus to the theme **"Capacity Building and Skill Development for CS"**. We have identified the areas wherein CS can acquire skills & build capacities for his/ her development & prosperity. In turn we aim to achieve growth of the profession.

Knowledge is power, keep gaining it.

Thanks and Regards,

CS Makarand Lele

Editor "Focus"

WIRC 2013

makarand.lele@mrmcs.com

" Be a member of Benevolent fund of ICSI"

**Programme Membership Scheme of ICSI-WIRC and
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WIRC of ICSI,
Office No.13, 56 & 57,
Jolly Maker Chambers No.2,
Nariman Point, Mumbai - 400 021.
Tel. No.: 22047604 / 22047580
Email: wiro@icsi.edu

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Photo feature – it's my India



ADVICE OF CORPORATE BABA

Captured by CS Ajay Kumar, Mumbai

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CS Mohammad Aabid,
Aabid & Co.,
Company Secretary

BUDGETARY IMPACT ON BUY BACK OF UNLISTED SECURITIES



The Union Budget (2013-14) presented by the Hon'ble Finance Minister, Mr. P Chidambaram on 28th February, 2013, is not surprising as there is no significant alteration in the sluggish macro-economic climate that has prevailed in the past year.

The Finance Bill, 2013 apparently offers little to excite the international business community and fund industry. As anticipated, the Budget has focused on bridging the fiscal deficit by raising revenue. The tax burden on Corporate India as well as the Super Rich has been raised. Also a steep hike in payment of Royalty from 10% to 25%, subject to DTAA will significantly increase the tax outflow for Multinationals.

A new Chapter titled "Chapter XII-DA Special Provisions Relating to Tax on Distributed Income of Domestic Company for Buy-Back of Shares" is proposed to be inserted to impose tax in hands of company by deeming excess of buy-back price over issue price as income distributed.

With effect from June 1, 2013, buy back of shares by unlisted companies in India is proposed to result in a tax liability of 20% payable by the company, on the 'distributed income'.

LET US SEE THE BRIEF INSIGHT ABOUT THE PROCESSING OF BUY BACK:

The provisions regulating buy back of shares are contained in Section 77A, 77AA and 77B of the Companies Act, 1956. These were inserted by the Companies (Amendment) Act, 1999. The Department of Company Affairs framed the Private Limited Company and Unlisted Public Company (Buy Back of Securities) Rules, 1999 pursuant to Section 77A(2)(f) and (g) respectively.

A company may buy-back its shares by either of the following methods:-

- from the existing shareholders on a proportionate basis through private offers;
- by purchasing the securities issued to employees of the company pursuant to a scheme of stock option or sweat equity.

Resources of Buy Back

- free reserves; Where a company purchases its own shares out of free reserves, then a sum equal to the nominal value of the share so purchased shall be transferred to the capital redemption reserve and details of such transfer shall be disclosed in the balance-sheet or
- securities premium account; or
- proceeds of any shares or other specified securities
- A Company cannot buy back its shares or other specified securities out of the proceeds of an earlier issue of the same kind of shares or specified securities.

PROPOSED TAX RATES BY UNION BUDGET

Tax Rates

	Change Proposed	Effective Rate (Post Budget 2013 proposal)
Domestic Company having total income exceeding INR 10 crores	Surcharge increase to 10% (from 5%)	33.99%
Foreign Company having total income exceeding INR 10 crores	Surcharge increased to 5 % (from 3%)	43.26%
Firms (including LLP having total income exceeding 1 crore)	Surcharge introduced @ 10%	33.99%
Dividend Distribution Tax	Surcharge increased to 10%	16.995%
MAT having total income exceeding INR 10 crores	Surcharge increased to 10%	20.96%

"Three things cannot be long hidden: the sun, the moon, and the truth." - Buddha

TAXATION

Budgetary Impact on Buy Back of Unlisted Securities

BUY-BACK OF SHARES BY UNLISTED COMPANIES TAXED!!

These companies distribute their profits to the shareholders by buying back shares in lieu of declaring those profits as dividends and thus, in the process, avoid dividend distribution tax. In most cases, the shareholders don't pay capital gains either because of advantageous **tax treaties'** clauses.

Under the existing provisions of some of India's tax treaties with tax efficient jurisdictions such as Mauritius, Singapore, investors routing investments from these jurisdictions avail the capital gain exemption on shares' buyback and thus, pay no taxes on gains arising from such transactions. By operation of the new proposal, the Finance Minister has sought to **neutralize the tax treaty benefits**, thereby, taxing gains arising on such buyback, at source.

At present, gains arising on buyback of shares, which is computed as difference between consideration received and cost of acquisition of shares is taxable in the shareholders' hands. Buy back of shares is currently, outside the purview of deemed dividend provisions.

The proposed amendment effectively indicates the AAR ruling although with a slight modification.

Case Law:

Recently, the **Authority for Advance Rulings** (the AAR) in the case of A Ltd.¹ (the applicant), based on the facts of the case, held that the buy-back scheme resulting in buying back of the shares held by a Mauritian shareholder as a '**colourable device**' for avoiding payment of **Dividend Distribution Tax** (DDT), which is otherwise payable on distribution of dividend under Section 115-O of the Income-Tax Act, 1961 (the Act).

Facts of the cases:

- Whether capital gains arising to A Mauritius would be exempt from tax in India as per the India-Mauritius tax treaty (tax treaty)?
- If the answer to above is in affirmative, whether the Indian company is required to withhold taxes on remittance of such buy-back proceeds to A Mauritius?

Judgment passed:

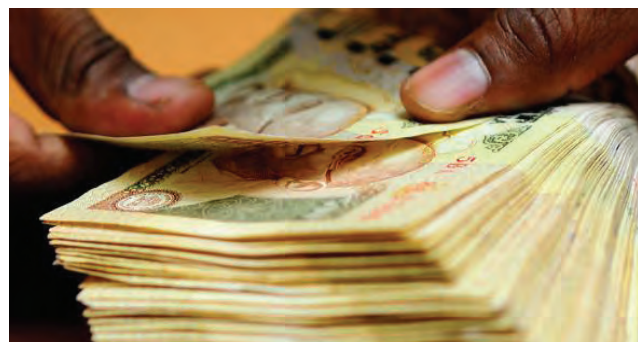
- the proposal projected before us of buy-back is a scheme devised for avoidance of tax. In fact, it is a **colourable device** for avoiding tax on distributed profits as contemplated in Section 115-O of the Act.
- The Scheme would be taxable as per Section 46A of the

Act read with the tax treaty. However, as the transaction is a colourable device, it is not a transaction in the eyes of the law. Once it is ignored as such, the arrangement can only be treated as a distribution of profits by a company to its shareholders which does not attract Section 115-O of the Act.

- The distribution will satisfy the definition of dividend under the Act and consequently be taxable as per Paragraph 2 of Article 10 of the **tax treaty** and would be **taxable in India**.

IMPACT OF AMENDEMENTS:

- Although the amendment has been brought in to curb tax avoidance practices mainly by **foreign investors** coming from **tax heavens**, it has various unfavorable fall outs for other class of shareholders both resident and non-resident (i.e. who incidentally were always subject to taxes on the proceeds from buy back).
- To begin with, **non-resident shareholders** coming from countries which **do not enjoy capital gains exemption** benefit under their respective **treaties** (like USA, UK, etc.) are subject to withholding taxes on buy back. Such taxes withheld in India are in most cases available as credit against taxes payable in their home countries. Resultantly, they are taxed only once on such gains. However, going forward such nonresident shareholders could suffer double taxation since the **credit** of distribution tax paid by the Indian company conducting the buy back is **unlikely to be available** in their home countries.
- Thus this amendment is a big blow to shareholders who were not using the buyback route to avoid taxes but were using it as legitimate route to repatriate funds by paying taxes in India.
- Similarly for resident shareholders also it will result in undue hardship in many cases.
- For instance, Individual shareholders could take benefit of tax slabs when computing capital gains form buy back



"Peace begins with a smile." - Mother Teresa

Budgetary Impact on Buy Back of Unlisted Securities

of shares. Further in a situation where a shareholder had carried forward capital loss it could set it off against gains realized on buy-back of shares under the existing tax law. However, subsequent to the amendment, such **benefits would not be available to the shareholders.**



company is liable to pay the additional income-tax on the buy-back of shares. The Shareholders would **not be eligible** for any sort of **credit** for the deduction as the Additional Tax levied on the Company is not considered as TDS.

Held that the buy-back scheme resulting in buying back of the shares held by a foreign shareholder as a 'colourable device' for avoiding payment of Dividend Distribution Tax (DDT), therefore its tax is payable in India.

CONCLUSION:

A company, having distributable reserves, usually has two options to dis-tribute the same to its shareholders - through dividend, or buyback of shares at a consideration fixed by it. In the first case, payment by company is subject to Dividend Distribution Tax (DDT) and income in the hands of shareholders is exempt. In the second case, the income is taxed in the hands of shareholders as capital gains.

Buyback of shares by an unlisted company will become less attractive after Budget proposed to levy tax on it, while dividend distribution will be more preferred.

The consideration paid by the company for purchase of its own unlisted shares which is in excess of the sum received by the company at the time of issue of such shares (distributed income) will be charged to tax and the company would be liable to pay additional income-tax at the rate of 20% plus surcharge & cess of the distributed income paid to the shareholder.

Foreign Shareholders would not be able to take the credit as per the **DTAA** (Treaties) as the additional tax levied on the Company is not in the form of Capital Gain tax; it is chargeable as the Additional Tax (on total income) by ITA.

The additional income-tax payable by the company shall be the final tax on similar lines as dividend distribution tax. The income arising to the shareholders in respect of such buy back by the company would be exempt where the

The Budget proposes that tax as imposed under these provisions shall be payable by the company irrespective of whether income tax is payable on its total income as computed under the ITA. Though the Budget does not make any change to Section 46A (Capital gains on purchase by company of its own shares or other specified securities) of the ITA which provides for capital gains tax on gains made by the shareholder on buy-back of shares of a company, it has proposed under Section 10 (Incomes not included in total income) of the ITA, a provision to exclude, from a shareholder's income, the income arising to the shareholder on account of a buy-back.

There is a way out for skipping the additional tax payment on buy back of shares; instead the company can opt for Reduction of Capital u/s 100 of The Companies Act, 1956. It will have to follow Court route procedure which is lengthy process as compared to Buy Back of Shares and will take about 2 to 3 months, by doing this the tax of 20% on buy back of shares as proposed in the aforesaid Finance Act 2013 can be avoided as the same is only on buy back of shares and not on capital reduction.

During Buy back, if the tax is not paid by the Company within the prescribed time, it shall be liable to pay simple interest at the rate of one per cent per month. ■■■

WIRC WELCOMES NEW REGIONAL DIRECTOR OF MCA



Mr. Mahesh Kuvadia has taken over as Regional Director of Western Region office of Ministry of Corporate Affairs, Mumbai w.e.f 8th March, 2013.

Mr. Mahesh Kuvadia is member of ICSI and he has been taking active interest in the various activities of ICSI - WIRC over the years. "

"Love and compassion are necessities, not luxuries. Without them humanity cannot survive." - Dalai Lama



CS Vipul Barot,
Company Secretary

PRECAUTIONARY STEPS TO BE TAKEN IN CHEQUE TRANSACTIONS



Adv. B.M. Shaikh,
Proprietor,
B.M. Shaikh & Associates



A Cheque :Definition:-

The cheque is defined under **Sec 6 of the negotiable Instruments Act 1881**. It says "A cheque is a bill of exchange drawn on specified Banker and not expressed to be payable otherwise than on demand and it includes the electronic image of a truncated cheque and a cheque in the electronic form"

The explanation is as under:

Explanation I :-

- (a) "A cheque in the electronic form" means a cheque which contains the exact mirror image of a paper cheque, and is generated, written and signed in a secure system ensuring the minimum safety standards with the use of digital signature (with or without biometrics signature) and asymmetric crypto system,
- (b) "A truncated cheque" means a cheque which is truncated during the course of a clearing cycle, either by the clearing house or by the bank whether paying or receiving payment, immediately on generation of an electronic image for transmission, substituting the further physical movement of the cheques in writing.

Explanation II:-

For the purposes of this Section, the expression "clearing house" means the clearing house managed by the Reserve Bank of India or a clearing house recognized as such by the Reserve Bank of India.

A Cheque Transaction: Necessity

In the modern system of business, the role of cheque is of paramount importance. People cannot carry load of money

in their pocket for payment as against any transactions either in the nature of commercial and/or towards any debt or liability. Such payment, if made by cheque, on the spot, creates a hope of confidence in the mind of the holder in due course that the payment is assured, accountable and to discourage under dealing transactions causing negative impact to the economy overall. That may be the reason that issuance of the cheques in such transactions assume importance. But the other side of the coin is that in most of the cases cheques are issued by the drawer to defraud the creditors. In order to discourage this attitude, the Negotiable Instrument Act, 1881 (26 of 1881) was enacted by the legislature. To give more teeth to the act, the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002 was enacted.

The practical aspects of this act are to be seen in day to day trials of the case in the courts. The accused always tries to come out of the clutches of Sec 138 of the Negotiable Instruments Act by taking defense in the form of rebutting presumptions u/s 118 of the said Act. For example an accused takes a ground that the cheque was not issued against any enforceable liability as contemplated u/s 138 of the NI Act and/or not against any debt. So far the rebuttal of presumption is concerned; it is enacted u/s 139 of the NI Act. It reads that "It shall be presumed, unless the contrary is proved that the holder of a cheque, received the cheque, of the nature referred to in sec 138, for the discharge, in whole or in part, of any debt or other liability". Unless the presumption is rebutted, the accused cannot come out of the clutches of sec 138 of the said Act and his conviction under the said act cannot be ruled out.

"Before the throne of the Almighty, man will be judged not by his acts but by his intentions. For God alone reads our hearts." - Mahatma Gandhi

Precautionary steps to be taken in cheque transactions



Needless to say that the Holder in due course of the cheque has an equal remedy under the civil law to recover the amount due under the cheque by filing an appropriate suit in the court of law subject to Limitation Act. Vis-a vis, the Holder in due course, has to initiate action against the drawer of the cheque within the life period of 3 months from the date of issuance of the cheque.

To balance the scale, in such cases, the following general precautions are necessary to be taken by the business community while receiving/giving cheques:

1. They should be assured that the drawer is issuing the **cheque in discharge of his/her legally enforceable liability and/or debt**. In order to ensure this, the nature of transaction with the drawer should be carefully studied. For example : if the cheque is issued by the drawer (buyer) for the goods sold, supplied and delivered and there is no dispute by the drawer in respect of its specification, quality and quantity and if proper challan is raised, stamped and signed by the drawer and there are no complaints regarding the goods within reasonable time, then bouncing of such cheques towards the supply of the goods will make the case of the holder in due course maintainable in the court of law and the drawer will have no chance to damage the case of the complainant by rebutting the presumptions. The precaution in such cases to be taken by the complainant is to see that the cheque is issued in his favor by the drawer by putting proper date, amount (both in figures and letters) and the drawer has signed the cheque as an authorized signatory. But in case, **the Delivery challan (A proof of receiving the goods) is not properly signed and stamped**, the drawer (accused) in a given case can deny the receipt of the said goods from the supplier and will get a valid defense to rebut the presumption that the cheque in question was/is not issued in discharge of any enforceable liability/debt,

but is issued as an advance payment cheque for the goods yet to be delivered.

2. Precaution should be taken by the Drawer, not to issue any blank cheque to the party, which can be misused in future, in case of any dispute between the parties. As a fair business practice, one should not issue a **blank cheque (especially by keeping the amount column blank)**, under any circumstances, to avoid any legal complications in future.
3. One should be rest assured that there is a **sufficient balance in his Bank Account** as on the date of issue, to honor the cheque issued, to avoid conviction under sec 138 of the NI Act.
4. To avoid any complications, the drawer, if he has issued the cheque and subsequently realizes that **he cannot honor the same for some justified reasons**, but not to defeat the rights of holder in due course, then in such cases, it is advisable that he should **immediately inform in writing** to the holder in due course not to deposit the cheque for the time being, to avoid the liability under the provisions of sec 138 of NI Act.
5. The Drawer should issue the **cheque from the bank account maintained by him only** and the Holder in due course should take utmost care to see that the cheque is issued by the drawer is from his/her account maintained by him/her.
6. In case of **bouncing/dishonoring of the cheque, within 3 months of its life**, it is advisable that the holder in due course, in order to keep a harmonious relationship with the drawer, can re-act with him/her as to whether when he should re-deposit the cheque, but surely before the few days from the expiry of 3 months. If it does not work out, then **he should give a legal/demand notice within 30 days from the date of the receipt of bank memo (dishonor of cheque)** and call upon the drawer to make the payment within **15 days** from the date of the receipt of the notice, failing compliance the Holder in due course can file a criminal complaint against the drawer **within 30 days after the expiry of 15 days** of the receipt of the said legal notice. It should be noted that it is mandatory on the part of the Complainant (holder in due course) to see that only one notice is issued when he gets the cause of action. In short suppose he deposits the cheque on 01.01.2013 and he gets a bank memo (dishonor cause) on 05.01.2013 and suppose the party (drawer) asks him to redeposit the said dishonored cheque, he can do so, but he should take a precaution that when he should issue the notice keeping in mind the statutory time provided under the statute. Now for example, If the party in the given case again re-deposits the cheque on 10.01.2013 and it bounces and returns back to the holder in due course with bank memo 15.01.2013 and if the holder in due course makes up his/her mind to proceed for legal action u/s 138 of NI Act, then his cause of action starts from 16.01.2013 and in such case he can give a legal notice within 30 days commencing from 16.01.2013 calling upon the

"It is better to conquer yourself than to win a thousand battles. Then the victory is yours. It cannot be taken from you, not by angels or by demons, heaven or hell." - Buddha

Precautionary steps to be taken in cheque transactions

- drawer to make the payment within 15 days from the date of receipt of notice. Suppose he gets the notice on 18.01.2013 then it is incumbent on the part of drawer to make the payment within 15 days i.e. he should make the payment on or before 02.02.2013 and if he fails to make the payment, the cause of action accrues to the Complainant from 03.02.2013 and from that date, within 30 days i.e. before 04.03.2013. But care should be taken that the holder in due course cannot send a legal notice for the earlier dishonor and subsequently second notice for subsequent dishonor cheques. There cannot be two legal/ demand notices for one cause of action.
7. In case of extending loans by the complainant, the usual defense of the accused/ drawer is that the **complainant has no money lending license**. But generally, the Court tries to find out whether the complainant is a habitual money lender and in such cases the Money Lenders Act applies. But not in cases of **solitary friendly loan** free from interest.
 8. In case of issuing cheque for the purpose of **Gift**, the NI Act does not apply as such cheques are not given towards any legally enforceable liability and/or debt. But there **must be documentary evidence (gift deed)** to substantiate the same defense.
 9. It is always advisable that the nature of cheque transactions in the form of gift, friendly loan or commercial loan should be reflected/disclosed in the **Income Tax Returns** to be produced as documentary evidences at the stage of trial.
 10. Sec 141 of NI Act deals with the persons committing an offence u/s 138. It says that if **the person committing an offence u/s 138 is a company**, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company, for the conduct of the business of the company as well as the company be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly. However, no person is liable to punishment if he proves that the **offence was committed without his knowledge** and that **he had exercised all due diligence to prevent the commission of the offence**.
 11. In case **the complainant is a company** then the **Board of Directors of the company must pass a resolution to the effect authorizing the official of the company** to prosecute the accused u/s 138 of NI Act. Same principle applies in the Banks registered under the Co-operative Societies Act and other such organization.
 12. In case the **complainant being a partnership firm**, the **Firm must be registered with the Registrar of Firms (ROF)** to sue and any of the partners can sue on behalf of the firm and there must be an authority letter to that effect. In case the partnership firm is an accused, a notice can be sent to the office of a **partnership firm (whether registered or unregistered)** and also to all partners of the said firm.
 13. As far as **jurisdiction is concerned**, generally, the place of offence is considered for determining jurisdiction, but in a **cheque bouncing case, there are five ingredients** to decide the jurisdiction. These are : (a) place of drawing a cheque, (b) place of its presentation to the bank, (c) place of returning of cheque unpaid by the drawee bank, (d) place from where notice is served to the drawer demanding payment within stipulated time and (e) place where the drawer had to make payment within 15 days of the notice being served.
 14. In the modern banking system, the new modes of making speedy payment is through **NEFT/RTGS**. Due to this, the **payment by cheque is losing its value day by day**. NEFT/RTGS is a form of payment through bank to bank, for example: If Mr. A from Mumbai wants to remit a sum of Rs. 5,00,000/- to Mr. B towards the materials supplied by him at Kolkata. Mr. A can do so by just instructing his Banker at Mumbai by depositing the said amount of Rs.5,00,000 in his bank account to be paid over to Mr. B at his Bank account at Kolkata. The pre-requisite formalities required to be completed that the sender must fill in NEFT/RTGS form mentioning the bank details of the opposite party (payee). Generally, NEFT/RTGS is done when payment is made in advance to the supplier of the goods or services for the goods/ services to be delivered by him, as the case may be. This system is very safe for the payee (supplier). Therefore, **there is no dent of cheque bouncing** in such system of advance payment by NEFT/RTGS. However, some complications may arise if the goods are not delivered properly to the buyer (Drawer).
 15. **One should avoid the combination of payment, both by cheque as well as RTGS**. There should be uniformity in the mode of payment. It is advisable to opt for one, that is to say either cheque or RTGS.
 16. **All such types of transactions/communication in respect of instructions/request regarding payment should be reduced to writing to decide the rights of the parties** in case of any differences and/or disputes.
 17. It is pertinent to note that considering the **higher numbers of pending cases** in court of law and **in order to avoid legal complexities**, many corporates (payment pertaining to day to day business transactions) and majority of the Government Institutions/bodies (payment relating to fees/penalties/charges) accept payments by Demand Draft/Bankers' Cheque only and refuse to accept cheques .

Conclusion:-

A Cheque, being a backbone of all financial transactions, one needs to be careful while dealing with it. If the abovementioned precautions are taken, more faith will be reposed in the parties resulting smooth functioning of business environment, keeping the moral of the payee in a high esteem to enable him to keep his bondage with the drawer everlasting.





CS Anand Varma,
Company Secretary

IMPAIRMENT MODELLING OF FINANCIAL INSTRUMENTS IN IFRS

Introduction

The subject stems from the perception that the 2007-08 global financial crises had partly been caused by not writing down financial assets on *expected loss model* (lifetime losses over tenure of loans) but loans were marked to market on *incurred loss model* (much later on loss event happening). The G-20 leaders' summit meeting had directed the standard-setters to strengthen accounting recognition of loan losses. Accordingly, the International Accounting Standards Board (IASB), London, has undertaken this project in this direction.

This article would act as a catalyst to prepare business entities, especially banks and financial institutions in adapting *expected loss model* of accounting of impairment losses of financial instruments. The article is therefore relevant for CFOs, Chartered Accountants, Company Secretaries, Board members, strategic thinkers and business managers to catch up with its key provisions.

1 What are financial assets

Financial assets include cash and cash equivalents, investments, trade and lease receivables, accounts and notes receivable (loans), short-term investments, including derivative instruments.

2 Which financial assets and instruments require impairment modelling

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets held for trading are valued at FVTPL. Financial assets measured at amortised cost or mandatorily measured at fair value through other comprehensive income ('FVOCI') and other financial instruments that are subject to **credit risk** such as some loan commitments and financial guarantee contracts, are covered by impairment loss or provisioning.

3 What is the objective evidence of impairment of a financial asset

Financial assets are considered to be *impaired* when there is *objective evidence* that, as a result of one or more events that occurred after the *initial recognition* of the *financial asset*, the *estimated future cash flows* of the investment have been affected.

4 What is the objective evidence of impairment for AFS equity investment.

For *AFS equity investments*, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

5 What is the objective evidence of impairment for all other AFS financial assets

For all *other financial assets*, including redeemable notes classified as *AFS* and finance lease receivables, *objective evidence of impairment* could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

6 Model accounting policies for impairment of financial assets under IFRS

For certain categories of *financial asset*, such as trade receivables, that are assessed not to be impaired individually are, in addition, assessed for impairment on a **collective basis**.

Objective evidence of impairment for a *portfolio* of receivables could include the Group's **past experience** of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For *financial assets* carried at *amortised cost*, the amount of the *impairment loss* recognised is the **difference** between the asset's *carrying amount* and the *present value of estimated future cash flows*, discounted at the *financial asset's* original effective interest rate – '*expected loss model*' followed compared to '*incurred loss model*'.

7 Measuring impairment loss on financial assets –general model

Lifetime expected credit losses are the expected shortfalls in contractual cash flows, taking into account the potential for default at any point during the life of the financial instrument.

"I find hope in the darkest of days, and focus in the brightest. I do not judge the universe." - Dalai Lama

Impairment Modeling of Financial Instruments in IFRS

12-month expected credit losses are the expected shortfalls in contractual cash flows, taking into account only the potential for default in the next 12 months.

(a) The three stages in the expected credit loss model –general model

There are three stages in the Standard to reflect the general pattern of the deterioration of a financial instrument that ultimately defaults. The differences in accounting relate to the recognition of expected credit losses and, for financial assets, the calculation and presentation of interest revenue:

Stage 1: financial instruments that have not deteriorated significantly in credit quality since *initial recognition* or that have **low credit risk** at the reporting date. For these items, **12-month expected credit losses** are recognised and interest revenue is calculated on the gross carrying amount of the asset (i.e., without reduction for expected credit losses).

Stage 2: financial instruments that have deteriorated significantly in **credit quality** since *initial recognition* (unless they have low credit risk at the reporting date) but that do **not** have **objective evidence** of a credit loss event. For these items, **lifetime expected credit losses** are recognised but interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3: financial assets that have **objective evidence of impairment** at the reporting date. For these items, **lifetime expected credit losses** are recognised and interest revenue is calculated on the net carrying amount (i.e., reduced for expected credit losses).

(b) Simplified approach for short term trade receivables and long term trade and lease receivables –exceptions to the general model

Cost of determining whether to recognise **12-month** or **lifetime expected credit losses** may not be justified for trade receivables and lease receivables. In general, for 'short-term' trade receivables (not constituting a financing transaction within IAS 18) an entity should always recognise a **loss allowance** at an amount equal to **lifetime expected credit losses**. For 'long-term' trade receivables and lease receivables (constituting a financing transaction within IAS 18), the upcoming new standard would allow entities to **choose** an **accounting policy** to always recognise a **loss allowance** at an amount equal to **lifetime expected credit losses**.

This **simplifies** the application of the **model** because it removes the need for an entity to consider whether the **credit quality** of these financial assets has deteriorated significantly since *initial recognition*.

(c) Assessing when an entity shall recognise lifetime expected credit losses

Standard provides for the following operational

simplifications for evaluating whether **lifetime expected credit losses** should be recognised:

- Entity estimates that the financial instrument has a **low** credit risk at the reporting date (for example, it is 'investment grade'), then the loss allowance (or provision) is measured at an amount equal to 12-month expected credit losses regardless of whether there has been a significant increase in credit risk; and
- A rebuttable presumption that a significant increase in credit risk has occurred when payments are more than 30 days past due if no other borrower-specific information is available, without undue cost or effort, to decide whether a loss allowance (or a provision) at an amount equal to lifetime expected credit losses shall be recognised.

(d) Re-establishing loss allowance (provision) equal to 12-month expected credit losses

Loss allowance (or a provision) measured at an amount equal to 12-month expected credit losses shall be re-established for financial instruments if there is no longer a **significant increase** in credit risk since *initial recognition*.

Use of a provision matrix is allowed, if appropriately adjusted to reflect current events and forecast future conditions.

In respect of **purchased or originated credit impaired assets**, lifetime expected credit losses are included in the estimated cash flows when calculating the asset's *effective interest rate* ("credit-adjusted effective interest rate"), rather than being recognized in **profit or loss**. Any later changes in lifetime expected credit losses will be recognized immediately in **profit or loss**.

Remember, IASB impairment model requires a **significant increase in credit risk** before recognizing **full lifetime expected losses**, compared to a **full lifetime expected loss** is recorded on *initial recognition* in FASB's model –a "day one" loss for all financial assets on *current estimates*.

An entity does not recognize lifetime expected credit losses for **financial instruments** that are equivalent to "**investment grade**."

Estimating **lifetime losses** should **not** require a detailed estimate for periods **far** in the **future**, but the degree of detail necessary in **forecasting estimated losses decreases** as the **forecast period increases**.

8 Credit risk management system modeling for 'expected loss'

In respect of computing '**expected loss**' for impairment of financial assets, "credit risk management system" model or approach be followed. Overall objective of this approach is to:

- Reflect the **deterioration or improvement**

"A man who was completely innocent, offered himself as a sacrifice for the good of others, including his enemies, and became the ransom of the world. It was a perfect act." - Mahatma Gandhi

Impairment Modeling of Financial Instruments in IFRS

- In the **credit quality** of **financial assets**,
- Thus making the maximum use of credit risk management practices.

9 Modeling of credit risk management system –the 'bucketing approach'

Under this approach,

- All originated and purchased **financial assets** would *initially* start in **Bucket 1** regardless of their level of credit policy and will move into **Bucket 2** and **Bucket 3** as **credit loss expectations deteriorate**, affecting the **uncertainty** in **collectability** of **cash flows**.
- **Bucket 1** will consist of financial assets where there has been no identified credit deterioration since initial recognition. Financial assets in this bucket will have a credit allowance as shortfalls in cash flows expected in the next 12 months.
- Financial assets in **Buckets 2 or 3** would have an allowance measured over the lifetime of expected credit losses for the financial assets. Financial assets in **Bucket 2** would be evaluated for credit deterioration at a portfolio level while financial assets in **Bucket 3** for credit deterioration would be evaluated at the individual instrument level. For example, portfolios would get transferred from **Bucket 1** to **2** whilst individual instruments will transfer from **Bucket 1** or **2** to **Bucket 3**.
- Loans acquired at a **discount** because of **credit losses** are outside the scope.

10 Measurement of credit loss amount

Initial measurement: Except for trade and lease receivables, all other financial assets or liabilities would be measured at fair value, plus or minus **transaction**

cost directly to acquisition or issue of a financial asset or liability that isn't recognised at *fair value through profit or loss*.

Subsequent measurement: At *fair value* or *amortised cost*, depending upon the classification of financial asset and financial liability.

11 Impairment –incurred v. expected loss model

Expected loss model allocates the **initially expected credit loss** to the **periods** when revenue is recognised from the financial asset. *Incurred loss model* is characterised by **higher** revenues recognised in the period immediately after initial recognition, followed by **lower** net income if credit losses are incurred.

12 Test your knowledge

A portfolio of 1,000 loans of \$2,500 is initially recognised on 1/1/X1. Each loan matures in 10 years and carries an interest rate of 16%;

- Management estimates that no loans will default in years X1 or X2;
- From year X3 onwards, loans will default at an annual rate of about 9%. If defaults occur as expected, the rate of return from the portfolio will be approximately 9.07 per cent;
- The number of loans are fixed (closed book' / frozen book'), without any new lending or prepayments, or any collective impairment provisions.
- Note that additional complexities have been excluded. These include:
 - (i) Transaction costs, fees, and origination costs that must be included in the *effective interest rate* computation; and
 - (ii) Prepayments, partial payments and late payments.

Incurred loss method – impact on financials

Year	Interest income (a) (coupon) @16% of (b) Actual \$	Loans, net of loan loss (b): PY bal. (b)-(c) =derived \$	Loan loss exp. incurred (c): 9% def. rate PY (b) Actual \$	Interest income, less loan loss (d) (a)-(c): Derived	Return, net of loan loss % (e): (d)÷(b) PY bal.
1 Jan X1	-	2,500,000	-	-	-
31 Dec X1	400,000	2,500,000	0	400,000	16%
31 Dec X2	400,000	2,500,000	0	400,000	16%
31 Dec X3	364,000	2,275,000	225,000	139,000	5.56%
31 Dec X4	331,240	2,070,250	204,750	126,490	5.56%
31 Dec X5	301,428	1,883,928	186,322	115,106	5.56%
31 Dec X6	274,300	1,714,374	169,554	104,746	5.56%
31 Dec X7	249,613	1,560,080	154,294	95,314	5.56%
31 Dec X8	227,148	1,419,673	140,407	86,741	5.56%
31 Dec X9	206,704	1,291,903	127,770	78,934	5.56%
31 Dec X10	189,138	0	116,271	72,867	5.56%
Total	2,943,571		1,324,368	1,619,203	

"However many holy words you read, however many you speak, what good will they do you if you do not act on upon them?" - Buddha

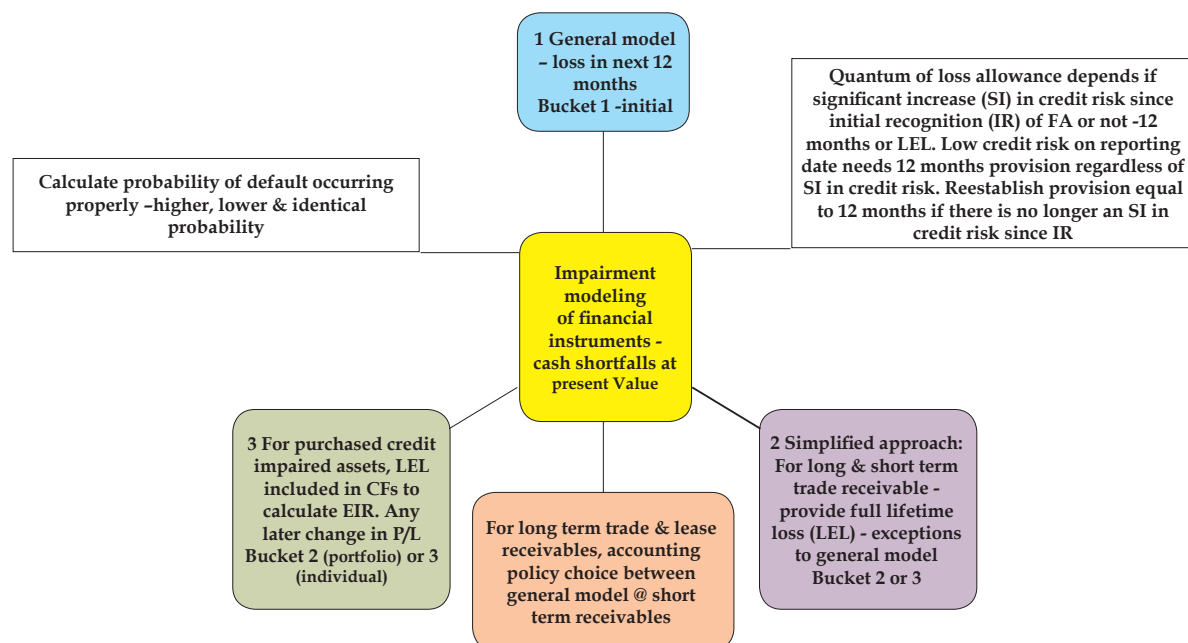
Impairment Modeling of Financial Instruments in IFRS

Expected loss method –impact on financials

Year	Loan, net of loan loss (d) *Present value disc. @9.07%	Expected loan loss adj. (e) (B)=Balancing	Interest income, less <i>expected</i> loan loss Actual (A)	Return, net of loan loss applied to previous loan carrying balance	Interest income less <i>incurred</i> loan loss
1 Jan X1	2,500,000	-	-	-	-
31 Dec X1	2,326,689*	173,311 (B)	226,689 (A)	9.07%	400,000
31 Dec X2	2,137,662*	189,027 (B)	210,973 (A)	9.07%	400,000
31 Dec X3	1,967,662*	-54,834 (B)	193,834 (A)	9.07%	139,000
31 Dec X4	1,789,044*	-51,962 (B)	178,452 (A)	9.07%	126,490
31 Dec X5	1,626,778*	-47,160 (B)	162,266 (A)	9.07%	115,106
31 Dec X6	1,479,229*	-42,803 (B)	147,549 (A)	9.07%	104,476
31 Dec X7	1,345,063*	-38,847 (B)	134,166 (A)	9.07%	95,319
31 Dec X8	1,223,066*	-35,256 (B)	121,997 (A)	9.07%	86,741
31 Dec X9	1,112,134*	-31,998 (B)	110,932 (A)	9.07%	78,934
31 Dec X10	0	-28,004	100,871 (A)	9.07%	72,867
Total		31,474 +	1,587,729		=1,619,203

13 An Overview of Impairment Modeling of Financial Instruments in IFRS

-General Model, Simplified Approach, Buckets & credit loss allowance



14 Concluding comments

The upcoming requirement to account for *impairment losses of financial assets* following the *expected loss method* is to connect the **pricing** of financial instruments and **credit loss expectations** with the prevailing **economic conditions** (especially downturn). There is thus a need for entity CFOs, Company Secretaries and those-in-charge of governance, to understand the impact on financials and any changes required in present controls and systems, for example, to calculate *probability of default occurring*; assessing deterioration in *credit quality* & *significant increase* in credit risk; and calculate market-consistent *cash shortfalls*.

The above article is based on IASB's phase II of the project *amortised cost and impairment of financial assets* meant to replace IAS 39 *Financial Instruments: Recognition and Measurement* and ED/2013/3.

"If you can't feed a hundred people, then feed just one." - Mother Teresa

SCHEME OF ARRANGEMENT BY THE LISTED COMPANIES - NEW SEBI NORMS



CS Vivek Sadhale,
Company Secretary & Head - Legal
and Investor Relations,
Persistent Systems Ltd.



CS Vikas Agarwal,
Associate General Manager -
Corporate Secretarial,
Persistent Systems Ltd.



Nivedita Ketkar,
Associate Corporate Counsel -Legal,
Persistent Systems Ltd.

The Securities and Exchange Board of India (SEBI) in its attempt to protect the interests of the Investors, issued a circular dated February 4, 2013 to consolidate the requirements to be adhered to by the Listed Companies for undertaking a scheme of arrangement under Sections 391-394 of the Companies Act, 1956 and for listing of equity shares without having to comply with the initial public offer requirements under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.

In order to ensure that the Companies do not indulge into governance malpractices, SEBI has been entrusted with various powers under the Securities Contracts (Regulation) Rules, 1957 ("SCRR"). The Rule 19(2)(b) of SCRR provides an elaborate list of the compliances, eligibility for the Companies who wish to issue the securities to the public. Under Rule 19(7) of SCRR, SEBI has been granted the authority to allow the Companies, upon fulfillment of certain conditions, relaxation from compliance with any of the requirements of Rule 19(2)(b) of SCRR.

In September 2009, SEBI had issued a circular prescribing the conditions to be fulfilled by the unlisted Companies seeking listing of shares issued pursuant to a Scheme of Arrangement with Listed Company sanctioned by High Court by which unlisted Companies would forward application to Designated Stock Exchange and then Designated Stock Exchange would forward it to SEBI along with its recommendations. Whereas, SEBI observed that such applications were generally supported by inadequate disclosures, convoluted schemes of arrangement, exaggerated valuations, etc. that could adversely affect the interests of minority shareholders.

The procedure laid down by SEBI for approving the Scheme of Arrangement of a Listed Company can be summarized as below:

- 1 *Requirements before the Scheme of Arrangement is submitted to the High Court*
 - a. Listed Company to choose one of the Stock Exchange on which it is listed to be a "Designated Stock Exchange" (DSE) which will be responsible for co-ordinating with SEBI;
 - b. File the Scheme of Arrangement along with the documents mentioned in the listing agreement with the Stock Exchanges under Clause 24 (f) of the listing agreement seeking in-principle approval together with the following supporting documents:
 - i. Valuation Report of an independent chartered accountant;
 - ii. Report of the Audit Committee of the Listed Company recommending the Scheme of Arrangement after evaluating, *inter alia*, the Valuation Report of the independent chartered accountant;
 - iii. Fairness opinion by merchant banker;
 - iv. Pre and post amalgamation shareholding pattern of the unlisted Company;
 - v. Audited financials of last 3 years (financials not being more than 6 months old) of unlisted Company;
 - vi. Compliance with Clause 49 of the listing agreement; and

"There is no need for temples, no need for complicated philosophies. My brain and my heart are my temples; my philosophy is kindness." - Dalai Lama

Scheme of Arrangement by the Listed Companies - New SEBI Norms



- vii Complaints Report as prescribed in the Circular.
- c. The Scheme of Arrangement and the supporting documents filed with the DSE should be uploaded on the website of the Listed Company and the website of the Stock Exchange where the shares are proposed to be listed.
- d. DSE and the Stock Exchanges have to forward to SEBI, (i) the Scheme of Arrangement and the supporting documents within 3 working days of receiving them and (ii) their “objection/ no-objection” letter on the Scheme of Arrangement within next 30 days or within 7 days of date of receipt of satisfactory reply on the clarifications sought.
- e. Upon receipt of “objection/ no-objection” letter from the Stock Exchanges, SEBI to provide its comments on the Scheme of Arrangement to the Stock Exchanges within next 30 days.
- f. Listed Company will be required to submit to Stock Exchanges a ‘Complaints Report’ recording the details of complaints/comments received by it on the Scheme of Arrangement within 7 days of expiry of 21 days from the date of filing of Scheme of Arrangement with Stock Exchanges. The Complaints Report is required to be forwarded by the Stock Exchanges to SEBI and should also be included by the company in the notice sent to the shareholders.
- g. Upon receipt of comments from SEBI, the Stock Exchanges to issue an ‘Observation Letter’ to the company incorporating the comments received from SEBI within 7 days of receipt thereof. The validity of the Observation Letter of Stock Exchanges is 6 months from the date of issuance within which the Scheme of Arrangement needs to be submitted to the High Court.

- 2. *Requirements after the Scheme is sanctioned by the High Court*
 - a. If the Scheme of Arrangement provides for listing of shares of an unlisted Company without complying with the Rule 19(2)(b) of SCRR then a specific application has to be filed with SEBI under Rule 19(7) of SCRR seeking exemption. Upon approval of the Scheme of Arrangement by the High Court, this application has to be filed with SEBI if the Scheme of Arrangement fulfills the following conditions:
 - i. The equity shares issued under the Scheme of Arrangement and sought to be listed are proposed to be allotted by an unlisted issuer (transferee entity) to the holders of securities of a Listed entity (transferor entity);
 - ii. At least 25% of the post-scheme paid up share capital of the transferee entity to include shares allotted to the public shareholders in the transferor entity;
 - iii. The transferee entity will not issue/ reissue any shares, not covered under the Scheme of Arrangement;
 - iv. As on date of application, there are no outstanding warrants/ instruments/ agreements which give right to any person to subscribe to the equity shares of the transferee entity in future. If there are such instruments stipulated in the Scheme of Arrangement, the percentage referred to in (ii) above to be computed after giving effect to the consequent increase of capital on account of compulsory conversions of such outstanding instruments; and
 - v. The shares of the transferee entity issued *in lieu* of the locked-in shares of the transferor entity will be subject to lock-in for the remaining period.
 - b. After obtaining the sanction of the High Court, the Listed Company will be required to submit the prescribed documents to the Stock Exchanges as given below:
 - i. Approved Scheme of Arrangement
 - ii. Result of voting
 - iii. Explanation with respect to any changes made from the draft scheme submitted previously

- iv. Complaints Report
- v. Exemption application under Rule 19(2)(b) of the SCRR
- vi. Status of Observation Letter.
- c. After receipt of the aforesaid documents, the Stock Exchange to submit its recommendations, if any, to SEBI and SEBI to provide its comments/ approval on the same within next 30 days.
- d. The transferee company to take steps for listing the shares within 30 days of the receipt of order of the High Court and should commence trading formalities within 45 days of the date of the order after issuing the public notice in newspapers.
- 3. **Requirements after Scheme is approved by High Court in case of other arrangements**
 - a. In case of a hiving off of a division of a listed entity and its merger with a newly formed or existing unlisted issuer there will not be any additional lock-in, if the paid-up share capital of the unlisted issuer is only to the extent of requirement for incorporation purposes.
 - b. In case of merger where the paid-up share capital of the unlisted issuer is more than the requirement for incorporation, the promoters' shares are required to be locked-in to the extent 20% of the post-merger paid-up capital of the unlisted issuer, for a period of 3 years along with the balance of the entire pre-merger capital of the unlisted issuer.
 - c. Transferee entity to confirm within 30 days of approval of Scheme that it has taken all steps for listing of its equity shares to all SE where equity shares of transferor company are listed.



- d. Formalities of trading to be commenced within 45 days of order of High Court. Before commencement of trading, transferee company to give advertisement in English and one Hindi newspaper and one regional newspaper providing the prescribed details.

Though SEBI has attempted to rationalize the procedure for seeking exemption from the requirements under SCRR and scrutinizing the Scheme of Arrangement before filing it with the High Court in order to protect the interests of the minority shareholders, the following practical questions may arise due to the drafting ambiguities in the Circular:

- a. Will the Circular have overriding effect over the provisions laid down in the Companies Act?
 - i. Companies Act states that Scheme should be approved by each class of shareholders and creditors by requisite majority of those present in meeting convened by the Court. Whereas the Circular states that Scheme should provide for approval through postal ballot and e-voting.
 - ii. Circular prescribes that atleast 2/3rd of the votes cast by the public shareholders must be in favour of scheme. This requirement is in addition to the requirement of votes.
- b. Whether the Circular is applicable in only those cases involving issue of shares proposed to be listed and exemption is sought under Rule 19(7) and not in case of other Scheme of Arrangement not claiming any exemption? The Circular was issued by SEBI in exercise of the powers conferred under section 11 and section 11A of SEBI Act read with Rule 19(7) of SCRR. Rule 19(7) provides that SEBI has power to issue any direction for the purpose of application claiming exemption under Rule 19(7).
- c. The Companies who have already filed the Scheme and obtained No objection Certificate from Stock Exchanges but not received approval from High Court, will have to go through this procedure. This may consume additional time period for these Companies.

The new guidelines laid down in the Circular are meant to protect the interests of the investors. That having been said, the procedure may have to undergo change to address practical issues arising out of implementation.



“There is nothing more dreadful than the habit of doubt. Doubt separates people. It is a poison that disintegrates friendships and breaks up pleasant relations. It is a thorn that irritates and hurts; it is a sword that kills.” - Buddha



CS Nivedita Shankar,
Company Secretary &
Head Legal,
Vinod Kothari & Company

ANNUAL BUSINESS RESPONSIBILITY REPORTS - WILL THIS MAKE COMPANIES RESPONSIBLE?

In continuation to what was seen as a transition towards the 'triple bottom line' approach i.e. people, planet and profit, the market regulator Securities Exchange Board of India ("SEBI") came up with its Circular vide CIR/CFD/DIL/8/2012 dated August 13, 2012 ("Circular") mandating Business Responsibility Reports ("BRs") to be prepared by listed companies.

Genesis of BR

The Indian Institute of Corporate Affairs¹ ("IICA") in the year 2011 issued *National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business* ("Guidelines") wherein it was stated that companies should not be just responsible *but also* socially, economically and environmentally responsible. Through such reporting, the Guidelines expect that businesses will also develop a better understanding of the process of transformation that makes their operations more responsible. These BRs will also help in identifying some of the best practices that can serve as guidance models.

SEBI's circular took this initiative forward by mandating certain companies to compulsorily prepare BR. This was mainly because the need was felt for companies to be more answerable to their stakeholders at the same time ensuring that through such reporting, stakeholders also take an active interest in the functioning of the companies.

Filing procedure of BR

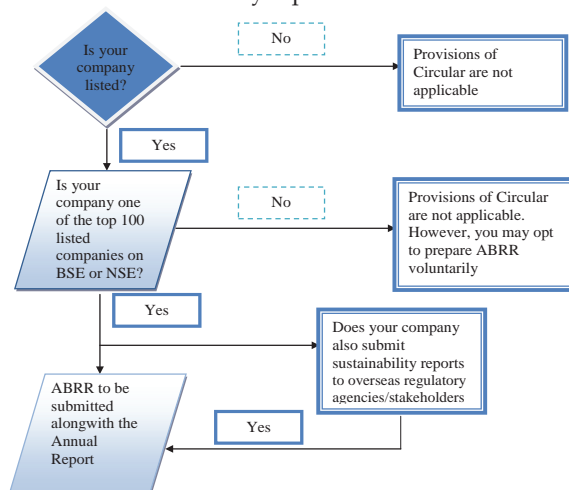
For all listed companies to which the Circular is applicable, BR is to be included as a part of the Annual Report.

¹http://www.sebi.gov.in/cms/sebi_data/attachdocs/1344915990072.pdf

IICA has been established by the Indian Ministry of Corporate Affairs for capacity building and training in various subjects and matters relevant to corporate regulation and governance such as corporate and competition law, accounting and auditing issues, compliance management, corporate governance, business sustainability through environmental sensitivity and social responsibility, e-Governance and enforcement.

Submission of BR by companies which have been submitting sustainability reports to overseas regulatory agencies/stakeholders.

For such companies, a separate report need not be prepared. Companies need to only furnish the same report to their stakeholders along with the details of the framework under which their BR has been prepared and a mapping of the principles contained in these guidelines to the disclosures made in their sustainability reports.



Implementation and monitoring of BR by companies

The suggested framework requires details of directors who are responsible for the BR to be provided in Section D. Although, it is not expressly provided, companies may form a separate committee to monitor the implementation of BR.

Consequential amendment of Equity Listing Agreement

Clause 55 has been inserted in this regard mandating BRs to be provided by listed companies as applicable.

Format for BR

Annexure 1 of the Circular prescribes a suggested framework for the BR and is divided into the following sections:

1. Section A: General Information about the Company
2. Section B: Financial Details of the Company
3. Section C: Other Details - this generally relates to subsidiaries of the company
4. Section D: BR Information
5. Section E: Principle-wise performance

"A 'No' uttered from the deepest conviction is better than a 'Yes' merely uttered to please, or worse, to avoid trouble." - Mahatma Gandhi

Annual Business Responsibility Reports – will this make companies responsible?

Each principle has been described in detail and pertains to varied topics from ethics, well being of employees to promotion of human rights and supporting inclusive growth and equitable development. These principles have been provided briefly in Annexure 1 to this note.

Certification of BR

The Circular is ambiguous in this regard. However, the Guidelines provide that the BR should be signed by the owner/Managing Director of the CEO of the company.

Special mention of some provisions of the suggested framework

1. Part 2a of Section D

This part requires companies to explain their inability in formulating any principle. Clearly every principle, being 9 in total, will have to be implemented by all applicable companies.

2. Governance related to BR (Part 3 of Section D)

This part relates to assessment of BR performance of the company and the frequency. Surely, companies cannot just formulate a BR and not act upon it. Also, this part holds Board of Directors, Committee of the Board or CEO responsible for such assessment.

3. Principle wise performance (Section E)

This section requires companies to answer specific question relating to every principle.

Review of BR

The Circular is not clear regarding this. Although, the BR requires companies to specifically mention the reasons for non-compliance, yet it is not clear how defaulting companies will be dealt with.

Prelude to Corporate Social Responsibility (“CSR”)

Although, the intent behind CSR and BR is the same yet the two should not be confused. The principles require companies to focus on the growth of underdeveloped areas whereas CSR concentrates on the areas in which the company operates. Further, the Circular does not earmark any amount for spending on the principles specified.

Our analysis

As already provided, BR needs to be annexed to the Annual Report of listed companies. A joint reading of Section 216 and 217 of the Companies Act, 1956 makes it clear that profit and loss account, auditors’ report and report of the board of a company has to be attached to every balance sheet of the company. Since, the Circular is amply clear that BR has to be attached to annual report, it is opined that BRs will also have to be attached to the balance sheet of the company.

The requirements of the Circular are an ambitious step of SEBI towards making companies responsible towards stakeholders and to actively engage stakeholders in its activities. However, the success of such an initiative needs to be seen.

Principle 1

- Companies to conduct business ethically, develop governance structures and ensure to communicate transparently all information that relevant stakeholders.

Principle 2

- Consumer awareness regarding their rights to be ensured by education, product labelling.
- Companies should ensure that the manufacturing processes and technologies uses are resource efficient and sustainable.

Principle 3

- Companies to take account of the work balance of employees, especially women.
- Companies should provide a workplace environment that is safe, hygienic, humane, and which upholds the dignity of the employees.

Principle 4

- Companies should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
- Businesses should give special attention to stakeholders in areas that are underdeveloped.

Principle 5

- Companies should not be complicit with human rights abuses by a third party.
- Companies should, within their sphere of influence, promote the awareness and realization of human rights across their value chain.

Principle 6

- Companies should utilize natural and manmade resources in an optimal and responsible manner.
- Companies should take measures to check and prevent pollution.

Principle 7

- Companies while pursuing policy advocacy, must ensure that their advocacy positions are consistent with the principles and Core Elements contained in these Guidelines.

Principle 8

- Companies should innovate and invest in products, technologies and processes that promote the wellbeing of society.
- Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.

Principle 9

- Companies should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
- Companies should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.



“My religion is very simple. My religion is kindness.” - Dalai Lama



M.A. Kuvadia,
Regional Director,
Western Region,
Ministry of Corporate Affairs

Dear Readers,

This is the first time I am addressing professionals after occupying the office of the Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai on 8th March, 2013.

In its endeavour to facilitate corporate growth, MCA has been continuously taking various steps towards endorsing good Corporate Governance, Investor Education & Promotion and encouraging for adoption of Corporate Social Responsibility(CSR).

Corporate sector continues to make a very important contribution to the processes of nation building. Therefore, it has been our continuous attempt to provide companies with a non-cumbersome, customer friendly and transparent regulatory environment to enable them to function efficiently and productively and also to fulfill their social obligations.

1) XBRL taxonomies for exempted class of companies:

ICAI in consultation with other organizations is developing XBRL (extensible Business Reporting Language) taxonomies for exempted class of company's i.e. banking, insurance, NBFC and Power. The draft taxonomies for NBFC, Power and Banking companies developed by ICAI are being examined in the Ministry.

2) Investor Education and Protection Related Activities:

- i) Till the end of February, 2013, 8541 companies have uploaded their data on a new website www.iepf.gov.in set up for companies to file details of unpaid and unclaimed amounts of investors for the last seven years, which are yet to be transferred to the Consolidated Fund of India. Any investor can search information about unpaid or unclaimed dividend by typing his/her particulars using the 'Search' facility of the website.
- ii) During February, 2013, 146 Investor Awareness Programmes were held at different locations in the country by the three Professional Institutes viz., Institute of Chartered Accountants of India(ICAI), Institute of Company Secretaries of India (ICSI) and Institute of Cost Accountants of India (ICAI).

3) MCA -21 Technical Defects:

Further, MCA has asked Tata Consultancy Services for temporary assistance to resolve glitches related to the electronic filing system MCA-21, which is currently being implemented by Infosys w.e.f. January 17, 2013. In order to serve stakeholders, MCA at several instances has extended the last day of filing various forms and relaxed payment of additional filing fees.

4) Public Search of Trademark:

In order to provide enhanced services to its stakeholders, MCA jointly with the Trademark Department has provided a facility for searching the trademark database before applying for name availability. Thus, before applying for a company name, stakeholders can verify that the name is not subjected to any trademark or pending for trademark registration.

5) Expeditious distribution of Rs.3,270 crore, realized from the assets of Defunct Companies to Claimants:

Minister of Corporate Affairs has directed that the sum of Rs.3,270 crore, realized by selling off the assets of defunct companies and lying with the banks at different places should be expeditiously distributed amongst all the claimants including workers, creditors and other stakeholders. Delay in winding up of companies and distribution of dues to claimants not only discourages further investment in the industrial sector domestically but also sends negative signals to investors abroad.

6) Clarifications under Companies Act, 1956:

MCA in consultation with various stakeholders including relevant regulators has issued clarification on Section 372A(3) (MCA General Circular No.6/2013) and Debenture Redemption Reserve (MCA General Circular No.4/2013) for better interpretation and clarity to the stakeholders.

- 7) The Ministry has decided to extend the last date of filing till 15.04.2013 and relax the additional fees applicable on forms as per provisions of the Companies Act. The relaxation is applicable to Companies which were required to make on-line filing after transition of MCA-21 to the Replacement Operator w.e.f. 17.01.2013, but could not be filed due to technical glitches faced by the portal. On receipt of requests from the company, the Regional Director/Registrar of Companies are authorized to allow such extension of time for filing form.(General Circular No.08/2013 dt.10.04.2013).

The Government has clarified the requirements with regard to 'adequacy' of Debenture Redemption Reserve(DRR).

(General Circular No.04/2013 dt.11.02.2013).

The ultimate objective of such initiatives taken by the MCA is to achieve the best compliance rate comparable to other countries across the globe.

8) Last but not Least:

Ministry is preparing a Manual for the Guidance of Official Liquidators in order to streamline their functions and improve their efficiency and bring uniformity in their working. All members are requested to contribute to the preparation of the Manual by sending their suggestions on E-mail to rdwest@mca.gov.in.



"Holding on to anger is like grasping a hot coal with the intent of throwing it at someone else; you are the one who gets burned." - Buddha



CASE LAWS AT A GLANCE

RECENT JUDGEMENTS ON COMPANY LAW



CS Ajay Kumar,
Ajay Kumar & Co.,
Practising Company Secretaries

1) CHARITABLE COMPANIES

Respondent No. 3 association was granted license under section 25 and as per license condition, no alteration could be made in Articles of Association unless alteration had been approved by Central Government. Alteration made to Articles of Association of Respondent had been approved but according to Petitioner-members their representation was not considered. Petitioner sought for quashing of approval and mandamus to grant fair hearing to Petitioner. Since Petitioner's representation was not considered while granting impugned approval, competent authority was to be directed to provide a post decisional hearing to Petitioners on representation and to pass a speaking order while returning a positive finding as to whether alterations in Articles of Association impugned were in contravention of Provisions of Act – **N. C. BAKSHI V. UNION OF INDIA [2013] 117 SCL 476 (DELHI)**

2) OPPRESSION AND MISMANAGEMENT

Petitioners and Respondents were family members. Dispute arose amongst them. Company Petition was filed invoking sections 397 and 398. At time of filing company Petition, Petitioners held 3,300 equity shares which was 30 per cent of total shareholding in company. One of Petitioners transferred his 2,385 shares to legal heirs. Application for transmission/transfer was pending. CLB held that Petitioners did not hold requisite percentage of shares/voting powers as required under section 399 and, thus, rejected Petition as not maintainable. Board ought to have considered date of filing of Petition and, thus, its order being contrary to law and record, same was to be quashed. – **PRATIK B. MEHTA V. UNIFORM OFFSET (P.) LIMITED [2013] 117 SCL 118 (BOM.) (MAG)**

3) OFFICER WHO IS IN DEFAULT

Where company, who is alleged to have committed default does not have managing director or managing directors and/or whole-time director or whole-time directors, manager or any director/s who may be specified by Board in this behalf then and then only all directors can be said to be 'officer who is in default'. Criminal proceedings were instituted against company, its managing director and directors for breach of section 150. Petitioner who was an ordinary director filed an application to quash those proceedings on ground that he could not be said to be 'officer in default' within meaning of section 5. When company had a managing director, whole-time director and manager as mentioned in clauses (a) to (c) of section 5, there could not be any prosecution against Petitioner

who was an ordinary director of accused-company as he could not be said to be 'officer who is in default'. Therefore, proceedings against Petitioner were to be quashed. – **KALPESH DAGLI V. STATE OF GUJRAT [2013] 117 SCL 498 (GUJ)**

4) DOES AN ORDER SANCTIONING SCHEME OF AMALGAMATION/ ARRANGEMENT/ DEMERGER AMOUNT TO 'INSTRUMENT' AND 'CONVEYANCE' WITHIN THE MEANING OF CLAUSE (14) OF SECTION 2 OF STAMP ACT AND, THEREFORE, LIABLE TO STAMP DUTY - SECTION 394 READ WITH SECTION 2(14) OF STAMP ACT, 1899



An order sanctioning a scheme of amalgamation/ arrangement/demerger under section 394 answers to the description of the words 'instrument' and 'conveyance' within the meaning of clause (14) of section 2 of the Stamp Act and no property transferred pursuant to such scheme would be effective unless appropriate stamp duty thereon has been paid. – **EMAMI BIOTECH LTD., IN REJOINDER. [2012] 107 CLA 373 (CAL)**

5) IS COMPANY A GLORIFIED PARTNERSHIP OR CORPORATION RUN BY FAMILY MEMBERS BECAUSE PETITIONERS AND RESPONDENTS ARE FAMILY MEMBERS - SECTION 397/398

Where on the basis of shareholding pattern there cannot be a conclusion that the company is a family-run company, and in the company, which is a public limited listed company, the Petitioners and Respondents are family members but there is no evidence that the company is run on the basis of agreements or understanding in respect of the management and the affairs of the company, it cannot be said that the company is a glorified partnership or corporation run by the family members, particularly when there is no such provision/clause in the article that the company should run on the basis of principles of partnership or family understanding. – **JAGDISH CHANDRA MANSUKHANI & Ors. V. MAN INDUSTRIES (INDIA) LTD. & Ors. [2012] 117 CLA 403 (CLB)**

6) AMALGAMATION/ ARRANGEMENT

Court is not bound to sanction a scheme of amalgamation without being fully satisfied that it protects all stakeholders. Nor can Central Government avoid filing affidavit examining scheme on merit. Section 391 – **BHAGYRAAJ VYAPAAR (P.) LTD. & Ors. V. REGIONAL DIRECTOR, MINISTRY OF CORPORATE AFFAIRS, EASTERN REGION [2012] 111 CLA 399 (CAL)**



"The whole secret of existence is to have no fear. Never fear what will become of you, depend on no one. Only the moment you reject all help are you freed." - Buddha



CS Piyush Bindal,
DPA & Associates,
Practising Company Secretaries

CIRCULARS & NOTIFICATION



CS Amit Kumar Jain,
DPA & Associates,
Practising Company Secretaries

MINISTRY OF CORPORATE AFFAIRS

1. CLARIFICATION UNDER SECTION 372A (3) OF THE COMPANIES ACT, 1956.

General Circular No. 06/2013

Source: www.mca.gov.in

It is observed from the Budget 2013-14 authorizes Union Govt. to raise Rs. 50,000 crores (Tax Free Bonds). These bonds carry a lower rate of interest, currently in the range of 6.75% to 7.50% which is tax free under Section 10(15) (iv)(h) of the Income Tax Act, 1961. Such bonds were also provided for in Budget 2012-13, but the response had been poor due to restrictions under Section 372A(3) of the Companies Act, 1956.

2. Ministry of Finance had drawn the attention of this Ministry to Section 372A (3) of the Companies Act with a view to effectively implement the announcement made in the Budget. Section 372A (3) of the Act inter-alia provides that "No loan to any body corporate shall be made at a rate of interest lower than the prevailing bank rate, being standard rate made public under section 49 of the Reserve Bank of India Act, 1934 (2 of 1934)".

3. It is hereby clarified that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the yield on prevailing bank rate, there is no violation of Section 372A (3) of Companies Act, 1956.

4. This circular is effective from the date of issue.

5. This issues with the approval of Hon'ble Corporate Affairs Minister.

2. RELAXATION OF ADDITIONAL FEES AND EXTENSION OF LAST DATE IN FILING OF VARIOUS FORMS WITH THE MINISTRY OF CORPORATE AFFAIRS-REG.

General Circular No. 07/2013

Source: www.mca.gov.in

In continuation of the Ministry's General Circular No: 03/2013 dated 08-02-2013 on the subject cited, I am directed to inform you that with the approval of competent authority the time limit for filing and relaxation of additional fee on forms has been extended till 31-03-2013, as detailed below :-

2. The scenario arising where the due date was falling before 17/01/2013, however, additional fee increased due to non-filing of documents between



17/01/2013 and 28/02/2013 (both days inclusive). The affirmative step based on the ticket raised by ROC and the additional fee mentioned therein, will be:-

- (1) Change of additional fee applicable against respective SRN in the database;
- (2) Regeneration of challan with revised additional fee;
- (3) Extension of validity period of the challan till 7 days from the date of change;
- (4) Sending an e-mail along with challan to the user requesting him to pay the amount as per the revised challan. (User may also download the challan from FO Portal)

3. The other scenario where all the documents which have expired on or after 17-01-2013 due to non-submission/re-submission PUCL will be restored back. The validity of tickets raised till 24-3-2013 will be entertained and users will be given the time to file the documents within seven days of intimation to user. In case of failure to file the form within seven days, the form will be marked as NTBR and no further relaxation will be granted.

"We ourselves feel that what we are doing is just a drop in the ocean. But the ocean would be less because of that missing drop." - Mother Teresa



4. Further it is clarified that fee payable for forms on/till 16-01-2013 will remain payable along with additional fee and relaxation of any additional fee will be considered for forms on or after 17-01-2013.
5. All other terms and conditions of the General Circular No. 03/2013 dated 08.02.2013 will remain the same.

CUSTOMS

1. POST EXPORT EPCG DUTY CREDIT SCRIP(S) SCHEME AND CERTAIN OTHER CHANGES RELATED TO FOREIGN TRADE POLICY 2009-14 - REG.

Circular No. 10/2013-Customs

Source: www.cbec.gov.in

Reference is made to Para 4 of Circular No.20/2012 - Customs dated 27.7.2012 wherein it was indicated that there are certain areas of change in the FTP supplement 2012-13 for which notifications shall be issued subsequently as modalities to make them operational were being worked out. In these areas, the Department of Revenue has since issued notifications described below.

2. The definition of capital goods (under para 9.12 of FTP amended on 26.7.2012) now includes catalysts for initial charge plus one subsequent charge. The notification No.3/2013-Customs dated 13.2.13 has amended notification Nos. 100 to 103/2009-Customs to specify the conditions subject to which the catalyst for one subsequent charge shall be allowed under EPCG Scheme. The notification No.4/2013-Customs dated 14.2.13 has been issued amending 31 customs notifications so as to specify Visakhapatnam Airport for making imports and exports under the export promotion schemes.
Post Export EPCG duty credit scrip(s) Scheme
3. It may be recalled that the Post Export EPCG duty credit scrip(s) Scheme was notified on 5.6.12 vide a new para 5.11 in FTP read with a new para 5.23 in the HBP v1. These paras have been further amended on 26.7.12 and 8.2.13 by Department of Commerce. These provisions may be downloaded from DGFT website and perused. The Post Export EPCG duty credit scrips to be issued by Regional Authority of

the DGFT are intended to be used for, apart from imports of goods, domestic procurement. Their usage pattern is intended to be similar to that prescribed for freely transferable duty credit scrips issued by the Regional Authorities under chapter 3 of FTP.

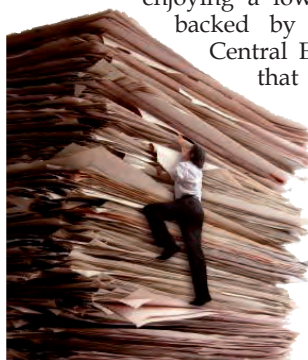
4. The scheme envisages that the duty credit in these scrips shall be a duty remission computed based on the basic customs duty paid on capital goods which had been imported on payment of all applicable duties of customs in cash. Subject to installation and use of the imported capital goods, and other conditions including non-disposal of the capital goods till the date of last export, the duty remission may be granted by the Regional Authority in proportion to export obligation fulfilled within a fixed export obligation period. For this purpose, the export obligation would be fixed (over and above average export obligation) at 85% of applicable specific export obligation, computed as if the duty paid imports had taken benefit of duty exemption (i.e. like the EPCG duty exemption schemes, either zero duty or concessional 3% duty). As in the existing EPCG duty exemption scheme, if it is opted to not take the Cenvat credit of additional duty of customs paid, a lower export obligation would be fixed. There is no provision for extension of export obligation period in this scheme.
5. The notification Nos.5/2013-Customs and 6/2013-Customs both dated 18.2.13 have been issued under section 25(1) of Customs Act, 1962 to permit imports through debit of the customs duties in the said duty credit scrip. The notifications are for scrip variants where export obligation is fixed like the zero duty or concessional 3% duty EPCG scheme, respectively. The mechanisms of fixing the export obligation, and of granting the remission, are explained in the notifications. Further, notification Nos.2/2013-Central Excise and 3/2013-Central Excise both dated 18.2.13 have been issued under section 5A (1) of the Central Excise Act, 1944, read section 3 (3) of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 and section 3 (3) of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978, to permit domestic procurement. All these four notifications are conditional notifications. Notification No.7/2013-Customs dated 19.2.13 makes consequential amendments in the two customs notifications for the purpose of cross referencing the two central excise notifications.
6. As mentioned hereinabove, in this Scheme the duty remission is envisaged in proportion to export obligation fulfilled within a fixed export obligation period. Unlike the EPCG duty exemption schemes, the block obligation periods or their related proportions of export obligation fulfillment are not pre-defined in the new scheme. More than one duty credit scrip may issue (against the duty paid import of capital goods) based on the progressive fulfillment, during the specified export obligation

"Let us more and more insist on raising funds of love, of kindness, of understanding, of peace. Money will come if we seek first the Kingdom of God - the rest will be given." - Mother Teresa

period, of larger extents of the total export obligation. The meaning of 'export obligation' would apply individually to each duty credit scrip. Further, scrip issuance is akin to a discharge (or partial discharge) of the export obligation and is a remission by the DGFT of duty collected by the CBEC. Therefore, it is necessary that the Deputy/ Assistant Commissioner of Customs satisfies himself of the compliance of the conditions of the notification (including fulfillment of export obligation, the quantum of duty remission in the duty credit scrip, the cumulative duty credits issued against imported duty paid capital goods) before allowing a duty credit scrip, issued under the Scheme, to be registered.

7. A sequential monitoring should be followed. This begins from registration of authorization (for importing capital goods) at the port of registration and is followed by import on payment of full applicable duties of customs in cash, endorsement of import particulars on authorization at time of clearance, making specified endorsements on bill(s) of entry at time of import, ensuring registration or installation/use of all imports under authorization before any scrip issues, registration of scrip at the same port, keeping cumulative record of duty credit scrips issued against an authorization, and making the indicated endorsements on documents at the time of registration. Moreover, the assessment Group which handles the authorization to import capital goods on payment of duty under this variant of the EPCG scheme would need to allow the registration of this duty credit scrip. The genuineness of the post export EPCG duty credit scrip should be verified.

8. Safeguards are provided in the notifications relating to making endorsements on the documents. The option for not availing Cenvat Credit on capital goods imported under authorization and thereby enjoying a lower export obligation is to be backed by a certification. Jurisdictional



Central Excise authority should ensure that certificate on non-availment of Cenvat Credit is issued expeditiously and normally within two weeks but not later than four weeks under all circumstances. Where the goods imported against an authorization are found defective or unfit for use and are re-exported back to the foreign supplier, if claim of duty drawback is made, no duty remission for the duty paid at the time of import on the re-exported goods is to be allowed. Further, after any duty remission in the form of duty credit scrip has been claimed in respect of the duty paid on the goods imported against an authorization, no duty drawback shall be allowed when the goods are re-exported and the export obligation is also not to be re-fixed.

Indigenous sourcing of capital goods (referred to as invalidation procedure of import authorization) on payment of duty is not permitted in this scheme.

9. It may also be noted that the post export EPCG duty credit scrip cannot be issued as a refund on the premise that duty was paid but a situation arose where there was no export obligation to be fulfilled. The Commissioners of Customs are also to exercise special checks so as to ensure that there is no misuse of the scheme and a proper record of all such checks is maintained. These shall include random verifications of the address shown on the authorizations (for import of capital goods) during their validity period in at least 10% of authorizations, random verifications of the certificates produced (not issued by central excise authorities) and of the declarations submitted with respect to Condition No. 14 (e)(i) of the Customs notifications in at least 10% cases. These verifications should be made through the Commissioners of Central Excise. The central excise authorities should include, in their verification, a check of the periodical utility bills (containing the address) as one of the means enabling verification of installation/ operation/ authorization holder premises. The Commissioners are expected to exercise due diligence to prevent misuse. If any other measure or safeguard is considered necessary it may be informed to the Board for appropriate action. Moreover, relevant aspects should also be incorporated in the monthly report of "Monitoring of Export/Imports under various Export Promotion Schemes" sent to the Board in terms of letter No. 605/64/2008-DBK dated 20.11.2008.
 10. The Director General (Systems and Data Management) is to take steps to capture relevant details of authorizations, imports made (including duties paid) and the duty remitted against them, and in addition the subsequent utilization of the post export EPCG duty credit scrip. Moreover, the utilization of scrip under the Customs exemption notifications shall be shown separately in the FMR Customs (Annexure III) and that under the Central Excise exemption notifications shall be shown separately in the FMR Central Excise (Annexure IV) with a remark that it is a duty remission.
 11. The Commissioners should ensure that the above mentioned Customs and Central Excise notifications and this Circular are carefully perused for details and implementation. Suitable public notice and standing order may be issued for guidance of the trade and officers.
2. **SETTING UP OF PUBLIC/PRIVATE BONDED WAREHOUSES FOR GEMS & JEWELLERY SECTOR**
Circular No. 11/2013-Customs
Source: www.cbec.gov.in
Director General of Foreign Trade vide notification no. 30 (RE-2012)/2009-2014 dated 31.01.2013 amended FTP 2009-2014 and introduced a new para 4A.16A for setting up of Public / Private Bonded Warehouses for Gems & Jewellery Sector. The scheme under para 4A.16A of

FTP 2009-2014 provides for setting up Private / Public Bonded Warehouses in SEZ/DTA for import and re-export of cut and Polished diamonds, cut and polished coloured gemstones, uncut & unset precious & semi-precious stones, subject to achievement of minimum Value Addition (VA) of 5%.

2. To operationalize the above scheme, procedure as follows may be followed:

(i) The scheme shall be applicable to jurisdiction of Commissioners of Customs (a) CSI Airport, Mumbai, (b) Jodhpur (Hq. at Jaipur), (c) Air Cargo Export, Delhi and (d) Airport & Air Cargo, Chennai. A Private/Public bonded Warehouse may be set up in SEZ/DTA subject to observance of Board's existing instructions on setting up such warehouses wherein imported goods would be kept by the warehouse license holder. Physical control over the warehouse in the form of Double Lock System and posting of Cost Recovery Officer is waived.

(ii) Clearance from the bonded warehouse may be taken by EOU under authorization from the Deputy/Assistant Commissioner and on filing ex-bond Bill of Entry.

(iii) Clearance from the bonded warehouse may be taken by units in SEZ in accordance with the SEZ Act, 2005 and the rules made there under.

(iv) The holders of GEM REP Authorizations can take the goods by following the procedures given under para 4A.4, 4A.4.1 and 4A.4.2 of Handbook of Procedures Volume I. Details in this regard are to be given to the Deputy/Assistant Commissioner by warehouse license holder instead of licensing authority.

(v) The warehouse license holders shall be responsible for the safe keeping of the goods, for making physical delivery thereof to the users, as the case may be, against duty assessed Bills of Entry on which ex-bond clearance has been allowed by the proper officer, and for rendering to Customs a complete account of goods received and kept by them in bond. In their capacity as bonders, they will also maintain the prescribed records, including name, address and other specified details of the users and quantity of the goods released to the user and exported by him.

(vi) Separate Bond/Stock Account register in the form, Annexure-I and Stock Card in the form, Annexure-II is to be maintained by the each Licensee. The details are to be filled on the date of transaction and the signatures of the Licensee/ authorized representative be appended after every transaction.



3. The above said procedures may be brought into effect immediately, and the trade informed suitably. Proper steps may be taken for smooth transition from existing scheme to new scheme without dislocating the trade.

3. REGARDING EXAMINATION OF EXPORT CONSIGNMENTS OF PERISHABLE CARGO.

Circular No. 12/2013-Customs

Source: www.cbec.gov.in

Attention is invited to Board Circular No 8/2007-Cus dated 22.1.2007 which lays guidelines about examination of export consignments of perishable cargo.

2. The Department related Parliamentary Standing Committee on Commerce has emphasized that in order to promote export of Agriculture and Processed Food products, the Customs authorities must be sensitized to accord priority clearance to perishable agro products cargo. Accordingly, the Board reiterates that export consignments of perishable agricultural goods should not be examined in a routine manner and should be examined only in cases of specific intelligence with prior permission of concerned Assistant Commissioner/Deputy Commissioner of Customs. Such perishable cargo which is taken up for examination should be given Customs clearance on the same day itself. In the event there are contraventions of Customs law, necessary legal action shall be taken but, in this case too, it shall be ensured that the perishable cargo is dealt with in such a manner including grant of provisional release (where permissible) so that it is not unduly held up in ports/airports etc.

3. Board has also decided, as a trade facilitation measure, to extend the facility of 24x7 Customs clearance for export consignments of perishable agricultural export goods at all air cargo complexes across the country.

4. Any difficulties in implementation of the Circular may be immediately brought to the notice of the Board.

4. ISSUES RELATING TO IMPLEMENTATION OF MINISTRY OF STEEL'S ORDER S.O. 415(E) DATED 12.03.2012 AND APPLICATION OF BIS SPECIFICATION NO. IS: 227. - REG.

Circular No. 13/2013-Customs

Source: www.cbec.gov.in

References have been received in the Board raising concerns on the applicability of the scope of BIS Specification No. IS: 227 issued by Ministry of Steel Order vide S.O. 415(E) dated 12.03.2012.

2. The same has been examined in consultation with Ministry of Steel. Ministry of Steel has clarified as below: -

1. It is not appropriate that Indian Standard IS: 227 covers Galvanized sheets only for roofing, paneling and lock forming. It includes all Hot Dipped Galvanized sheets/strips unless and

"Let us more and more insist on raising funds of love, of kindness, of understanding, of peace. Money will come if we seek first the Kingdom of God - the rest will be given." - Mother Teresa

otherwise something is specifically excluded from Indian Standard and/or clarification is issued by BIS stating the exclusion of particular product.

2. Electro Galvanized sheets and Galvanized sheets/strips fall outside the purview of IS: 277 and hence such product whether in prime or secondary/defective condition are not covered under the IS: 277 or the Quality Control Order issued by the Ministry of Steel.
3. One of the prime objectives of the Steel and Steel Products Quality Control Order is to restrict/prohibit production/sale/import of substandard material. Therefore, import of any substandard product (Second/secondary/defective/off cut etc.) in respect of any of the product covered in the Indian Standard covered under the Quality Control Order is not permitted. Accordingly, import of seconds/secondary/defective/off cut Hot Dipped Galvanized Steel sheets/coils are not permitted as per the Quality Control Order. It is mainly because though the material is similar to IS: 277 in description, it fails to meet the technical requirement prescribed in the standard. Further storage, sell, distribution of such substandard product whether produced domestically or imported is prohibited in domestic market.



3. Board desires the aforementioned clarification should be complied with by field formations. Suitable Public Notices or standing orders may be issued to guide the trade/ Industry and officers.
4. Difficulties, if any, faced in implementation of above provisions may be brought to the notice of the Board, immediately.

5. IMPORT OF PETS UNDER BAGGAGE - REG.

Circular No. 14/2013-Customs

Source: www.cbec.gov.in

Attention is invited to Board's Circular No. 94/2002-Customs dated 23.12.2002 on the above cited subject wherein it was provided that import of pets upto two numbers per passenger may be allowed at one time subject to the production of the required health certificate from the country of origin and examination of the same by the concerned Quarantine officer.

2. Board has re-examined the present policy of import of two pets by passengers in view of representations received in this regard. Accordingly, it has been decided to allow import of two pet animals as baggage only to persons transferring their residence to India after two years of continuous stay abroad in terms of Baggage Rules 1998 subject to production of the required health certificate from the country of origin and examination of said pets by the concerned Quarantine Officer at this end. This new dispensation shall come into force with effect from 15th April 2013. Import of animals

(pets) in general would continue to be governed by DGFT policy.

3. Board's Circular No. 94/2002 - Customs dated 23.12.2002 stands modified accordingly to that extent.
4. These instructions may be brought to the notice of the trade/airlines/carriers by issuing suitable Trade / Public Notices. Suitable Standing orders/instructions may be issued for the guidance of the field officers.

CENTRAL EXCISE

1. CLARIFICATION REGARDING ADMISSIBILITY OF EXEMPTION UNDER AREA-BASED NOTIFICATIONS NO. 49/2003-CENTRAL EXCISE AND 50/2003-CENTRAL EXCISE, BOTH DATED 10.06.2003 - REG.

Circular No. 968/02/2013-CX

Source: www.cbec.gov.in

Your kind attention is invited to Board's circular No. 960/03/2012-CX dated 17.02.2012 issued from F. No. 110/03/2011-CX3 wherein admissibility of exemption under Notification Nos. 49/2003-CE and 50/2003-CE, both dated 10.06.2003, in certain specified situations was clarified. In Para 5 of the said circular, it was clarified that expansion of an eligible unit by acquiring an adjacent plot of land and installing new plant and machinery on such land, is akin to expansion by way of installing new plant and machinery inside the existing plot/premises and that in such cases, the exemption should continue to be available for the residual period of exemption.

2. Representations have been received from the Trade seeking further clarifications as to whether the term 'adjacent' used in the said clarification would also include a plot which is not immediately adjoining the existing plot but at some distance away from the existing plot.
3. The matter has been examined. Para 5 of the aforesaid circular dated 17.02.2012 is meant for a situation where the expansion is done by acquiring the adjoining plot with at least one common boundary which merges with the existing plot/premises to make it one unit. Installing of new plant and machinery in a plot which is away from the existing plot is not akin to the situation mentioned in Para 5 of the said circular. Installation of plant and machinery on such a plot would tantamount to setting up another unit by the manufacturer, the eligibility of exemption of which is independent of the eligibility of exemption to the existing unit.
4. For the removal of doubts, it is therefore clarified that the clarification in Para 5 of the circular N. 960/03/2012-CX dated 17.02.2012 is meant for the units which undertake expansion by acquiring the adjoining plot with at least one common boundary with the existing plot and merge it with the existing plot/premises to make it one unit.
5. Trade, industry and field formations may be suitably informed. ■■■

"A coward is incapable of exhibiting love; it is the prerogative of the brave." - Mahatma Gandhi



Mruga B. Dholakia,
Nutritionist and Food Researcher

GREEN SIGNAL FOR GREEN TEA

Mruga Dholakia, nutritionist tells us how regular consumption of green tea can have manifold health benefits!

We all know that tea has been cultivated in India for centuries, and it is certainly the beverage of choice of millions of Indians. Our morning doesn't start without the cup of hot tea and that's the reason why it is important for us to switch from black to green tea!!

Camellia sinensis is the plant from which you derive green tea and also the other teas such as the black and oolong but the processes to derive it are completely different to one another, Green tea is the most different as it does not need to be fermented.

The constant research on green tea is just building on the benefits of it, day by day the positives in green tea just keep on increasing, Human body has lot to benefit from green tea, health and long life is the two most vital qualities green tea parts to us. One should get into a habit of green tea drinking and make it a part of their daily routine, Green tea drinking should be promoted in the family to other members too.

Green tea beats the other two types of tea in terms of health benefits. The commonly known fact about green tea as to why they are well thought-out to be an essential and advantageous for human beings well being in general is because of EGCG one major antioxidant found in it (green tea). EGCG (Epigallocatechin gallate) belongs to the group flavonoids an antioxidant group commonly found in nature especially plants, these flavonoids group antioxidants are associated to a extensive range of well being benefits, some common benefits are protecting oneself from diseases like heart disease and also major disease like cancer etc.

Types of green tea

There are many varieties of green tea. In China popular types of green tea are Junshan Yinzhen, Longjing, etc. In Japan, green tea is known simply as 'tea'. Japanese varieties include Kabusecha, Gyokuro, etc. Kahwah is a traditional green tea consumed in Afghanistan, northern Pakistan, some regions of Central Asia, and the Kashmir Valley.

Health benefits of green tea

Helps to reduce the risk of heart disease: Green tea helps us lower levels of cholesterol in our bodies; it also helps us prevent the arteries from hardening, thus lessening the chances of heart diseases, known to be an antibacterial agent this herb also helps in stopping diseases like periodontal decay and gingivitis. Have green tea on a regular basis to protect your heart.

Helps to keep diabetes in check: How green tea can help diabetic people!! Well, it helps in insulin production, which is the major hormone in regulating blood sugar levels. Thus, Green tea helps in lowering blood glucose levels. Consuming green tea also normalises and regularises blood sugar levels in the body.

Anti- ageing benefits: Antioxidants found in green tea fight free radicals thereby keeping a check on ageing and promoting longevity. Because it contains high levels of oligomeric proanthocyanidins, one of the most powerful antioxidants, green tea is thought to help slow down the premature ageing process.

Helps to improve immunity: Polyphenols and flavonoids present in green tea boost the immune system to make the human body stronger in fighting various infections. Vitamin C present in green tea helps keep away colds and flu.

Helps fight cancer: Green tea also keeps cancer from being triggered by specific carcinogens. It induces spontaneous death to cancerous cells by destroying its. Studies reveal that green tea has played a part in averting cancers of the bladder, rectum, lung, oesophagus, stomach, colon, pancreas, liver and prostate.

Helps to lose weight: A proven fact is that green tea can boost the calorie burning and fat oxidation process in your body. Good news for weight watchers!!

How much green tea to consume

Green tea certainly has more natural ingredients than other teas available in the market - however do not go overboard in terms of how much you consume. Stick to a standard and firm schedule. We Indians have habit of consuming atleast 2- 3 cups per day. Let's not exceed this level as it may turn toxic.

So Yes!!.... It's time to turn that red signal into green one and GET SET GO !!!



"The greatest destroyer of peace is abortion because if a mother can kill her own child, what is left for me to kill you and you to kill me? There is nothing between." - Mother Teresa



CS Hemant Kothari,
Company Secretary & Head Legal,
Radhakrishna Foodland Pvt. Ltd.

THAT'S NOT WHAT I MEANT!



Bhaskar Natrajan,
Leadership Coach,
School of Leadership Coaching

Yes, that's right. This is a simple test for all of us. How many times in the last three months, you have either cried out loud or heard an inner voice in your head, "That's not what I meant, you got it all wrong!"? If it is more than once, this article is meant for you. At the end of this, you'll get five specific steps that you could put to practice and let us know your experiences. Be it a friend, a family member or a fellow colleague at work, they somehow seem to miss the point you are making. It is frustrating to know that all these times they have 'misunderstood' you. Life would've been a lot easier, 'If only they 'understand' me and what I say'.

The truth is... it is not that easy! However, if you are prepared to make a few 'changes' and do things 'differently' in the way 'you' communicate, it could get a lot easier!

Game for it? Read on...

Before we begin our little journey, wherever you are now, say this aloud a couple of times, **"The meaning of my communication is the response I get"**. This is the central theme of our discussion here. Let us come back to this sentence in a while.

Let's start with the basics:

- Communication (from Latin "communis", meaning to share) is the activity of conveying information through the exchange of thoughts, messages, or information, as by speech, visuals, signals, writing, or behavior.
- Communication involves a 'Sender', a 'Message' and a 'Recipient'
- The communication process is complete once the receiver has understood the message of the sender.

(Source - <http://en.wikipedia.org/wiki/Communication>)

Successful communicators know how to manage and influence the way they are perceived. They understand that it is perception, which dictates the outcome of an agenda that resides at the heart of each and every conversation we make. We just don't (or shouldn't) speak to hear the sweet sound

of our own voice! When we communicate we always have a point to make, opinion to share, information to convey, a decision to influence or an outcome that we seek. There is a deep desire to be 'understood' and be taken seriously by those who matter to us.

So you may ask,

1. Why others don't seem to get it when I communicate? and
2. How do I communicate for maximum impact and accurately transmit the message?

To get answers to the above questions, let us understand the following principles that play a part in the recipient's (listener's) perception:

- Deletion
- Distortion
- Generalization

During a communication process, the information is taken in by one of the five sensory portals (sight, hearing, touch, smell and taste). When the listener 'filters' out certain messages, it gets partially or fully 'deleted'. [For e.g. when one listens to a religious discourse by a celebrity guru, ideas that do not 'fit-in' with their personal belief system are 'deleted'.] When the listener makes a shift in experiencing the sensory input, i.e. misrepresentation of reality, then the message gets 'distorted'. [On a lighter note, during elections, when we hear any Politician's speech we could relate to this principle] 'Generalization' is the casting in stone of the truth as perceived by the listener. [Sometimes, positive / negative experiences in the past with the 'sender' or the 'message' may become the 'truth' for the listener. For e.g. if you get encouraging remarks about the idea you shared and it happens couple of times, then you 'generalize' that your Boss/ Reporting Manager (RM) / colleagues respect your views and feel motivated to contribute more to the business] Now, let's come back to our central theme of discussion - **"The meaning of my communication is the response I get"**.

This helps us establish the following:

"A 'No' uttered from the deepest conviction is better than a 'Yes' merely uttered to please, or worse, to avoid trouble." - Mahatma Gandhi



- The meaning of 'MY' communication is the response 'I get' – The ownership of conveying the meaning is with 'me' not just the listener. I cannot afford to say, "I did my best, she did not understand. It's not MY problem".
- If in the first attempt the listener did not get the message, then I have to 'try again' – perhaps a 'different approach' to convey the same meaning.
- I should 'keep trying' till I get the 'outcome' I seek from the listener.

What does this mean to you?

This means, the goal of your communication is not so much to change people's (listeners) minds as to use these principles and 'change the way' you communicate. Be aware of the deletions, distortions and generalizations that may impact the results. Keep trying different ways until you get the outcome you are seeking for.

If the response you receive does not match the response you intended, you can be stubborn and think, "Well what I said was right" or you can be flexible and think, "Well, they did not receive the message I intended. How can I rephrase it to communicate my real intent? How can I change my communication to get the results I really intend?"

Now let us put this to practice!

A-day-in-a-life of a RM :

Consider the following conversations:

Situation 1: [Notice – *Deletions, Distortions and Generalizations are italicized*]

RM: I had asked you to submit well in time. Why did you delay? *You are very careless in your work.*

Asst.: Sir, Our Computer has a problem.

RM: *Had you done this in time, the problem wouldn't have occurred.*

Asst. : Sir, All efforts in vain I'll try again in sometime and close this.

RM: *Don't give me excuses.* I want this to be done today itself.

Situation 2: [Notice – *Deletions, Distortions and Generalizations are italicized*]

Dept. Head: I made a complete application and visited the Labor Office, twice this week! But the officer is not accepting the application. He is raising strange questions that are not applicable to the matter.

RM: Are you saying that *you are not able to convince* the officer to accept the application? It appears that you are not able to get this *simple job done*. Should we be engaging an outside expert for this?

Dept Head: I understand my subject. *I have tried my best.*

Now, how could these conversations happen in a smooth manner and the RM feels 'understood', respected and gets the outcome she seeking for?

5 essential steps to practice:

1. Identify the deletions, distortions and generalizations of the listener
2. Change / shift to a positive body language - the voice / posture that would evoke a mutual respect
3. Keep focus on the 'Problem' and not the 'Person'
4. Be open and willing to offer an apology if the mistake is yours
5. Be willing to offer your support and commitment to make things work

Ideas to Action:

Let us put these 5 steps to practice and see how the conversation could've continued in the above situations.

Situation 1: [Asst. does not want to leave an impression that she is not diligent in her work]

Asst.: Sir, apologies for the oversight. I can assure you that this would be closed at the earliest and I'll report back to you once it is done. Also I'd be careful next time around. Acknowledge and appreciate your feedback.

Situation 2: [Dept. Head does not want to be perceived as incompetent in getting the job done. Also an opportunity to seek help, if genuinely needed.]

Dept. Head: I understand your concern Sir. Let me think of an alternative. Also if you have any suggestions for me, please let me know. I assure you that I'm committed to getting this approval as it means a lot for our business.

Hope this was useful for you. This is one of the alternatives we could think of.

What are your ways of communicating 'differently' to get the results you seek?

"The meaning of my communication is the response I get".

Please write to us about your experiences on putting this idea to practice. We can be reached at focus@schoolofleadershipcoaching.com



"My religion is very simple. My religion is kindness." - Dalai Lama

- A :** “FOCUS” published monthly as a magazine aims to be a forum for members of the Western India Regional Council of the Institute of Company Secretaries of India (WIRC of ICSI) for;
- disseminating information,
 - communicating developments affecting the Institute and its members in particular and the CS profession in general,
 - articulating issues of contemporary concern to the members of the profession.
 - cementing and developing relationships across membership by promoting discussion and dialogue on professional issues.
 - discussing and debating issues particularly of public interest, which could be served by the CS profession.
 - facilitating Members of the profession to share their views on matters of professional interest by way of articles and write-ups.
- B :** The WIRC of ICSI recognizes the fact that;
- There is a growing emphasis on the globalization of the CS profession;
 - There is an imminent need to position the profession in a business context which transcends the traditional and specific CS applications.
 - The Institute members increasingly will work across the globe and in global context.
- C :** Given this background the WIRC of ICSI strongly encourage contributions from the following groups of professionals;
- Membes of other Professional bodies across the globe
 - Regulators and Government officials
 - Professionals from allied professions
 - Academia
 - Professionals from other disciplines whose views are of interest to the CS profession
 - Business leaders
- D :** The magazine also seeks to keep members updated on the activities of the Institute including events on the various practice areas and the various professional development programmes on the anvil
- E :** The WIRC of ICSI while encouraging stakeholders as in Section C to Contribute to the Magazine, it makes it clear that responsibility for authenticity of the contents or opinions expressed in any material published in the Magazine is solely of its author and the WIRC of ICSI, council members, any of its editors or members of Editorial Team & Advisory Board, the staff working on it or “FOCUS” is in no way holds responsibility there for. In respect of the advertisements, the advertisers are solely responsible for contents of such advertisements and implications of the same.
- F :** Finally and most importantly WIRC of ICSI strongly believes that the magazine must play its part in motivating students to grow fast as Members of tomorrow to be capable of serving the Legal & Compliance area within ever demanding customer expectations.

SAY CHEESE !!!



Contributed by CS Gaurav Pingle.



CS Hemant V. Pandya,
Practicing Company Secretary

COMPLIANCES FOR THE MONTH OF MAY

Sr. No.	Things you need to do	Sections / Rules / Clauses prescribing the activities to be done	Acts / Regulations / Circulars under which the Sections / Rules/ Clauses is covered	Due Date before which you need to comply the activity	You need to submit this to
TAX RELATED COMPLIANCES					
CENTRAL EXCISE ACT RELATED COMPLIANCE					
1	Pay excise duty on the goods removed from the factory or warehouse for the previous month	Rule 8(1)	Central Excise Rules, 2002	May 5	Excise Authorities
2	Pay excise duty on the goods removed from the factory or warehouse for the previous month(E- payment)	Rule 8(1)	Central Excise Rules, 2002	May 6	Excise Authorities
3	Submit monthly Central Excise E.R.1 Return (E.R. 2 return for 100% EOU / units in FTZ / SEZ)	Rule 12 (1) / 17 (3)	Central Excise Rules, 2002	May 10	Excise Authorities
4	Submit monthly return by manufacturer of Final Product (N.A. for SSI)	Rule 9(7)	CENVAT Credit Rules, 2004	May 10	Supritendent of Central Excise
5	Submit return containing information of principal input for the preceding month E.R.6	Rule 9A	CENVAT Credit Rules, 2004	May 10	Supritendent of Central Excise
6	Submit monthly return for receipt of inputs & capital goods for the preceding month in Form No. E.R.2	Rule 9(7) & Rule 12	CENVAT Credit Rules, 2004 & Central Excise Rules, 2002	May 10	Supritendent of Central Excise
7	Submit monthly Return for availment of CENVAT Credit for preceding month in Form No. ER 1	Rule 9(7) & Rule 12	CENVAT Credit Rules, 2004 & Central Excise Rules, 2002	May 10	Supritendent of Central Excise
8	Deposit duty on goods cleared during a calendar month, where an assessee is availing of the exemption under a notification based on the value of clearances of goods from factory or warehouse, in a Financial Year	Second Proviso to Rule 8 (1)	Central Excise Rules, 2002	If paid electronically- 16th May, otherwise 15th May	Excise Authorities
9	Monthly payment of excise duty for the preceding month SSI Units in Form GAR- 7	Rule 8	CENVAT Credit Rules, 2004 & Central Excise Rules, 2002	May 15	Excise Authorities

“Let us touch the dying, the poor, the lonely and the unwanted according to the graces we have received and let us not be ashamed or slow to do the humble work.” - Mother Teresa

DATES TO REMEMBER

Compliance Calendar

10	Monthly payment of excise duty for the preceding month SSI Units in Form GAR- 7 (E-payment)	Rule 8	CENVAT Credit Rules, 2004 & Central Excise Rules, 2002	May 16	Excise Authorities
11	Deposit duty on goods cleared during a calendar month, where an assessee is availing of the exemption under a notification based on the value of clearances of goods from factory or warehouse, in a Financial Year [E-payment]	Second Proviso to Rule 8(1)	Central Excise Rules, 2002	May 16	Excise Authorities
INCOME TAX RELATED COMPLIANCE					
1	Deposit TDS from salaries for the previous month in Challan No. 281	Section 192	Income Tax Act, 1961	May 7	Designated Bank / Income Tax Authorities
2	Deposit TDS on interest on Securities, Dividends other than dividends referred to in Section 115O, Interest other than interest on Securities, Winnings from Lotteries & crossword puzzles, Winning from Horse Races	Section 193, Section 194 to Section 194BB	Income Tax Act, 1961	May 7	Designated Bank / Income Tax Authorities
3	Deposit TDS on Contractor's Bill / Rent Advertising / Professional Service Bill deducted in the previous month	Section 194C to Section 194H	Income Tax Act, 1961	May 7	Designated Bank / Income Tax Authorities
4	Deposit TDS on payment to non-resident, Foreign company being holder of mutual fund units, Units held by an offshore fund, Income from foreign currency bond, Income of FIIs from securities	Section 195, Section 196 A to 196 D	Income Tax Act, 1961	May 7	Designated Bank / Income Tax Authorities
5	Payment of Tax Collected at Source	Section 206	Income Tax Act, 1961	May 7	Designated Bank / Income Tax Authorities
6	Payment of Securities Transaction Tax for the previous month of March (Challan No. ITNS 283)	Section 100	Income Tax Act, 1961	May 7	Designated Bank / Income Tax Authorities
7	Submit a statement of tax deduction from interest, dividend or any other sum payable to non residents during the months January to March in Form 27Q	Section 194E, 195, 196A, 196B, 196C, 196D and Rule 31A and 37A	Income Tax Act, 1961 read with Income Tax Rules, 1962	May 15	Income Tax Authorities
8	Issue Annual TDS Certificates in Form 16A to vendors (where monthly certificates not given)	Section 203	Income Tax Act, 1961	May 31	Income Tax Authorities
9	Furnish statement of deductions of tax from contributions paid by trustees of approved superannuation fund.	Rule 6 of Part B of 4th Schedule	Income Tax Act, 1961	May 31	Income Tax Authorities

“Prayer is the key of the morning and the bolt of the evening.” - Mahatma Gandhi

10	Issue certificate (Form no. 16) of TDS on salaries and perquisite value paid to employees	Section 203 read with Rule 31 (1) (a)	Income Tax Act, 1961 read with Income Tax Rules, 1962	May 31	Employees
FINANCE ACT & SERVICE TAX RELATED COMPLIANCE					
1	Pay Service tax collected during the previous month by persons other than individuals, proprietors and partnership firms in G.A.R-7	Section 68 read with Rule 6	The Finance Act, 1994 read with The Service Tax Rules, 1994	May 5	Service Tax Authorities
2	Pay Service tax collected during the previous month by persons other than individuals, proprietors and partnership firms in G.A.R-7 (E-payment)	Section 68 read with Rule 6	The Finance Act, 1994 read with The Service Tax Rules, 1994	May 6	Service Tax Authorities
THE MAHARASHTRA STATE TAX RELATED COMPLIANCE					
1	Submit monthly return and payment of tax for the previous month in Form 209 by Dealer to whom a certificate of Entitlement has been granted for availing incentives by way of exemption	Rule 18	The Maharashtra Value Added Tax Act, 2005 read with the Rules thereunder	May 1	Sales Tax Authorities
2	Submit monthly return and pay tax for the previous month (if tax liability during the previous year exceeds Rs. 1 Lakh)	Rules 17 / 18 and 41	The Maharashtra Value Added Tax Act, 2005 read with the Rules thereunder	May 25	Sales Tax Authorities
3	Submit monthly return of Professional Tax if tax liability is Rs. 20 thousand or more in Form No. III (Return-cum-challan)	Rule 11 (3) (c)	The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 read with The Maharashtra State Tax on Professions, Trades, Callings and Employments Rules, 1975	May 31	Profession tax Authorities
4	Credit Professional Tax deducted in the previous month in Form III	Rule 17	The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 read with The Maharashtra State Tax on Professions, Trades, Callings and Employments Rules, 1975	Within 15 days of such deduction	Profession Tax Authorities
COMPANY LAW RELATED COMPLIANCES					
1	Payment of monthly Provident Fund dues (Corporate) for previous month in prescribed challan	Section 418	Companies Act, 1956	May 15	(i) Post Office Saving Bank Account or (ii) Special Account with SBI or any Scheduled Bank

“To be idle is a short road to death and to be diligent is a way of life; foolish people are idle, wise people are diligent.” - Buddha

DATES TO REMEMBER

Compliance Calendar

2	Letter to Auditors asking their certification / eligibility for appointment as Auditor of the Company	Section 224 (1) (B)	Companies Act, 1956	Before Board meeting for Audited Accounts finalisation (May 31)	Auditors
ECONOMIC, INDUSTRIAL & LABOUR LAW RELATED COMPLIANCES					
1	Pay monthly Provident Fund dues (non-corporate)	Paragraph 38	Employees' Provident Funds Scheme, 1952	May 15	Provident Fund Authorities
2	File monthly return in Form No. 5 for employees leaving / joining during the previous month i.e. April	Paragraph 20(2) read with Paragraph 36(1) & (2)	The Employees Pension Scheme, 1995 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)	May 15	Provident Fund Commissioner
3	File monthly return in Form no. 2(IF) of employees entitled for membership of Insurance Fund	Paragraph 10	The Employees Deposit Linked Insurance Scheme, 1976 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)	May 15	Provident Fund Commissioner
4	File monthly return in Form no. 3(IF) for members of Insurance Fund leaving service during the previous month i.e. April	Paragraph 10	The Employees Deposit Linked Insurance Scheme, 1976 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)	May 15	Provident Fund Commissioner
5	File monthly return in Form no. F4(PS) of members joining service during the month	Paragraph 10	The Employees Deposit Linked Insurance Scheme, 1976 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)	May 15	Provident Fund Commissioner
6	Pay ESI contribution for previous month i.e. April	Regulation 31	Employee State Insurance Act, 1948 Employees State Insurance (Gen) Regulations,	May 21	ESIC Authority
7	Submit monthly return of Provident Fund for the previous month	Paragraph 38	Employees' Provident Funds Scheme, 1952	May 25	Regional Provident Fund Commissioner
8	Submit report on annual purchases and consumption of ODS for use in activities specified in Form 5 of Schedule XI	Rule 14(2)	Ozone Depleting Substance (Regulation & Control) Rules, 2000	Within 60 days of the end of accounting year (May 31 for accounting year ended on March 31)	Concerned registering authority specified in column (4) of schedule V

"Let us not be satisfied with just giving money. Money is not enough, money can be got, but they need your hearts to love them. So, spread your love everywhere you go." - Mother Teresa

9	Submit return of declaration	Regulation 14	Employees State Insurance (General) Regulations, 1950	Within 10 days from the date of receiving the relevant papers	ESIC Authority
10	Submit Form 6 or 7	Regulation 26	Employees' State Insurance Act, 1948 and Employees' State Insurance (Gen) Regulations, 1950	a) Within 42 days of termination of the contribution period b) within 21 days of termination of Factory/ establishment c) within 7 days of the receipt of requisition	ESIC Authority
11	Issue Notice for payment of Gratuity and Notice for Inadmissible claim in Form L&M	Section 8	Payment of Gratuity Act, 1972	Within 15 days of receipt of application	Applicant employee or legal heir
RBI (NBFC) RELATED COMPLIANCES					
1	File return of exposure o capital markets in Form NBS-6	Para 22	NBFC-D Prudential Norms Directions, 2007	May 7	RBI
2	File a monthly return in prescribed format (NBC-ND)	Circular No. DNBS (RID) CC No. 57/02.02.15/2005-06	Department of Non-Banking Supervision, RBI	May 7	RBI
LISTING AGREEMENT RELATED COMPLIANCES					
1	Submit limited review report for the quarter ended March 31	Clause 41	Listing Agreement	May 15	Stock Exchanges
2	Submit annual audited financial results (if, This is not submitted then required to submit audited consolidated half yearly financial results)	Clause 41	Listing Agreement	May 30	Stock Exchanges
Though all precautions have been taken in compiling this calendar, WIRC of ICSI should not be held responsible in case of any discrepancy. In case of doubt, please refer to relevant law/ rules.					

WIRC FORTHCOMING PROGRAMMES

Date	Program Time	Topic	Venue
26.04.2013	4.00pm to 07.00pm	Only for Merchant Bankers	ICSI WIRC Premises
27.04.2013	Full Day	Program on Financial Legislative Reform by (Hon'able Justice Shrikrishna)	BSE Convention Hall
04.05.2013		Merger	Venue to be decided
11.05.2013	Full Day	SEBI, Buyback & Takeover	Venue to be decided
18.05.2013 & 19.05.2013	Two Days	Workshop on Art of Advocacy	Venue to be decided
25.05.2013		NBFC	Venue to be decided

"All the powers in the universe are already ours. It is we who have put our hands before our eyes and cry that it is dark." - Swami Vivekananda



ICSI- WIRC	
Date	Saturday 09 th March, 2013
Venue	ICSI WIRC Premises
Topic	Women's Special Programme
Chief Guest / Speakers	Ms. Barnali Mukherjee, General Manager, SEBI Ms. Shasikala Rao, Practicing Company Secretary
Delegates	50
ICSI- WIRC	
Date	Saturday 23 rd March, 2013
Venue	Maharashtra Chamber of Commerce, Industries & Agriculture
Topic	Budget Analysis
Chief Guest / Speakers	Shri B V Dholakia, Practicing Company Secretary, Mumbai Shri Suresh Patil, Vice President & Head –Corporate HR & IT, Calyx Chemicals & Pharmaceuticals Ltd Shri R. Balakrishnan, Company Secretary, Pune Shri Ashish Garg, Secretary, ICSI-WIRC
Delegates	65
ANDHERI STUDY CIRCLE MEETING OF ICSI WIRC	
Date	Friday 15 th March, 2013
Venue	AV Hall, 1 st Floor, New SNDT, Cama Lane, Ghatkopar (W), Mumbai
Topic	Tough Time Never Last Long But Tough People Do
Speakers	Advocate Shailesh Seth
Delegates	65
BORIVALI STUDY CIRCLE MEETING SERIES ON 'PROVISIONS OF THE COMPANIES BILL 2012'	
Date	Sunday 10 th March, 2013
Venue	A V Hall, Don Bosco High School, Borivali (West), Mumbai – 400091
Topic	On provisions pertaining to Accounts of Companies and Audit & Auditors [Clauses 128-148 of the Companies Bill 2012]
Speakers	Mr. Hiral Raja, Chief Manager - All India Taxation, Asian Paints Limited

Delegates	133
Other features	CS Mihir Panchmatia – Manager Corporate Affairs, Essel Utilities Limited, welcomed all Mr. Hiral Raja highlighted the key provisions pertaining Accounts of Companies and Audit & Auditors of the Companies Bill 2012. CS Maulin Salvi - Coordinator of Borivali Study Circle, delivered Vote of thanks to all.

BHAYANDER CHAPTER ORGANIZED FULL DAY SEMINAR

Date	Sunday 3 rd March, 2013
Venue	Matushree Lilavati Nandlal Mehta, Kapol Wadi, Geeta Nagar, Bhayander (W)
Topic	full day Seminar on "Corporate Avenues – SME, Merger & Acquisition, Budget Analysis & Salient features of Companies Bill 2012"
Chief Guest / Speakers	CS Rajkumar Adukia (Central Council Member ICAI, CA Vikram Naik -Director (M&A-Tax) KPMG CS Atul Mehta (Central Council Member ICSI) Sh. Ajay Thakur (Head- BSE SME) & CS Mahavir Lunawat (Past Chairman WIRC)
Delegates	218
Other features	CS Uma Mondal, Chairperson introduced the speaker to the participant with welcome and at last vote of thanks was given by CS Praveen Soni, Secretary.

GHATKOPAR STUDY CIRCLE MEETING OF ICSI-WIRC

Date	Friday 15 th March, 2013
Venue	AV Hall, 1 st Floor, New SNDT, Cama Lane, Ghatkopar (W) Mumbai - 400 077
Topic	Service Tax
Speakers	CA Jinal Shah
Delegates	47
Other features	Members enjoyed the in-depth lecture along with expert inputs by Chairman

ICSI- WIRC JOINTLY WITH KANDIVALI STUDY CIRCLE ORGANIZED SEMINAR

Date	Saturday 2 nd March, 2013
Venue	Kandivali Recreation Club
Topic	Budget Analysis
Chief Guest / Speakers	Advocate Vipul Joshi, CA Sunil Gabhawala Advocate Nikita Badheka, Mr. Aashish Somaiyaa, CEO of Motilal Oswal Mutual Fund
Delegates	300

"Prayer is not asking. It is a longing of the soul. It is daily admission of one's weakness. It is better in prayer to have a heart without words than words without a heart." - Mahatma Gandhi

Other features	<p>Advocate Vipul Joshi addressed in detail about the important feature of the Budget 2013 covering Direct Tax.</p> <p>CA Sunil Gabhawala addressed in detail the amendments relating to the service tax and its implications. He also briefed about the Voluntary Compliance Encouragement Scheme.</p> <p>Advocate Nikita Badheka addressed on Local Body Tax (LBT). She informed that the GST has been deferred.</p> <p>Mr. Aashish Somaiyaa addressed in detail the Impact of Budget on Share Market. He has analyzed the Capital Market vis-à-vis Budget in details.</p>
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KANDIVALI STUDY CIRCLE ORGANIZED SEMINAR

Date	Sunday 10 th March, 2013
Venue	Kandivali Recreation Club, Kandivali (West), Mumbai - 400 067
Topic	Discussions on Provisions of Companies Bill 2012
Chief Guest / Speakers	<p>(I) Mr. Pushpak S Shah, Chartered Accountant, Senior Partner in P Raj & Co., Chartered Accountants and</p> <p>(II) Mr. Sanjay V Chheda, Chartered Accountant, Partner of P Raj & Co., Chartered Accountants</p>
Delegates	94
Other features	<p>(I) Mr. Pushpak Shah addressed the provisions of Companies Bill, 2012. He analysed in detail the new provisions of Companies Bills. He also outlined the critical changes in Companies Bill.</p> <p>(II) Mr. Sanjay V Chheda addressed in detail the provisions of Companies Bill, 2012 with power point presentation. He has also made comparative presentation of the existing provisions and new provisions.</p> <p>The session was very interesting and interactive.</p>

THANE CHAPTER

Date	Sunday 10 th March, 2013
Venue	Thorale Bajirao Peshwe Hall, Thane College Premises, Thane
Topic	UNION BUDGET-2013
Chief Guest / Speakers	<p>Mr. Chandrashekhar Tilak, Executive VP, National Securities and Depository Limited</p> <p>Mr. Ajay Walimbe, Head Legal & Company Secretary, Phoenix ARC</p> <p>Mr. Nirmal Nagda, Sr. Manager BSR&Co.</p>
Delegates	52 Members & 54 Students

AHMEDABAD CHAPTER - MEETING WITH OFFICIALS OF THE GUJARAT CHAMBER OF COMMERCE

Date	Wednesday, 6 th March, 2013
Venue	The Office of Gujarat Chamber of Commerce and Industry, Ahmedabad
Topic	For brand building of the profession and to develop contact with the agency to organize various training programmes for the members of Gujarat chamber of commerce with the help of ICSI & CCGRT.
Chief Guest / Speakers	The ICSI Ahmedabad Chapter Chairman - CS Chetan Patel, Secretary - CS Rajesh Tarpara, Icsi Council Member - CS Umesh Ved Held Meeting With Gcci President - Mr. Prakash Bhagwati, Secretary General - Shri Hasmukh Hingu, Treasurer - Mr. Hemant N Shah
Delegates	6

AHMEDABAD CHAPTER - MEETING WITH VARIOUS OFFICIALS OF THE REGISTRAR OF COMPANIES

Date	Wednesday, 6 th March, 2013
Venue	The Office of Registrar of Companies, ROC Bhavan, Ahmedabad
Topic	To discuss the difficulties faced by CS professionals regarding MCA 21 portal. They also discussed various investor awareness programme to be held jointly by MCA and ICSI
Chief Guest / Speakers	The ICSI Ahmedabad Chapter Chairman - CS Chetan B Patel and Treasurer - CS Naveen Mandovara held meeting various officers at ROCs office. They also visited Regional director, Asst ROCs. Dept. Roc

AHMEDABAD CHAPTER - TWO DAYS RESIDENTIAL SEMINAR AT NADIAD

Date	Saturday & Sunday 23 rd & 24 th March, 2013
Venue	Boulevard 9 Resort At Nadiad, Gujarat
Topic	<p>"Dynamics of CS Profession in Changing Scenario"</p> <p>Tentative Topics:</p> <p>Strategic Planning for Arrangement and Restructuring, Revival and Rehabilitation of Sick Industries, Companies Bill, Critical Aspects of Companies Bill, Company secretary as Corporate Lawyer and Art of Advocacy, SEBI Takeover Code, Insider Trading and Latest Amendments In Securities Laws, Vetting of Corporate Deeds and Documentations</p>
Chief Guest / Speakers	<p>CA Sanjay Majumdar Chartered Accountant, CA Hiten Parikh</p> <p>Chartered Accountant, CS Keyoor Bakshi Past President ICSI, CS MC. Gupta Practising Company Secretary, Mr. Tanvish Bhatt, Advocate Partner, Wadia Ghandy & Co., CS Suryakant Vaishnav Company Secretary & VP (Legal), Styrolution ABS (India) Limited, Vadodara, Mr. Utkarsh Jani Advocate</p>

"Do not overrate what you have received, nor envy others. He who envies others does not obtain peace of mind." - Buddha

Delegates	203
Other features	The opening session of the Seminar was addressed by President of ICSI, Shri S N Ananthasubramanian, CS Umesh Ved, Central Council Member, CS Hitesh Buch, Chairman – WIRC and CS Chetan Patel, Chairman – Ahmedabad Chapter. CS Rutul J. Shukla, Chairman - PDC Committee Ahmedabad Chapter briefed the participants about theme and deliberations during various sessions in two days

BHOPAL CHAPTER – FULL DAY SEMINAR ON “NEW RULES NEW ROLES”	
Date	Saturday 09 th March, 2013
Venue	Hotel Rajhans Regent, ISBT, Bhopal
Topic	1. New Companies Bill 2. SARFAESI ACT
Chief Guest / Speakers	Mr. Alok Sanjar, Secretary-MP BJP – Chief Guest Mr. A.K.Chaturvedi, ROC_MP & CG, Guest of Honour Mr. Atul Mehta, CCM, Special Guest and Speaker Mr. Amit Kumar Jain, Member-WIRC, Special Guest Mr. Manoj Sahi, Advocate, Speaker
Delegates	130
Other features	ROC-MP & CG addressed the Members and Student of ICSI. Central Council Member-ICSI interacted with the Students. CS Dhanraj S Thakur, CS P K Rai, CS Amit Kumar Jain, CS Piyush Bindal, CS M M Chawla, CS Vivek Nayak, CS Avadhesh Parashar, CS Amreen Khan Thakur played an important role for making this Seminar successful.

BHOPAL CHAPTER – INVESTOR AWARENESS PROGRAM	
Date	Saturday 09 th March, 2013
Venue	Hotel Rajhans Regent, ISBT, Bhopal
Topic	1. General Awareness 2. Demat A/c
Chief Guest / Speakers	Mr. Surjeet Chouhan, Senior Leader -MP BJP – Chief Guest Mr. A.K.Chaturvedi, ROC_MP & CG, Guest of Honour Mr. Atul Mehta, CCM, Special Guest and Speaker Mr. Amit Kumar Jain, Member-WIRC, Special Guest Mr. Rajkumar Shukla, Leader-BJP Mr. Santosh Agrawal, Speaker
Delegates	140

Other features	ROC-MP & CG addressed the Investors in a Open house session. CS Amit Kumar Jain, CS Dhanraj S Thakur, CS P K Rai, CS Piyush Bindal, CS M M Chawla, CS Vivek Nayak, CS Avadhesh Parashar, CS Amreen Khan Thakur played an important role for making this Seminar successful.
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GOA CHAPTER TALK & DISCUSSION ON FOREIGN DIRECT INVESTMENT – POLICY AND PROCEDURE	
Date	Wednesday, 20 th March, 2013
Venue	Goa Chapter Premises, Panaji
Topic	Foreign Direct Investment – Policy and Procedure
Chief Guest / Speakers	CS Makarand Lele, PCS & Council Member, WIRC of ICSI
Delegates	Members - 14, Students - 12

INDORE CHAPTER SEMINAR ON WOMEN'S DAY	
Date	Saturday 08 th March, 2013
Venue	Hotel Amar Vilas, A. B. Road, Indore (M. P.)
Topic	Women's Safety & Empowerment How to Defence Yourself
Chief Guest / Speakers	CS Dinesh Kumar Gupta – Chairman of ICSI Indore Chapter CS Ashish Karodia – Vice Chairman of ICSI Indore Chapter CS D. K. Sharma – Secretary of ICSI Indore Chapter CS Ashish Garg – Secretary of WIRC of ICSI Mrs. Shivangi Moghe – Spouse of Mayor Mrs. Padma Bhoje – Social Worker Mrs. Lily Sanjay Dawar – Lecturer & Social Worker Ms. Priya Rathore – Taekwondo Trainer CS Dipika Jain – Programme Co-ordinator CS Manju Mundra - Programme Co-ordinator
Delegates	27 Members & 77 Students
Other features	The Seminar was only for Female Company Secretaries & Students. The Seminar had special session on the Tips “How to defence yourself” by a Famous Trainer of Taekwondo Trainer. Social personalities in the Seminar give a new thought for Women's Safety from their experience.

PUNE CHAPTER	
Date	Saturday 09 th March, 2013
Venue	Hotel President, Off Karve Road, Pune
Topic	“Empowering today's women”

“Let us touch the dying, the poor, the lonely and the unwanted according to the graces we have received and let us not be ashamed or slow to do the humble work.” - Mother Teresa

Chief Guest / Speakers	Chief Guest: Dr. Gitali V Mandakini Speakers: Family matters: Adv Sunita Jangam and Arti Pendese Open House Session: CS Sudha Santhanam, CS Sunderlata Patil Kavitar, CS Ragini Chokshi, CS Bhageshri Kshirsagar Health care and Stress Management: CS Sumedha Bhosale
Delegates	80
Other features	Ganesh Vandana by : CS Kanchan Kakade Classical Dance Performed by : CS Apoorva Chapekar, CS Prajakta Bapat

RAJKOT CHAPTER OF WIRC OF THE ICSI SEMINAR/STUDY CIRCLE

Date	Saturday 23 rd March, 2013
Venue	Rajkot Chamber of Commerce and Industry, Centre Point, Karansinhji Road, Rajkot
Topic	Shareholding Agreements
Chief Guest / Speakers	Advocate Utkarsh Jani
Delegates	123 (Members and Students)
Other features	CS Dhvani K. Vithalani Chairperson Welcomes the speaker and all participants present at the Seminar, CS Purvi Dave introduced the Speaker and at last vote of thanks was given by CS Jalpa Vaidya, Treasurer.

RAJKOT CHAPTER OF WIRC OF THE ICSI SEMINAR/STUDY CIRCLE

Date	Sunday 24 th March, 2013
Venue	Hotel Harmony, Limda Chowk, Opp. Shastri Maidan, Besides Gujarat Travels Office, Rajkot
Topic	Union Budget For The Financial Year 13-14 & Skills Of Drafting And Representation Before Authorities
Chief Guest / Speakers	Shri Deepak J. Rindani, Chartered Accountant,
Delegates	114 (Members and Students)
Other features	CS Dhvani K. Vithalani Chairperson Welcomes the speaker and all participants present at the Seminar, CS Nalin Ganatra introduced the Speaker and at last vote of thanks was given by CS Jalpa Vaidya, Treasurer.

AURANGABAD CHAPTER ORGANIZED HALF DAY SEMINAR JOINTLY WITH CMIA ON UNION BUDGET-2013

Date	2nd March 2013
Venue	Bhanudas Chavan Memorial Hall, Institution of Engineers, Station Road, Aurangabad
Topic	Union Budget 2013
Delegates	110
Other features	Ms. Harshal Rawal , Mr. Wakan Parkhi and Mr. Sachin Shinde delivered their lectures on direct and indirect taxes CS Laxmikant Jaipurkar, Chairman of Chapter and Mr.Sourabh Bhogale, Office Bearer of CMIA gave their introductory speeches, CS Mahesh Singhi was the co-ordinator for the programme. CS Anurag Geete, Secretary of the Chapter gave the vote of thanks

AURANGABAD CHAPTER ORGANIZED HALF DAY SEMINAR ON UNION BUDGET-2013 JOINTLY WITH AURANGABAD CHAPTER OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Date	3rd March 2013
Venue	CMIA Hall, Station Road, Aurangabad
Topic	Union Budget 2013 : Analysis of Direct and Indirect Taxes
Chief Guest / Speakers	CMA Sanjay Bhargave, CMA Nimkar, CA Dinesh Khatod, Mr. Dharnidhar Tripathi, AGM, SBI and Mr. Shivcharan Fokmare, AGM, SBI
Delegates	125
Other features	CMA Bhargave has discussed about various changes in indirect taxes. . CMA Nimkar has also elaborated various changes in Service Tax regarding appeal, penalty, etc. CA Dinesh Khatod has focused on changes in direct and indirect taxes. CS Laxmikant Jaipurkar, Chairman of the Chapter shared the development of the Chapter and also given his concluding remarks on budget-2013. CS A.R. Joshi, Director of the Programme also pointed out that, this budget was not having any development policy barring few provisions. CS P.C. Agrawal and CS Manisha Chitgopekar introduced the speakers. Vote of thanks by CS Sateesh Chirputkar, former Chairman of the Chapter

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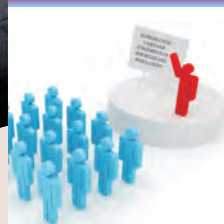
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**Student Conference org.
by Pune Chapter on 24th March, 2013**



CS Pawan Chandak, CS Shilpa Dixit, Mr. Harshal Joshi and CS Devendra Despande

**Bhopal Chapter org. Full Day Seminar
on "New Rules New Roles" on
9th March 2013**



CS Amit Kumar Jain, speaking (from L to R) CS P.K Rai, CS Dhanraj Singh Thakur, Mr. A. K. Chaturvedi, Hon'ble ROC-MP & CG, and CS Atul Mehta

**Two Days Residential Seminar org. by
Ahmedabad Chapter on 23rd and
24th March, 2013**



CS Rutul Shukla, CS Hitesh Buch, CS Umesh Ved, CS SN Ananthasubramanian, CS Chetan Patel, CS Rajesh Tarpara

Programmes organised by Rajkot Chapter

**Seminar on Shareholding Agreements
held on 23rd March, 2013**



CS Purvi Dave, CS Dhvani K. Vithalani, Adv. Utkarsh Jani, CS Jayesh Dobaria,

**Seminar on Union Budget skills of
drafting & representation before
Authorities Held on 24th March, 2013**



CA Deepak J. Rindani

**Goa Chapter org.
Talk & Discussion on FDI Policy and
Procedure on 20th March, 2013**



CS Kevin Fernandes and CS Makarand Lele

Programmes organised by Vadodara Chapter

Full Day Seminar on 10th March, 2013



CS Ashwin C Shah, CS S N Ananthasubramanian, Mr. N M Mohnot, CS Hitesh Buch, CS Nishant Javlekar

**Investor Awareness Programme
23rd March, 2013**



CS Devesh Pathak, CA Jagdish Thakkar, CS Nishant Javlekar

Study Circle Meeting 29th March, 2013



CS Nishant Javlekar, CS Swati Bhatt, CS V V Vachhrajani, CS Charandeep Singh

Programmes organised by Thane Chapter

Thane Chapter had organised programme on 'Union Budget 2013' on 10th March 2013

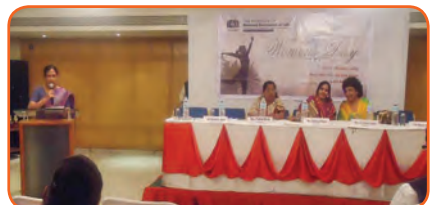


CS Rahul Sahasrabuddhe, CS R.T. Rajguroo



CS Rahul Sahasrabuddhe, Mr. Chandrashekhhar Tilak, CS Ajay Walimbe, Mr. Nirmal Nagda

**Women's Day Special Seminar Organized
by Indore Chapter on 15th March, 2013**



Mrs. Shivangi Moghe, Mrs. Padma Bhoje, Mrs. Lily Sanjay Dawar

ICSI - WIRC Photo Gallery

Programmes organised by ICSI-WIRC

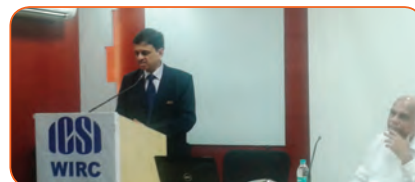
Seminar on Labour Law – Updates & Compliance org. by ICSI-WIRC on 23.03.2013



CS Amit Jain, CS B V Dholakia, Mr. Suresh Patil, CS Hitesh Kothari, CS R Balakrishnan



CS Ashish Garg, Secretary ICSI- WIRC, Mr. Suresh Patil, CS Balakrishnan



MSOP org. by ICSI-WIRC

CS Hitesh Buch, CS Ramesh Shenoy

Study Circle Meetings organised by ICSI - WIRC

Kandivali Study Circle Meeting organized on 10th February, 2013



CS Avinasha Bagul, CA Sanjay Chheda

Borivali Study Circle Meeting held on 10th March, 2013



Ms.Namita Vaidya, CS Mihir Panchmatia, CS Rakesh Puri, Mr. Hiral Raja, CS Maulin Salvi, Mr. Pratik Gala, CS Nirav Gala and CS Vanmali Poojari

Ghatkopar Study Circle held on 15th March, 2013



CA Jinal Shah (Speakers)

Programmes Organise by Aurangabad Chapter

Half Day Seminar on Union Budget-2013 org. by Aurangabad jointly with ICWAI on 3rd March 2013



Mr. Shivcharan Fokmare, CMA Namdeo Kuyate, CMA Pravin Mohani, CMA R.S.Deshmukh, CMA S.R.Bhargave, CMA Narhar Nimkar, CS.Laxmikant Jaipurkar, CMA/CS A.R.Joshi

Half Day Seminar on Union Budget-2013 org. by Aurangabad Chapter jointly with CMIA on 2nd March 2013



CS Anurag Geete, CS Laxmikant Jaipurkar, Mr. Sourabh Bhogale, Mr. Virendra Sharma & CA Sachin Shinde

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