Destiny is not a matter of chance, but a matter of choice; It is not a thing to be waited for; It is a thing to be achieved.

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01 Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012, CS Ranjeet Kr. Kanodia, Chairman, EIRC of ICSI addressing.

02 Mr. D. Das Gupta lighting the lamp, Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012.

03 Mr. Rakesh Kr. Goel lighting the lamp, Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012.

04 Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012, sitting on the dias from (L to R) CA Prasun Bhattacharya, CS Ranjeet Kr. Kanodia and Mr. D. Dasgupta

05 Holi Get-together and Kabi Sammelan on 03.03.2012, CS Pankaj Dhanuka presenting flower bouquet to Kabi Gajendra Solanki.

06 Members participated in Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012

07 Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012, from (L to R) CS Arun Khandelia, CS K. K. Chhaparia, CS Ranjeet Kr. Kanodia, Mr. Rakesh Kr. Goel and Mr. B.K. Mallick addressing.

08 Interactive Meeting with the ROC (WB), MCA and Half day Workshop on **Foreign Direct Investment (FDI) & External Borrowing** on 10.03.2012, CS Ranjeet Kr. Kanodia, Chairman - EIRC of ICSI addressing.
Interactive Meeting with the ROC (WB), MCA and Half day Workshop on **Foreign Direct Investment (FDI) & External Borrowing** on 10.03.2012, from (L to R) CS Vinod Kothari, CS Ranjeet Kr. Kanodia and Mr. Debasish Bandopadhyay, ROC (WB).

**Post Union Budget Meet, 2012-13** on 19.03.2012, sitting on the dias from (L to R) CS Ranjeet Kr. Kanodia and Mr. N.K. Poddar, Sr. Advocate.

**Post Union Budget Meet, 2012-13** on 19.03.2012, from (L to R) CS Ranjeet Kr. Kanodia and Dr. Suman K. Mukherji.

**Post Union Budget Meet, 2012-13** on 19.03.2012 from (L to R) CA Arun Agarwal, CS Ranjeet Kr. Kanodia, Dr. Suman K. Mukherji and CS T.B. Chatterjee.

Half day Workshop on **Foreign Direct Investment (FDI) & External Borrowing** on 10.03.2012, CS Anjan Kr. Roy offering Memonto to CS Vinod Kothari with CS Ranjeet Kr. Kanodia on dias.

**Post Union Budget Meet, 2012-13** on 19.03.2012, from (L to R) Mr. N.K. Poddar, Sr. Advocate and CS Ranjeet Kr. Kanodia addressing.

**Post Union Budget Meet, 2012-13** on 19.03.2012, from (L to R) CS Ranjeet Kr. Kanodia, Dr. Suman K. Mukherji and CA Amitav Kothari, Managing Partner, Kothari & Co. addressing.

Dr. Navrang Sainee lighting the lamp, Full-day Seminar on **Corporate Compliance and Professional Skills** on 24.03.2012 form (L to R) CS Ranjeet Kr. Kanodia, CS B.P. Dhanuka & CS Vijay Chandak.
From the Chairman

Dear Professional Colleagues,

At very outset, let me thank you for your unwavering support & feedback on the previous ICSI-EIRC news letter and I am passionate indeed in presenting this March-April edition of our news letter which brings the latest news & highlights of the activities of ICSI-EIRC.

The professional world has witnessed rapid changes in the recent time and the global integration has helped a lot in creating flexible opportunities & opening up many avenues of growth for us. A set of core areas like Excise, FEMA, Income Tax and Service Tax are on the road map now where we professionals can exercise our unfettered ability to offer services across state lines.

It is with this in mind, we have organized a full day seminar on "Exploring New Areas Of Profession" on 3rd March, 2012 wherein we felicitated Chief Commissioner of Income Tax, Kolkata (W.B.) and the Chairman of EIRC of ICAI. The event was graced by eminent faculties from Income Tax Department, FEMA Department of R.B.I. and Enforcement & PMLA Department.

We organized an interactive meeting with the R.O.C. - Mr. D. Bandopadhyay and conducted a half day workshop on "FDI & External Borrowings" on 10th March, 2012.

A "Post Union Budget Meet 2012-13" was organized on 19th March, 2012 in the gracious presence of a notable personalities from different background namely Mr. N.K. Poddar, Mr. Amit Kothari, Mr. Arun Agarwal, Mr. T.B. Chatterjee and Mr. Suman Mukherjee who shared experiences and best practices on Direct & Indirect Tax and economic aspects of the budget.

Towards the end of month on 24th March, 2012, we organized a full day seminar on "Corporate Compliance and Professional Skills" which was inaugurated by Mr. Navrang Sainee, Regional Director M.C.A. and graced by eminent faculties on the topics viz; Takeover Code, Directors Liabilities etc.

We have endeavoured significantly to conduct SIP and EDP programmes for the students on a regular basis and have been incredibly proactive in bringing up quality speakers so as to enrich the knowledge level of the students maximum. Our efforts helped considerably in reducing the backlogs SIP, EDP and MSOP programmes which benefitted the students a lot. We are also excited about a new initiative launching under my direction and that is "Campus Interview" for the newly entrant professionals so as enabling themselves for greater opportunities of employment.

In line with updatation process with the rapidly changing professional domain, we have tried to put in place the various circulars and notifications pertaining to Income Tax, MCA and Service Tax in the newsletter.

Friends, steadily the C.S. profession is becoming recognized as a leader in the new spaces. Today, EIRC has more than 3000 members and 45000 students. For me, exercising profession is nothing but looking in the mirror. That is what I urge all of us to do. Let's all take a good look at our own role in our profession as we led our way to innovation and growth.

"The best time to plant a tree is 20 years ago. The second best time is now". I would like to conclude with two points. The first is to read something in areas other than your expertise and the second is to use your imagination and think differently. Because our choices will define how we will be remembered.

Regards,

CS Ranjeet Kr. Kanodia
Chairman, EIRC of ICSI

e-mail : kanodia.rkumar@gmail.com
Analysis of Direct Tax Proposals in Union Budget 2012

Compiled by
CS K.K. Chhaparia

1. Income Tax Rates (Asst year 2013-2014)

1.1 Individuals (Resident man and woman) and HUF - other than senior citizens and very senior citizens

<table>
<thead>
<tr>
<th>Tax Brackets</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto Rs. 2,00,000</td>
<td>Nil.</td>
</tr>
<tr>
<td>Rs. 2,00,001 to Rs. 5,00,000</td>
<td>10 per cent.</td>
</tr>
<tr>
<td>Rs. 5,00,001 to Rs. 10,00,000</td>
<td>20 per cent.</td>
</tr>
<tr>
<td>Above Rs. 10,00,000</td>
<td>30 per cent.</td>
</tr>
</tbody>
</table>

1.2 Senior Citizen (60 years upto 80 years)

<table>
<thead>
<tr>
<th>Tax Brackets</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto Rs. 2,50,000</td>
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<td>20 per cent.</td>
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<tr>
<td>Above Rs. 10,00,000</td>
<td>30 per cent.</td>
</tr>
</tbody>
</table>

1.3 Very Senior Citizen (80 years and above)

<table>
<thead>
<tr>
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<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto Rs. 5,00,000</td>
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<td>20 per cent.</td>
</tr>
<tr>
<td>Above Rs. 10,00,000</td>
<td>30 per cent.</td>
</tr>
</tbody>
</table>

1.4 Firms and Resident Companies

No change in tax rates (30%). Surcharge @ 5% continuing, if taxable income exceeds Rs. 1 crore.

1.5 Additional surcharge called the "Education Cess on income-tax" and "Secondary and Higher Education Cess on income-tax" shall continue to be levied at the rate of two per cent and one per cent respectively, on the amount of tax computed, inclusive of surcharge (wherever applicable), in all cases.

2. Alternate Minimum Tax (AMT) to be levied on all persons other than companies

2.1 It is proposed to widen the scope of AMT and include all class of assesses (other than companies and LLP, who were erstwhile covered under MAT provisions), who are claiming deduction under Chapter VI-A under the heading "Part C - deduction in respect of certain incomes" (i.e. Sections 80H to 80RRA, other than Section 80P) or exemption under Section 10AA of the Income Tax Act, 1961 (IT Act)

2.2 The proposed provisions shall apply to an individual or a Hindu Undivided Family ("HUF") or an association of persons ("AOP") or a body of individuals ("BOI") (whether incorporated or not), if the adjusted total income (i.e. total income as increased by the deduction under chapter VI-A, as mentioned above and Section 10AA) of such person exceed Rs 20 lacs.

2.3 Thus, where the regular income tax payable for an assessment year is less than AMT calculated on adjusted total income (taxable income, plus deduction/exemption mentioned in Para above), then such person shall be liable to be taxed at 18.5% of their adjusted total income.

2.4 Tax credit in respect of AMT paid would continue to be available for a period of subsequent 10 Assessment Years (A.Ys).

2.5 These amendments will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013-14 and subsequent assessment years.

2.6 Comments:

- The proposed amendment is in line with MAT (Minimum Alternate Tax) which are presently levied on Companies and LLP.

- Thus, all individuals, HUF etc may be liable to be taxed on their "adjusted total income" if they are claiming deduction u/s 80H to 80RRA or exemption u/s 10AA of IT Act.

- Unlike MAT provisions, proposed Section 115JC (AMT) doesn’t start with Net Profit as per Profit & Loss Account. The implication is that various exemptions and deductions like LTCG -s.10(38), Dividend, 80C, 80D etc and adjustment of brought forward losses etc shall not be hit by AMT provisions.

3. Share Capital/ Share Premium - Treatment as income u/s 68 of I.T Act

3.1 Section 68 of the Act has been proposed to be amended to provide that the nature and source of any sum credited, as...
share capital, share premium etc., in the books of a closely held company shall be treated as explained only if the source of funds is also explained by the assessee company in the hands of the resident shareholder.

3.2 However, this additional onus of satisfactorily explaining the source in the hands of the shareholder, would not apply if the shareholder is a well regulated entity, i.e. a Venture Capital Fund, Venture Capital Company registered with the Securities Exchange Board of India (SEBI).

3.3 This amendment will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013-14 and subsequent years.

3.4 **Comments:**

- As per Section 68 of IT Act, the onus of satisfactorily explaining such credits remains on the person in whose books such sum is credited. If such person fails to offer an explanation or the explanation is not found to be satisfactory then the sum is added to the total income of the person.

- In the case of CIT vs. Lovely Exports Pvt. Ltd. [216 CTR 195(SC)], it was observed that even if the share application money is received by the assessee company from alleged bogus shareholders, whose names are given to the A.O., then the Department is free to proceed to reopen the individual assessments of such shareholders in accordance with law. The Hon'ble Court thus held in that judgment that the share application money cannot be regarded as undisclosed income u/s 68 of IT Act. In line with this judgment, the IT Department has been losing a number of cases in the context of Section 68 of IT Act.

- The proposed amendment has put in an additional burden on the closely held companies raising share capital to not only explain 'source of funds' but also to explain 'source of source of funds'.

- Interestingly, as per the proposed amendment, even if share application is received from Mutual Funds, Banks etc, the Company is required to have explanation of source 's source, since only in cases of Venture Capital Fund and Venture Capital Company registered with SEBI, the Company is not required to explain "source of source of funds'.

- Fortunately, the proposed amendment is not retrospective, and shall apply only for AY 2012-14 onwards.

4. **Share premium in excess of the fair market value to be treated as income**

4.1 It is proposed to insert a new clause in section 56(2), which provides that where an unquoted company receives from any person being a resident, any consideration for issue of shares and the consideration received for issue of shares exceeds the face value of such shares, then the difference between the consideration so received and Fair Market Value (FMV) shall be chargeable to income-tax under the head "Income from other sources.

4.2 However, this provision shall not apply where the consideration for issue of shares is received by a venture capital undertaking from a venture capital company or a venture capital fund.

4.3 Further, it is also proposed to provide the company an opportunity to substantiate its claim regarding FMV. Accordingly, it is proposed that FMV of the shares shall be the higher of the value –

- i) as may be determined in accordance with the method as may be prescribed; or

- ii) as may be substantiated by the company to the satisfaction of the Assessing Officer, based on the value of its assets, including intangible assets, being goodwill, know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature

4.4 This amendment will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013-14 and subsequent assessment years.

4.5 **Comments:**

- Thus if an unquoted company issues shares at a premium, being higher than its FMV, then the difference between the issue price and FMV may be treated as income in the hands of the issuer company. It is worthwhile to make a reference to existing section 56(1)(viia) of IT Act, which provides that if a person acquires shares at a price which is less than 'fair value', the difference may be treated as income in the hands of such shareholder. Thus, if shares are issues at a price which is higher than FMV, the difference shall be treated as income in the hands of the Company, while if shares are issued at a price lower than fair value, then the difference may be treated as income in the hands of the shareholder. Prima-facie, every time unquoted companies decide to issue shares it has to take into consideration taxation aspect first and not actual market condition.
The definition of FMV under the proposed section seems to be different than the definition of 'fair market value' in Explanation (b) u/s 56(1)(vii) of I.T Act. Under the proposed section, the assessing officer has been given power to satisfy himself regarding fair value of the share. The present section is very specific and do not give such powers to the assessing officers.

5. Introduction of new section 115BBE to cover unexplained transactions u/s 68, 69, 69A, 69B, 69C, 69D etc.

5.1 Under the existing provisions of the Income-tax Act, certain unexplained amounts are deemed as income under section 68, section 69, section 69A, section 69B, section 69C and section 69D of the Act and are subject to tax as per the tax rate applicable to the assessee. In case of individuals, HUF, etc., no tax is levied up to the basic exemption limit. Therefore, in these cases, no tax can be levied on these deemed income if the amount of such deemed income is less than the amount of basic exemption limit and even if it is higher, it is levied at the lower slab rate.

5.2 To curb the practice of laundering of unaccounted money by taking advantage of basic exemption limit, it is proposed to tax the unexplained credits, money, investment, expenditure, etc., which has been deemed as income under section 68, section 69, section 69A, section 69B, section 69C or section 69D, at the rate of 30% (plus surcharge and cess as applicable).

5.3 No deduction in respect of any expenditure or allowance shall be allowed to the assessee under any provision of the Act in computing deemed income under the said sections.

5.4 This amendment will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013/14 and subsequent assessment years.

5.5 Comments:

- The proposed amendment will mostly effect income earned in shadow files, like that of ladies & HUF. Now if source of income is not satisfactorily explained, such income may be taxed at 30% in disregard to basic exemption limits.

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**REQUIRED QUALIFIED COMPANY SECRETARY**

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Another milestone in stamp duty implication on court orders - ruling of the Calcutta High Court in Emami Biotech Limited & Anr., ITP Limited & Anr and Brijbhumi Agents Pvt. Ltd. & Anr

Contributed by: CS Payel Jain, Microsec Capital Limited

For some days, Calcutta High Court has been a stage for diverse and unique arguments in case of merger/demerger surrounding issues like stamp duty, share premium etc. Justice Sanjib Banerjee, finally, on 8th of February 2012 has closed the issue of implication of stamp duty on an order under section 394 of the Companies Act, 1956 in favour of the revenue, eradicating all hopes of corporate Kolkata. Justice Banerjee went one step ahead to clarify that the Notification No. 1 of 1937 so far it relates to the state of West Bengal has no implication.

It is noteworthy that the West Bengal Stamp Act did not specifically include "court orders under section 394 of Companies Act" within the ambit of the definition of "conveyance" as in case of Delhi or couple of other states. However, following the Supreme Court verdict in Hindustan Lever v. State of Maharashtra, the Courts of these states have also pronounced the specific entries in stamp act to be mere clarification of what already existed.

**Decision of the Calcutta High Court**

A common question arose in case of three company petitions seeking sanction of the Calcutta High Court for amalgamation in the matter of Emami Biotech Limited & Anr., ITP Limited & Anr and Brijbhumi Agents Pvt. Ltd. & Anr which was taken up together. The Court relying on the judgment of the Apex Court in Hindustan Lever's case (supra) held that the foundation or the basis for passing an order of amalgamation is agreement between two or more companies. That an order sanctioning a scheme of amalgamation or demerger under Section 394 of the Companies Act, answers to the description of the words "instrument" and "conveyance" within the meaning of the Stamp Act applicable in this State and is, accordingly, eligible to stamp duty".

The Court further held that "the notification dated January 16, 1937 providing for remission of stamp duty is not applicable in this State".

**History of Calcutta High Court on the issue**

- Gemini Silk Limited v. Gemini Overseas Limited

The development of the precedent in Kolkata can be traced back to a judgement given by single judge of the Calcutta High Court in Gemini Silk Limited v. Gemini Overseas Limited, wherein it was held that an order sanctioning a scheme of reconstruction amalgamation under Section 394 is covered by the definition of the words 'conveyance' and 'instrument' under the Indian Stamp Act and therefore liable to stamp duty. The Court observed that schemes of amalgamation or demerger were nothing more than agreements between consenting parties that depended on the will of the parties and there was nothing involuntary about them. Hence, the argument that the scheme is effected by operation of law and hence is outside the purview of the word "instrument" or "conveyance" cannot be accepted.

- **Madhu Intra Limited v. Registrar of Companies**

Subsequently however, a Division Bench of this Court adopted a contrary view. By delivering its judgement in Madhu Intra Limited v. Registrar of Companies, (2006) 130 kComp. Cas. 510 and setting aside the order passed by the single judge of this Court in Gemini Silk's case, it held that an order of amalgamation cannot be subjected to stamp duty, because it did not fall within the definition of a "conveyance"; moreover even if such an order were to be taken as a "conveyance" or an "instrument" the transfer of assets and liabilities effected thereby is purely by operation of law.

- **Emami Biotech and Ors.**

In the case under review, Justice Banerjee has concluded that the pronouncement of the Apex Court in Hindustan Lever's case (supra) was not placed before the Calcutta High Court which considered Madhu Intra Limited. In addition thereto, the discussion of the impact of the amendment to the definition of the term 'conveyance' in the Bombay Stamp Act in Hindustan Lever & Anr. vs. State of Maharashtra & Anr.; Li Taka Pharmaceutical Ltd and Ruby Sales & Services Pvt. Ltd. was also not brought to the notice of the court. The Apex Court has, in clear terms, held that amendment to the Bombay Stamp Act was merely on account of abundant caution.
On the question of a precedent created by the division bench, the Court said that if the Division Bench of this court had noticed Hindustan Lever and had still rendered the opinion in Madhu Intra, it would have been binding on the company Judge of this court. But in Madhu Intra, the same was not noticed and hence it is the Supreme Court view that has to be followed.

This Court further cited with affirmation, the judgement given by Allahabad High Court in Hero Motors Ltd v. The State of U.P. Delhi High Court in Delhi Towers Ltd v. GNCT of Delhi and Madras High Court in Automac (Madras) Pvt. Ltd which were rendered after Hindustan Lever, recognizing the issue to have been concluded by Hindustan Lever.

**Proposed amendment to the Stamp Act**

The states of Maharashtra, Gujarat, Karnataka, Rajasthan, Chhattisgarh, Madhya Pradesh and Andhra Pradesh have already classified orders approving a scheme of amalgamation passed under section 394 of the Companies Act, 1956 in the definition of "Conveyance" and made specific entries in their state stamp laws. For uniform application of the Stamp law on order of the High Court under section 391 of the Act, the definition of "Conveyance" under the Stamp Act is proposed to be amended to include the order of the High Court u/s 391. The Bill proposing the amendment, if enacted, will put to rest the long-drawn debate on stampability of Court Orders.

**Notification dated 16th January 1937**

Notification 1 dated 16-1-1937 issued by the then Governor General-in-Council provided that stamp duty chargeable under Article 23 of Schedule I to the Indian Stamp Act, 1899 would stand remitted in the manner indicated in the notification. This notification was applicable in case of a transfer between companies, where transferee or transferee is the beneficial owner of not less than 90% of the issued share capital of the other. The said notification was of prime importance in view of Article 372 of the Constitution of India which stated that *all the law in force in the territory of India immediately before the commencement of this Constitution shall continue in force therein until altered or repealed or amended by a competent Legislature or other competent authority."

Though the Court in Gemini Silk's case had put its seal on stampability of court orders, however, with respect to transactions among holding and subsidiary companies, the Court held that this notification is still applicable and remission of stamp duty shall be available in the case of a transfer envisaged under the Notification 1 dated 16-1-1937. The Delhi High Court in Delhi Tower's case also affirmed this view.

However, the Calcutta High Court in Emami Biotech's case, held that there can be no manner of doubt that Article 23, being no longer forming part of Schedule I to the Stamp Act as applicable in this State and being included in Schedule IA thereto, the benefit under the 1937 notification is no longer available as the State Legislature by an overt act has taken it outside the purview of Schedule I without the State Government having extended the remission under the 1937 notification. Hence the same is not applicable in this State.

It may also be noted here that on June 1, 2011, the Lt. Governor of the National Capital Territory of Delhi has withdrawn Notification No. 1 dated 16 January 1937 (1937 Notification), with immediate effect.

**Conclusion**

Although this judgment quite clearly lays down the legal position, the existence of a division bench ruling in Madhu Intra to the contrary may continue to cause anxiety in the minds of effected corporate. The present ruling of the Calcutta High Court is no doubt an important judgment and may change the face of mergers and acquisitions in the state of West Bengal. Thus, its possible impact upon the state of West Bengal and others too cannot be over-emphasized.

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**CORRIGENDUM**

We are sorry to inform that certain mistake was inadvertently happened during printing of our ICSI-EIRC Newsletter for the month of January-February, 2012

1. The name of **CA Subodh Kr. Agrawal, Vice President - ICAI** was printed as Shri Subodh Agarwal.
2. The name of **CA Prasun Kr. Bhattacharyya, Chairman - EIRC of ICAI** was printed as Shri Prasun Mukherjee.

We hereby tender our apology for that.
Some important changes in
Budget 2012-13

Anup Kumar Luhruka
E-mail : tlassociates.ca@gmail.com

Tax deduction at source (tds) on transfer of certain immovable properties (other than agricultural land)

- Under the existing provisions of the Income-tax Act, tax is required to be deducted at source on certain specified payments made to residents by way of salary, interest, commission, brokerage, professional services etc.
- On transfer of immovable property by a non-resident, tax is required to be deducted at source by the transferee.
- However, there is no such requirement on transfer of immovable property by a resident except in the case of compulsory acquisition of certain immovable properties.
- The proposed amendment provides that every transferee, at the time of making payment or crediting any sum by way of consideration for transfer of immovable property (other than agricultural land), shall deduct tax, at the rate of 1% of such sum, if the consideration paid or payable for the transfer of such property exceeds:
  i) Fifty lakh rupees in case such property is situated in a specified urban agglomeration;
      or
  ii) Twenty lakh rupees in case such property is situated in any other area.
- If the consideration paid or payable for the transfer of such property is less than the value adopted or assessed or assessable by any authority of a State Government for the purposes of payment of stamp duty, the value so adopted or assessed or assessable shall be deemed as consideration paid or payable for the transfer of such immovable property.
- For better compliance, it is also proposed to provide that a registering officer appointed under the Indian Registration Act, 1908 (Registrar) shall not register the transfer of any immovable property where taxes are required to be deducted under this provision unless the transferee furnishes proof of deduction and payment of TDS.
- For reducing the compliance burden on the transferee, it is inserted that a simple one page challan for payment of TDS would be prescribed containing details (including PAN) of transferor and transferee and also certain details of the property.
- This amendment will take effect from 1st October, 2012.

KEY POINTS:

- According to this provision, TDS will be deducted in all immovable property except agricultural land @ 1% on consideration amount. It is applicable even if the same is purchased from developer or otherwise.
- If seller does not have a PAN, the provisions as contained in Section 206AA will be invoked and the transferee will then be liable to deduct tax @ 20% of the consideration paid or payable.
- For this provision there is no need to obtain Tax deduction and collection account no. (TAN) as there is a separate form containing basic details like, PAN No. of transferor and transferee & certain details of property.
- In the case of payment is done before 1st October 2012 and registration is done after 1st October 2012, it seems that Registering authorities are required to ensure that TDS payment have been made on total payments before registering the document. Still it is a matter of discussion.
An outlook from my eyes - the profession of Company Secretaries

CS Vinay Jalan, Practising Company Secretary

Email : jalan.vinay@gmail.com

A profession amidst the complexities, full of responsibilities within. Truly corporate!!! Marching one to one with the decisions of the board. Taking in all the responsibilities on to their shoulders, co-ordinating with the finance and HR. taking all the legal battles onto their own heads with responsibility, advising the board towards management performance. Interests of the shareholders, keeping track of the stocks with all guns pointed at them within, composed, with so many hands. A company secretary. Noble, humble but solid as rock. Unbreakable, legal wizard, understanding the zest of the profession in step that he takes. Leader who leads the path of the management. Complex and changing economic legislations turned simple. Rare!!!

Understanding these virtues, and the changing dimensions of law, as Justice Oliver Vendel Holms said, "it, not the law in procedures that is important. It its virtue." A dimension towards purpose of enactment served. All within. And the framework. Legal responsibility assumed. That is the reason when the Company Secretary of Satyam Computer was charged a penalty for Rs 5,00,000/= . Did it propose an act to condemn or was it act of solidarity and the part of profession. May be, he was not the gainer. But yes, he was a Company Secretary who took the burden as prescribed under law!!! That makes our profession responsible. Not a clerk, but a performer. A crisis manager. Honorable profession it is. Another dimension to look into.

Proverb say, that money is managed by each person in a novel way. So is the art of hiding it. Tax laws are taxing. Constitutionally rich and tested. We are the persons who can examine even the constitution validity of each amendment. We know. These covers all the inherent laws within, may it be the law of evidence, interpretational rules, covered in section 4 of the Income Tax Act, CPC, which is mother of all civil laws, legal history which makes us understand the virus of all provisions, and then knowledge of interpretation to verbatim representation of the figures, making them simple and understandable within the purpose. Not to extend the litigation for long. We can convert the complex culture into simplified versions. Updated within the lines. Not followers but letting people follow. Not into compliances but monitoring each compliance with a purpose. Yes, this is company secretary. Another field.

Volatile stock market. Each move understood. Having responsible idea of sources of sources, to examine the color of money. Important. Not into the manipulation but certainly into the right representation. Money laundering. Understood best by us. Clear idea of all the enactments, and their purpose. Understanding the criminal laws. Working with the investigative agencies such as enforcement directorate. Or CBI. Perfect person to be represented in the Tribunal under prevention of money laundering Act. And also in lines to understanding the adjudication. Complexity of layering understood as we are the persons who understand the complex bilateral treaties along with the law of treaties also. Purposeful fulfillment of the cause. Choice is hours. Till now, just explaining the novel movement. An outlook within us. Are we not rare? Are we not the trendsetters? Thought to think.

It is doing what matters. And discovering the leader within. Responsibility. Persistence, and courage to take up the responsibility with due diligence and within the specified norms, keeping the integrity, to merge and after submerging bring out the jewel of the essence. Not only in corporate, but the company secretary is a professional who is needed in the growing profession too. Recognition comes by admiration of what we can do. The laws governed by notifications are customs and excise of which the company secretary has not only a good knowledge but systematic receipt of the law too.

Avenues provided to conduct VAT audit and understanding the implication makes the professional work with meticulous theorems. Responsibility of achieving is the primary. An only profession who does not provide a report but a certification. May it be a compliance certificate or may it be a certificate for due diligence. Certifications lead to responsibility whereas the reports are on the basis of knowledge and belief. This makes him responsible even when he is into the practice.

The anchor of all revolves into the corporate side now. Corporate laws consist of not only Companies Act, but all other enactments, allied, but interconnected. Genesis important.
Legal history to be seen. Not the line in between but the purposive construction.

This is Institute of Companies Secretaries of India. Manufacturing at par with the corporate barristers. So its degree recognized by more than 60 universities, at par with the master’s degree. An amalgamation and merger of each aspect. Law, so complex, with its changing needs responsibility. Interpretation and merger with that with the financial growth or fall to enable taking the right decisions, and being instrumental in the law of treatise, where the markets are turning global. Arbitration, conciliation, and suggestive legislation. Not to make it complex, but simplify the same. Yes we do that. **Our is the only Institute who manages loyalty with solidarity.**

It really matter to understand what. How to find opportunities? It is first to understand that we decide. **Making decisions is not the job for the timid or weak heart. It takes guts to say these things are the things that really matter. Just pay no attention to the rest. Facing challenges is the job of a company secretary.** It is first to understand that we decide. Making decisions is not the job for the timid or weak heart. It takes guts to say these things are the things that really matter. Just pay no attention to the rest. Facing challenges is the job of a company secretary. Yes, doing what matters.

Intentions of the Institute, and making up of the professionals likewise. All an aid. But then, broadly we divide our members into two parts.

**One who are on to the compliances part. Who look at all the compliances. Happy go members of ours composition of the mass. Perhaps the intentions of the Institute have made life tough and simple living satisfies them. Mass of us within.**

Then looking at vision 2020. Presented by Mr. N.K.Jain. Our CEO and Secretary. For all. Each day, read. For all. Our Institute even covers them.

Why this little note addressed in this matter. It is what we dream. How and then recognize ourselves. And then place at the right spots. **Where our members feel that wherever I join, It will be a large corporate, in no time is a strategic company secretary. Or I wish to join a large company is the compliance officer. Choice is given. Just to recognize us. Only when we recognize us, we can deliver, and without the proper delivery nobody recognizes. A truth.**

In this Endeavour, which I started when I enrolled myself into this course, my first mission was to be what I should be and then give back to the Institute which gave me the name. Jesuit principle, because being Xavierrez, practice it. Then in the spare time propagate the same. Rough weathers! No problems can bear with it. They make the better dawn. Yes it develops the inherent leadership within. **Yes doing what matter... we can seek in the storms and can even cool it. Provided we understand what we are.**

Our gene. Our gene means the gene of this profession. We are the babes of law. Before World War II, all the problems were referred to lawyers. They were the solution finders for everything. Corporatism emerged after that and so did the specialization after the same. For proper representation, the specialized knowledge of accounts was required. Institute of chartered accountants emerged. For meeting the competition, Institute of Cost Accounts came up. Then the nascent profession of ours, which made us responsible for the works, did by others with a free hand. Truly corporate. Means, away from our personal motive. To take all together with dedication. With trust.

Wrote this in short as who we are. And what are the avenues available. Do we not feel we are into the noble act? Not beggars but the givers. Making us honorable. **Honor starts with our actions.**

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**ATTENTION MEMBERS / STUDENTS OF THE ICSI**

The details of various programmes such as Half-Day Workshops, Full-Day Seminars, Conferences etc. and the details of Student Induction Programme (SIP), Executive Development Programme (EDP) and Management Skills Orientation Programme (MSOP) which are being organized by the ICSI-EIRC from time to time, are regularly updated in the EIRO’s Home Page of Institute’s Website.

To get updated information about the activities of the ICSI-EIRC, members and students are requested to visit Website: [www.icsi.edu/eiro](http://www.icsi.edu/eiro) regularly.
Re-entry of Entry Tax in West Bengal

Timir Baran Chatterjee, Sr. Executive Vice President (Corporate Affairs & Legal) & Company Secretary - DIC India Limited

After nearly two decades, the West Bengal Government has re-introduced "entry tax", on goods. The West Bengal Tax on Entry of Goods into Local Areas Act, 2012 ("Act") has been passed effective from 1st April, 2012.

According to this new tax legislation, the tax will be levied on movement of specified goods entering into local area from other States for consumption, sale or use. However, goods purchased locally under tax invoice (i.e. intra state sales) would not be subject to payment of entry tax.

Under the legislation, local area includes Corporation, Municipalities, Gram Panchayats etc and tax rate is @ 1% of the invoice value. Virtually, entire West Bengal will be considered as local area. However, the tax so paid, will not be allowed as credit and hence it is a cost to the organization.

Other salient features of the Act are as under :

(1) Utilization of the Tax proceeds : Basic purpose of introduction of the new Tax legislation is to set up a Fund to be called the West Bengal Compensatory Entry Tax Fund.

The proceeds of the levy under the Act, net of the cost of collection and incidental expense, shall be utilized exclusively for the development or facilitating the trade, commerce and industry in the State like, construction, development and maintenance of roads and bridges for linking the market and industrial areas, construction of transport hubs, cold storage etc.

(2) Inter state purchases : All inter state purchases (specified goods) entering into the local area including imports for consumption, use or sale will be subject to payment of tax.

(3) Tax to pay only on Specified Goods : Only specified goods are subject to payment of entry tax provided the rate of tax has been prescribed by the Government.

Specified goods liable to entry tax are :-

i) Goods referred to in Schedule C of the West Bengal Value Added Tax Act, 2003 excluding the following:-

(a) All Agricultural implements;
(b) Tractors, threshers, harvesters;
(c) Chemical fertilizers including basic slag, pesticides, weedicides, insecticides, germicides, fungicides and herbicides, other than bleaching powder;
(d) Tea;
(e) Groundnut or peanut seed, rapeseed and mustard seed;
(f) Bamboo including split bamboo, kite sticks and cut bamboo, and cane


iii) Goods Specified in Schedule IV and in schedule VIII of the West Bengal Sales Tax Act, 1994. (Items under Schedule IV have not been notified; hence not within the tax net for the time being).

(4) No tax on exempted Goods : There will be no entry tax on goods specified as Exempted Goods (Schedule A) under the VAT Act. Thus, no entry tax on goods like :-

i) Agricultural implements;
ii) Bio-fertilisers and micronutrients;
iii) Paddy
iv) Rice;
v) Wheat;
vi) Flour (including atta, maida, suji, besan and sattu)
vii) Pulses;
viii) Sugar;
ix) Salt
x) Textile fabrics;
xi) Vegetables;
xii) Fruits;
xiii) Egg;
xiv) Meat;
(5) **Tax on Invoice Value**: Tax will be paid on the turnover value of imports. Turnover of import means the aggregate of the import value of specified goods which the dealer brings or receives in any local area for the purpose of consumption, use or sale therein. It is the import value of a consignment of specified goods brought or received in any local area for consumption, use or sale. To compute the import value, the invoice value or similar document to be considered. In case of stock transfer, the stock transfer invoice value to be considered.

(6) **Tax if goods are brought into local area for consumption, sale or use**: No tax if there is no consumption, sale, or use. Purpose of the entry i.e. consumption, use or sale is very important. In case the materials are brought to the local area in West Bengal simply for storing and thereafter it is transferred to other units of the same company or other organization outside the state of West Bengal in the same form, no tax under the act is applicable.

(7) **No payment at Checkpoint**: There will be no collection of any tax at any checkpoint. The tax to be paid periodically like tax under VAT etc. Hence, there is no question of detention of consignment at the check post point. The earlier system of payment of entry tax/octroi at the Checkpost is not applicable under this new system.

(8) **Assessment**: There will be no assessment process excepting in the following events where:

(a) No return is furnished by a registered dealer under section 9(1); or
(b) the return furnished by a registered dealer appears to the Commissioner to be incorrect or incomplete; or
(c) a claim for refund has been made by a registered dealer; or
(d) the Commissioner is satisfied that an assessment is required to be made for any other purpose under the Act.

(9) **Registration**: The existing dealer registered under the WB VAT Act or Sales Tax Act importing goods through Way Bill will be deemed to be a dealer registered under this new Act upon submitting an one page application. There is no need to make any separate application for registration. In the absence of any specific declaration by the dealer, it will be presumed that "goods entering into local area are for consumption, use or sale.

**Conclusion**

Since West Bengal is a deficient state in terms of raw materials availability and it mostly depends on inter state imports to meet the industry's input requirements, the above tax will certainly increase the cost of production to some extent.

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**REQUIRED QUALIFIED COMPANY SECRETARY**

We require a qualified Company Secretary for our Kolkata Office. The candidate should be well versed with Company Law, Accounting, RBI NBFC Regulations and other Secretarial matters. Freshers may also apply. Salary will be negotiable.

Interested Candidate may apply with detailed CV to:

The Directors
RAJLAXMI GRIHA NIRMAN PVT. LTD.
7, Chittaranjan Avenue, Kolkata - 700 072
TAX

Sub : Processing of IT Returns
[CBDT Instruction No. 01/2012 [F.NO.225/34/2011-ITA.II], dated 02-02-2012]

Due to the TDS verification problem CBDT has issued following directions for easier processing of returns for the A.Y. 2011-12

i) In all returns, where the difference amount does not exceed Rs. One Lac, the TDS claim may be accepted without verification.

ii) Where there is zero TDS matching, TDS credit shall be allowed only after due verification. However, in case of returns of ITR-1 and ITR-2, credit may be allowed in full, even if there is zero matching, if the total TDS claimed is Rs. Five thousand or lower.

iii) Where there are TDS claims with invalid TAN, TDS credit for such claims are not to be allowed.

iv) In all other cases, TDS credit shall be allowed after due verification.

MCA

Sub : Exemption from filing IT Return
[Notification No. 9/2012 dated , February 17, 2012]

The Central Government hereby exempts the following class of persons, subject to the conditions specified hereinafter, from the requirement of furnishing a return of income under sub-section (1) of section 139 for the assessment year 2012-13, namely:-

An individual whose total income for the relevant assessment year does not exceed five lakh rupees and consists of only income chargeable to income-tax under the following head,- (A) "Salaries"; (B) "Income from other sources", by way of interest from a saving account in a bank, not exceeding ten thousand rupees.

Sub : General Circular No. 4/2012 dated 9th March, 2012
MCA has extended the time for filing form DIN-4 by DIN holders for furnishing PAN and to update PAN details upto 30.04.2012 for the Allotment of Director's Identification Number (DIN) under Companies Act, 1956

Sub : General Circular No. 2/2012, dated 01-03-2012
Registration of Companies or LLPs which have one of their objects to carry on the profession of Chartered Accountant, Cost Accountant, Architect, Company Secretary etc.

At the time of incorporation of companies where one of the objects is to carry on the business of Banking, Insurance or to practice the profession of Chartered Accountancy, Cost Accountancy & Company Secretaries, then the concerned Registrar of Companies shall incorporate the same only on production of in-principle approval/NOC from the concerned regulator/professional Institutes.

Further, in this connection, it is also stated that where one of the objects is to carry on the business/profession of Architecture, then the concerned Registrar of Companies/Registrar of LLP shall incorporate the same only on production of in-principle approval/NOC from the concerned regulator.

SERVICE TAX

Sub : Amendment in CENVAT Credit Rules
Notification No. 18/2012-C.E. (N.T.) dated 17.03.2012 has amended CENVAT Credit Rules, 2004. All the amendments are effective from 01.04.2012.

Sub : Notification No. 15/2012-ST dated 17th March, 2012
It supersede the Notification No. 36/2004-Service Tax, dated the 31st December, 2004 so as to specify taxable services, and the extent of service tax payable thereon by person specified under section 68(2) of the Finance Act, 1994.

Exempt the specified taxable services from the whole of the service tax.

Sub : Notification No. 10/2012-ST dated 17th March, 2012
It amends Notification No.32/2007-ST dated 22.05.2007 so as to give an option to the provider of a works contract service to pay an amount equivalent to 4.8 per cent. of the gross amount charged for the works contract instead of paying service tax at the rate specified in section 66 of the Finance Act, 1994 with effect from 1st April, 2012.

It amends Notification No.9/2010-ST dated 27.02.2010 so as to change the effective date of levy to be 1st July, 2012 in place of 1st April, 2012.

Regarding electronic refund through the Indian Customs EDI System.

Sub : Notification No .150/6/2012 F. No.354/236/2010-TRU
Regarding explanation of 'gross amount' appearing in the Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007.
Full-day Seminar on “Exploring New Areas of Profession” on 3-3-2012

The Institute of Company Secretaries of India Eastern India Regional Council (ICSI-EIRC) conducted a full-day seminar on “Exploring New Areas of Profession” on 03rd March, 2012 at Hotel Hindustan International, Kolkata.

CS Ranjeet Kr Kanodia, Chairman ICSI EIRC welcomed the speakers and the participants of the programme and introduced the theme of the program and said that our member should also focus on other areas of profession like Income Tax, FEMA, Sales Tax, Service Tax, in addition to Company Law therefore we have organized a full-day seminar on the topic “Exploring new areas of Profession” and he also spoke about the infrastructure development of the Institute of like updating of library facilities etc. He also said that the EIRC has taken steps to reach out to other Professional Institutes; Industrial Bodies etc to foster relations for professional development and said that this seminar is a first step towards it. CS Arun Kr. Khandelia Vice Chairman, ICSI-EIRC introduced the Chief Guest Shri D. Dasgupta, IRS, Chief Commissioner of Income Tax Ministry of Finance and the guest of honour of the seminar Shri Prasun Bhattacharya, Chairman, EIRC of ICAI. And the Chairman of the first technical session on this seminar was Shri Rakesh Kr. Goel, IRS, Commissioner of Income Tax (Appeal), Govt of India, and the speakers on this seminar were Shri K. K. Chhaparia, Practicing Chartered Accountant, Shri B. K. Mallick, IRS, Joint Director, Directorate of Enforcement (FEMA & PMLA), Ministry of Finance, Govt. of India, Shri Pinakpani Mukherjee, Asstt. General Manager (FED), RBI and Shri Kunjan Mehta, Ernst & Young Pvt. Ltd.

Shri Prasun Bhattacharya, the newly elected Chairman of the EIRC of ICAI in his deliberation said that both the institutes have to strengthen the bridges between them and should work out ways to collaborate more for the development of members, students etc and also appreciated the initiative taken by Chairman, ICSI EIRC and Shri D. Dasgupta, IRS, Chief Commissioner of Income Tax, Ministry of Finance, said that professionals should come forward and advise clients not to evade taxes and pay taxes on time as tax money contributes to national development. Shri Prasun Bhattacharya and Shri D. Dasgupta, IRS were felicitated by Chairman, ICSI EIRC with a shawl, bouquet & memento.

The first technical session was on the topic Income Tax & PMLA chaired by Shri Rakesh Kr. Goel, IRS and the speakers for the session was Shri K. K. Chhaparia and Shri B. K. Mallick. Shri K.K. Chhaparia spoke on the topic of Income Tax- recent trend and proceeding. Shri B. K. Mallick, IRS in his presentation on Prevention of Money Laundering Act (PMLA) pointed out that Act is Indian law passed in to prevent money-laundering and to provide for confiscation of property derived from money-laundering. The PMLA forms the core of the legal framework to combat money laundering and terrorist financing in India. He also pointed out that Section 54 of the Prevention of Money Laundering Act empowers and requires various regulators & authorities to assist in the enforcement of the Act and Section 56 of the Act, provides for entering into agreements with foreign countries to enforce provision of PMLA and for exchange of information. Vote of thanks was delivered by the Vice Chairman, ICSI-EIRC.

The second technical session was on the topic LLP & FEMA and was chaired by CS Ranjeet Kr Kanodia, Chairman, ICSI EIRC and the speakers for the session on the topic “FEMA (Export & Import)” was Shri Pinakpani Mukherjee said in his speech that Foreign Exchange Management Act or in short (FEMA) is an Act that provides guidelines for the free flow of foreign exchange in India. It has brought a new management regime of foreign exchange consistent with the emerging frame work of the World. He said that FEMA served to make transactions for external trade (exports and imports) easier. He said FEMA’s implementation deals in one thing i.e. Foreign Exchange is to be well managed rather than regulated.

The other speaker on the topic “Practical Aspects in Formation of Multi-disciplinary Firm and LLP” was Shri Kunjan Mehta who spoke on the formation of LLP, features of LLP, benefits for LLP’s under Indian scenario, the procedures of conversion from firm to LLP, the guidelines issued by regulatory bodies, tax treatment, FDI in LLP etc.

The vote of thanks was delivered by Shri Deepak Kr Khaitan, Secretary, ICSI EIRC. The seminar was followed by Holi Get Together and Kavi Samelan for an hour where renowned Hasya Kavis enthralled the audience with their couplets.

Holi meet and Hasya Kavi Sammelan” on 3-3-2012

The Institute of Company Secretaries of India, Eastern India Regional Council (ICSI - EIRC) celebrating Holi Meet & Hasya Kavi Sammelan at Hotel Hindustan International, Kolkata on 3rd March, 2012.

CS Ranjeet Kr. Kanodia, Chairman, EIRC of ICSI welcomed the professional participants. In this Kavi Sammelan, Shri Gajendra Solanki & Shri CS Prasad recited lots of poem and the participants enjoyed this movement.

Half-Day Workshop on “Interaction with ROC on FDI and External Borrowings” on 10-3-2012

The Institute of Company Secretaries of India Eastern India Regional Council (ICSI-EIRC) conducted a Half-Day Workshop on “Interaction with ROC on FDI and External Borrowings” on 10th March, 2012 at Merchant Chamber of Commerce, Kolkata.

CS Ranjeet Kr Kanodia, Chairman ICSI-EIRC in his welcome address said that out of all the emerging markets, generally, investors acknowledge that India is the most promising. The two advantages that India has are that it has got a fully functional democratic setup, and secondly, a ready consuming class. If we
get the investment story right, India is the best place for foreign investors and FDI. The guest speakers on this occasion were CS Debashish Bandopadhyay, ROC (West Bengal) and CS Vinod Kothari (Past Chairman, ICSI-EIRC) and Practising Company Secretary.

CS Debashish Bandopadhyay, said in his address regarding recent circular and notification of MCA, he also focused on revised scheduled VI which is effective from 1st April 2012, he also informed that some of the physical documents are shifted from ROC building due to renovation which will be available for verification after renovation and their after members raised their queries to CS Debashish Bandopadhyay and had interaction with him.

CS Vinod Kothari, in his very lucid presentation spoke about India as a Preferred FDI destination, the regulatory frameworks involved, the classification of foreign investments. Then he mentioned about SEBI registered FVCI, the entry routes for foreign investments, transfers where prior approval of RBI is required etc.

After that Shri Kothari spoke on external borrowings where he mentioned the eligible sectors, recognized lenders, ECB instruments, procedure for raising ECB, the eligible borrowers, guarantee and repayment of borrowing, FCEBs-Issuance, pricing and maturity etc.

The vote of thanks was delivered by CS Ranjeet Kanodia, Chairman, ICSI EIRC.

Report on the “POST Union Budget Meet 2012-13” on 19.03.2012 at Rotary Sadan, Kolkata.

welcomed the speakers and also welcomed the delegates. He impressed upon the importance of the Union Budget 2012 and said Budget 2012-13 is along expected lines, as far as the trade and industry are concerned. given the constraints, the increase in Service Tax and Excise Duty from 10 per cent to 12 per cent in both cases is a dampener for almost all industries, except the 17 in the negative list and those exempt from Excise Duties. The speakers on this occasion were Shri N. K. Poddar, Senior Advocate, Prof (Dr) Suman Mukherjee, eminent faculty, Director Calcutta Business School. Shri Amitav Kothari Practising Chartered Accountant, Kothari & Co. Shri Arun Agarwal, Practising Chartered Accountant, Shri T.B. Chatterjee, Sr Executive Vice President & Company Secretary DIC India Ltd,

Shri N. K. Poddar, Senior Advocate in his speech said that in new Finance bill 2012-13, 150 amendments has been made and said that he doesn’t foresee the Direct Tax Code coming into effect prior to 01.04.2013. Shri Poddar also explained the implications of the Vodafone tax Judgement an and the changes due to the judgement that has been made in the Finance Bill. Shri Amitav Kothari said that the FM has tried his best to give some relief on direct tax front but with the constraints country’s economy is facing, the Union Budget 2012 does not fulfil all the aspiration of taxpayers at large. He spoke on taxation slabs, the increase in service tax, the exemptions, GAAR, fast tracking of IT cases etc. He pointed out that Budget is a statement of intent, it’s a roadmap for India’s growth.

Prof Suman Mukherjee in his remarks expressed that the Union Budget 2012 is a financial statement of the country. Prof Mukherjee said that the Union Budget 2012 is inflationary. The increase of service tax will have spiral effect on cost of living. It is bound to trigger inflation, which is bound to adversely affect the common man. Prof Mukherjee explained in detail the genesis of the budgetary system of India its effects on the economy thereon till date. Then he gave a insight into the budgetary allocation where the Govt. has favoured certain sections and ignored others. He said a growth can only be helpful when it eradicates poverty, unemployment and closes in the gap between rich and poor.

Shri Arun Agarwal and Shri T.B. Chatterjee focused on the indirect tax front in this Union Budget 2011. He said that the Honorable Finance Minister Shri Pranab Mukherjee has proposed an increase in service tax and also at the same time aimed for rationalisation of indirect taxes They said that rollout of Direct Taxes Code (DTC) should be at the earliest and GST needs to be operational for better revenue. Central Excise and Service Tax collection also needs to be harmonized. A General Anti-Avoidance Rule (GAAR) to be introduced to counter aggressive tax avoidance. They pointed out that better compliance leads to higher tax base leading to higher revenue generation and this ensures improving the service quality leading to better public image.

The session was followed by Q & A by the participants.

Full-day Seminar on “Corporate Compliance & Professional Skills” on 24.03.2012

welcomed the speakers and also welcomed the delegates. He impressed upon the importance of the Union Budget 2012 and said Budget 2012-13 is along expected lines, as far as the trade and industry are concerned. given the constraints, the increase in Service Tax and Excise Duty from 10 per cent to 12 per cent in both cases is a dampener for almost all industries, except the 17 in the negative list and those exempt from Excise Duties. The speakers on this occasion were Shri N. K. Poddar, Senior Advocate, Prof (Dr) Suman Mukherjee, eminent faculty, Director Calcutta Business School. Shri Amitav Kothari Practising Chartered Accountant, Kothari & Co. Shri Arun Agarwal, Practising Chartered Accountant, Shri T.B. Chatterjee, Sr Executive Vice President & Company Secretary DIC India Ltd,

The Institute of Company Secretaries of India Eastern India Regional Council (ICSI EIRC) organised a Full-Day Seminar on "Corporate Compliance and Professional Skills" on Saturday, the 24th March, 2012 at Hotel Golden Park, Kolkata.

The Chief Guest of the full Day workshop was Dr. Nawrang Sailee, Regional Director MCA and the Guest speakers on the seminar are Shri Naresh Agarwal,
SAP FICO consultant, Mind power trainer, Corporate motivator, Shri Rajesh Poddar, Deputy Company Secretary, ITC Limited, Shri Suparno Moitra, Head - Eastern Region, NASSCOM and Shri Vijay Kr. Chandak, Managing Director, VC Corporate Advisors Pvt. Ltd. CS Ranjeet Kanodia, Chairman ICSI EIRC spoke about the compliance requirements for Indian Companies with respect to takeover code, director’s liability and MSME financing in India. They deliberated on the topics like The Takeover Code, Directors’ Liabilities, MSMEs and Professional Skills

Takeover refers to the acquisition of one company by another company. Takeovers are quite often taken as a prelude to the mergers. Corporates generally embark on acquisition of another company and then take steps to merge or amalgamate the acquired company or merge or amalgamate with the acquired companies and in the process also demerge certain undertakings. Takeover can be either friendly which is done by a mutual agreement between two companies or it can be hostile. takeover is nothing but the acquisition of shares of one company by another company.

Section 291 of Companies Act, 1956 provides for general powers of the Board of directors. It mandates that the Board is entitled to exercise all such powers and do all such acts and things, subject to the provisions of the Companies Act, as the company is authorized to exercise and do. However, the Board shall not exercise any power and do any act or things which is required whether by the Act or by the memorandum or articles of the company or otherwise to be exercised or done by the company in general meeting. Power of the individual directors. Unless the Act or the articles otherwise provide, the decisions of the Board are required to be the majority decisions only. Individual directors do not have any general powers. They shall have only such powers as are vested in them by the Memorandum and Articles.

In most economies, smaller enterprises are much greater in number than large companies. SMEs are often said to be responsible for driving innovation and competition in many economic sectors. The Indian Micro and Small Enterprises (MSEs) sector plays a pivotal role in the overall industrial economy of the country. It is estimated that in terms of value, the sector accounts for about 39% of the manufacturing output and around 33% of the total export of the country.

**Investor Awareness Program at IISD**

**On 04.02.2012**

The Eastern The Institute of Company Secretaries of India Eastern India Regional Council (ICSI-EIRC) supported by Ministry of Corporate Affairs, Government of India organised an Investor Awareness Program under the aegis of Investor Education & Protection Fund at Institute for Inspiration and Self Development, Sector 3, Salt Lake, Kolkata on Wednesday the 04th of February 2012. The speakers on the occasion were Shri Muktar Singh, Deputy Registrar of Companies, West Bengal and CS Bhavesh Saxena, Additional Sr. Manager, Corporate Affairs, Mitsubishi Chemical Corpn. PTA India.

Shri Muktar Singh, Deputy Registrar of Companies, West Bengal He said that the main aim of this program is to make general public aware about instruments of Investment, information on Sensex and other Indices and trading in shares, mutual funds, debt market, Derivatives. He spoke on the role of Government for any guidance or redressal of any grievances with respect to investments in capital market.

CS Bhavesh Saxena, Additional Sr. Manager, Corporate Affairs, Mitsubishi Chemical Corp. PTA India in his speech said that the Institute of Company Secretaries of India (ICSI) has been actively supporting the investor awareness initiatives taken by Ministry of Corporate Affairs by organizing Investor Awareness Programmes in various parts of our nation. He said that the general public before investing should keep themselves aware of the market, read documents like the prospectus of the company in which they are investing and make a good choice of a broker or a market intermediary. The investor can check out the details of incorporation of a company and read other documents of a company by visiting the company’s website or the MCA website.

Dr R.N. Chakraborti, Director IISD also addressed the audience on the benefits of investment and also talked about investment avenues and Shri Upal Mukherjee, AD,ICSI-EIRO and Shri Tapas Kr Roy, Asst. Education Officer, ICSI-EIRO were also present during the program.

**Report of the Investor Awareness Programme on 21st February 2012**

The Institute of Company Secretaries of India Eastern India Regional Council (ICSI-EIRC) supported by Ministry of Corporate Affairs, Government of India organised an Investor Awareness Program under the aegis of Investor Education & Protection Fund at Tuesday, 21st February 2012 at Syamaprasad College, Kolkata at 5 PM in the evening.

The speakers on the occasion were Shri Debashish Bandopadhyay, Registrar of Companies, West Bengal, CS Ranjeet Kr Kanodia, Chairman, ICSI EIRC, Dr Ashish Kr Sana, Faculty PG Dept of Commerce, University of Calcutta, Prof. Prabhat Kr Dutta, President, Governing Council, Syamaprasad College, Dr Nemai Bandopadhyay, Teacher In Charge, Syama-prasad College. All the guests on the dais were greeted with bouquet of flowers by teaching faculty of the college.

Shri Debashish Bandopadhyay, Registrar of Companies, West Bengal informed the participants that this type of Investor Awareness Programmes are organised by the Institute of Company Secretaries of India (ICSI) & Ministry of Corporate Affairs under IEPF (Investor Education & Protection Fund) at various places to educate the investors and to create awareness among the investors regarding the capital market and in particular the working of the stock exchanges.

CS Ranjeet Kr Kanodia, Chairman, ICSI EIRC in his speech said that the Institute of Company Secretaries of India (ICSI) has been actively supporting the investor awareness initiatives taken by Ministry of Corporate Affairs by organizing Investor Awareness Programmes in various parts of our nation. He also spoke on the investment avenues available for the general public.

Prof. Prabhat Kr Dutta said that the general public before investing should keep themselves aware of the investment choices and said that these type of programs are forthcoming and are essential for the general public so that they can make better investment plans etc.
North Eastern (Guwahati) Chapter

**Workshop Organised by NE Chapter on 18th March 2012**

The Institute of Company Secretaries of India, North Eastern Chapter, Guwahati, organized a Full-Day Workshop on "Discussion on Revised Schedule VI", "Life Skills, Let's Brush Up!" and Critical analysis on Union Budget" on Sunday, the 18th March, 2012 at Hotel Vishwaratna, A.T. Road, Guwahati from 10:00 a.m. onwards. CA Purshotam Gaggar, a leading Chartered Accountant from Guwahati and past Chairman of NE Chapter of The Institute of Company Secretaries of India explained the gathering about Schedule VI.

**HOLI-RI-DHAMAAL**

The colours of HOLI fill our lives with vibrancy, love, peace, respect and fun. Therefore, we at the Institute of Company Secretaries of India, NE Chapter organised a Holi Meet for the members and students of the Institute titled HOLI-RI-DHAMAAL on Sunday, the 4th day of March, 2012 at Hotel Prag Continental, Pan Bazar, Guwahati from 4:00 p.m. onwards.

The recreation committee kick started the programme with a welcome address.

Thereafter, Mr. Raj Kumar Sharma, Chairman, ICSI, NE Chapter and Miss Neha Gureshi, Secretary, ICSI, NE Chapter invited the senior members for the traditional "tilak". The members and students participated in the programme with full excitement and enth usiasm. The y played Holli with full spirit of the festival and the beautiful colours bestowed happiness.

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**Hooghly Chapter**

**Foundation Day Celebration on 08.03.2012**

Hooghly Chapter of EIRC celebrated its 4th Foundation Day on Thursday, 8th March 2012.

The event witnessed presence of all the past Chairmen of Hooghly Chapter and the students. CS V K Goenka, C S Rajesh Ghorawat, CS Manoj Shaw, CS Ashok Purohit, CS Arun Singhania were present on this occasion. On this occasion, CS V K Goenka said that it is encouraging to see that chapter has come a long way in the last four years and wished that the chapter will reach new heights in the coming years.

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The Foundation day celebration was followed by Holi Meet as the date coincides with the HOLI festival this year.

**Interaction Session with the Govt. Body on 11.03.2012**

Hooghly Chapter of Eastern India Regional Council of The Institute of Company Secretaries of India had organized a Workshop cum Interaction Session on 'Companies (Name Availability) Rules-2011' at Sarat Sadan Hall, Howrah Maidan on Sunday, 11th March 2012.

CS Gautam Dugar, Chairman, Hooghly Chapter welcomed all the guests and delegates at the workshop. It was an important day in the history of Hooghly Chapter of EIRC as Shri Debashis Bandopadhyay, Registrar of Companies(West Bengal) has kindly consented to act as the guest speaker on this topic. He deliberated all the guidelines to adhere with while applying for approving the proposed name of the companies in detail. It was indeed a great experience for the delegates to understand the details of Name Availability guidelines from the ROC himself.

**7th Batch of EDP**

The Executive Development Programme for the students of Professional programme started on 10th March 2012 in which 47 students from Howrah, Hooghly and Kolkata district got training. The batch concluded on 17th March 2012 and the completion certificates were distributed in the concluding session by CS Gautam Dugar, Chairman - Hooghly Chapter.

**Seminar on Union Budget 2012 on 18.3.12**

Hooghly Chapter of Eastern India Regional Council of The Institute of Company Secretaries of India had organized a seminar on Union Budget 2012 on Sunday, 18th March 2012 at Maheshwari Bhawan, Rishra.

**Full Day Workshop on 25.03.2012**

Hooghly Chapter of Eastern India Regional Council of The Institute of Company Secretaries of India have had organized a Full Day Workshop on 'Employee Stock Option Plan and Buy Back of Securities' (under SEBI guidelines) on Sunday, 25th March 2012.

**18th Batch of S.I.P.**

The 18th Batch of Student Induction Programme (S.I.P.) started from 25th March 2012 in which 36 students got the training. The batch ended on 31st March 2012 where CS Gautam Dugar, Chairman- Hooghly Chapter, gave the training completion certificates to the participating students.

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**Bhubaneswar Chapter**

**Press Conference held on 6.3.2012**

Sitting from (L to R) CS Priyadarshi Nayak, CS J.B. Das and CS A. Acharya.
# List of Programmes Held from 19.01.12 to 31.03.12

## Study Circle / Interactive Meeting

<table>
<thead>
<tr>
<th>Date</th>
<th>Programme</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.03.12</td>
<td>Post Union Budget Meeting, 2012-13</td>
<td>Rotary Sadan</td>
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## Half Day Workshop

<table>
<thead>
<tr>
<th>Date</th>
<th>Programme</th>
<th>Venue</th>
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</thead>
<tbody>
<tr>
<td>28.01.12</td>
<td>Half-Day Workshop on &quot;Self Development&quot;</td>
<td>ICSI-EIRC Building</td>
</tr>
<tr>
<td>11.02.12</td>
<td>Half-Day Workshop on &quot;Recent Changes in Corporate Laws&quot; and &quot;Revised Schedule - VI&quot;</td>
<td>Golden Park Hotel</td>
</tr>
<tr>
<td>10.03.12</td>
<td>Half-Day Workshop on &quot;Foreign Direct Investment (FDI) and External Borrowings&quot; and Interactive Meeing with the ROC (W.B.), MCA</td>
<td>Merchants Chamber of Commerce</td>
</tr>
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## Full Day Seminar

<table>
<thead>
<tr>
<th>Date</th>
<th>Programme</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>03.03.12</td>
<td>Full-Day Seminar on &quot;Exploring News Areas for Profession&quot;</td>
<td>Hotel Hindustan Internaional</td>
</tr>
<tr>
<td>24.03.12</td>
<td>Full-Day Seminar on &quot;Corporate Compliance and Professional Skills&quot;</td>
<td>Hotel Golden Park</td>
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## Investor Awareness Programme

<table>
<thead>
<tr>
<th>Date</th>
<th>Programme</th>
<th>Venue</th>
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</thead>
<tbody>
<tr>
<td>04.02.12</td>
<td>Investor Awareness Programme</td>
<td>Institute for Inspiration and Self Development, Kolkata</td>
</tr>
<tr>
<td>21.02.12</td>
<td>Investor Awareness Programme</td>
<td>Shyamaprasad College, Kolkata</td>
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</tbody>
</table>

## Other Programmes / Event

<table>
<thead>
<tr>
<th>Date</th>
<th>Programme</th>
<th>Venue</th>
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</thead>
<tbody>
<tr>
<td>26.01.12</td>
<td>Republic Day Celebration</td>
<td>ICSI-EIRC Building</td>
</tr>
<tr>
<td>28.01.12</td>
<td>Saraswati Puja Celebration</td>
<td>ICSI-EIRC Building</td>
</tr>
<tr>
<td>26.02.12</td>
<td>Cricket Match ICSI - EIRC vs. MCA</td>
<td>Spring Club, Kolkata</td>
</tr>
</tbody>
</table>

## Management Skills Orientation Programme

<table>
<thead>
<tr>
<th>Date</th>
<th>Programme</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.01.12</td>
<td>69th Management Skills Orientation Programme</td>
<td>ICSI-EIRC Building</td>
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</tbody>
</table>

## Executive Development Programme

<table>
<thead>
<tr>
<th>Date</th>
<th>Programme</th>
<th>Venue</th>
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</thead>
<tbody>
<tr>
<td>16.02.12</td>
<td>13th Executive Development Programme (EDP)</td>
<td>ICSI-EIRC Building</td>
</tr>
<tr>
<td>05.03.12</td>
<td>14th Executive Development Programme (EDP)</td>
<td>ICSI-EIRC Building</td>
</tr>
<tr>
<td>27.03.12</td>
<td>15th Executive Development Programme (EDP)</td>
<td>ICSI-EIRC Building</td>
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</tbody>
</table>

## Student Induction Programme

<table>
<thead>
<tr>
<th>Date</th>
<th>Programme</th>
<th>Venue</th>
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</thead>
<tbody>
<tr>
<td>07.02.12</td>
<td>30th Student Induction Programme (SIP)</td>
<td>ICSI-EIRC Building</td>
</tr>
<tr>
<td>12.03.12</td>
<td>31st Student Induction Programme (SIP)</td>
<td>ICSI-EIRC Building</td>
</tr>
<tr>
<td>19.03.12</td>
<td>32nd Student Induction Programme (SIP)</td>
<td>ICSI-EIRC Building</td>
</tr>
</tbody>
</table>

## Student’s Corner

### Fee Structure for CS Course

- CS Foundation Programme Rs.3600/-
- CS Executive Programme Rs.7000/- for Commerce graduates
- Rs.7750/- for non Commerce graduates
- CS Professional Programme Rs.7500

### Cut-off dates for CS Admissions

- **CS Foundation Programme** – 31st March / 30th September
- **CS Executive Programme** – 28th February / 31st May / 31st August / 30th November

Note: Examinations are held twice a year in June and December.
COMPANY SECRETARIES BENEVOLENT FUND

ICSI has established the Company Secretaries Benevolent Fund (CSBF) in the year 1976 which seeks to create big security umbrella to derive comfort and Security.

Benevolent Fund - We Care

The Fund provides assistance for education/medical or for any other similar purpose in deserving cases to the

- Members of the ICSI
- Spouse and Children of the deceased members.

Looking towards Secure Future

- The financial assistance upto Rs. 60,000 is provided to the members for medical expenses for self, spouse or dependents in deserving cases on receipt of request.
- Financial assistance for education at the rate of Rs. 10,000/- per child (subject to maximum of two children) in deserving cases is provided to the family of the deceased members.
- As a member of the Fund upto the age of 60 years it covers the member's future through the Group Life Insurance Policy for a sum of Rs. 2,00,000/- . In addition to this additional financial assistance of Rs. 3,00,000/- is provided to the family of the deceased member of the Fund from the CSBF. The widow /dependents of the deceased member above 60 years of age may be provided financial assistance upto Rs. 2,00,000/- from the fund depending upon the merit of the case.
- The assistance is provided in minimum time possible.

Details of the Benevolent Fund

- Fund is a society registered with the Registrar of Societies, New Delhi.
- Fund is managed by the Committee consisting of 12 members.
- President, Vice President and Secretary of the ICSI are ex-officio members of the Managing Committee of the Fund.
- The Fund is recognised under the Section 12 A of the Income Tax Act.

Financial Position of the Fund (as on 31.3.2011)

- Corpus : Rs. 311.63 lacs.
- Investments : Rs. 404.79 lacs.
- Total number of members : 7901.
- Total assistance provided in the year 2010-11 : Rs. 14.55 lacs.

Advantages to you

- Contribution to the Fund is a noble cause.
- Members of the ICSI after becoming the member of CBSF get the additional security shield for the life.

And it's all so easy

- You have just to fill up a form provided here to become a member of the Fund.
- You have to pay a small amount of Rs.7,500/- as a one time contribution for your life membership of the Fund.
- You have to provide the names of the dependents.
- You can deposit the form at Headquarter or with any Regional Council/Chapter.
- The cheque / Demand draft has to be drawn in favour of Company Secretaries Benevolent Fund. The application has to be made to the Secretary & CEO of the ICSI.

ATTENTION MEMBERS!

To update records and to provide value-based services, members are requested to furnish the following details:

- Membership No.; Communication Address; Telephone Nos.; Mobile No.; E-Mail IDs
- To publish the ICSI-EIRC Newsletter more informative, members are requested to contribute the following:
  - Article on current topics / Check-Lists / Corporate and Legal Updates
To make the Newsletter self-sustainable, members are also requested to use their good offices to get advertisement / sponsorship support for the same.

For Advertisement Tariff write at tamal.kar@icsi.edu
All information in this regard may be communicated by e-mail at :
chairman.eirc.icsi@gmail.com / tamal.kar@icsi.edu
OR
Contact: Shri Tamal Kar, Desk Officer (Secretarial), ICSI-EIRO
Tel: 033-2290 2179; Mobile : 0-90512 58797

ATTENTION MEMBERS!

The Annual Membership fee and Certificate of Practice fee for the year 2012-13 will become due for payment w.e.f. 1st April, 2012 and the last date for payment of the same is 30th June, 2012.

The Annual Membership and Certificate of Practice fee payable is as follows :

- **ANNUAL ASSOCIATE MEMBERSHIP FEE** Rs. 1,125/-
- **ANNUAL FELLOW MEMBERSHIP FEE** Rs. 1,500/-
- **ANNUAL CERTIFICATE OF PRACTICE FEE** Rs. 1,000/-

ICSI-EIRC NEWSLETTER : MARCH - APRIL, 2012
**IMAGE GALLERY**

17. Full-day Seminar on **Corporate Compliance and Professional Skills** on 24.03.2012. CS Rajesh Podder addressing.

18. Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012. (L to R) Mr. D. Das Gupta, IRS, Chief Commissioner, Income Tax and Mr. Rakesh Kr. Goel, IRS, CIT Appeals.


20. Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012. CS Ranjeet Kr. Kanodia presenting Memonto to Mr. D. Das Gupta, IRS, Chief Commissioner, Income Tax.

21. Full-day Seminar on **Exploring New Area of Profession** on 03.03.2012 from (L to R) CS K.K. Chhaparia, CS Ranjeet Kr. Kanodia and Mr. Rakesh Kr. Goel, IRS.

22. Interactive Meeting with the ROC (WB) and Half-day Workshop on **Foreign Direct Investment and External Borrowing** on 10.03.2012. CS B.P. Dhanuka presenting Memonto to Mr. D. Bandopadhyay, ROC (WB).

23. Post Union Budget Meet 2012-13 on 19.03.2012 Mr. N.K. Podder addressing the audience on Direct Tax Analysis.

24. Full-day Seminar on **Corporate Compliance and Professional Skill** on 24.03.2012, CS Vijay Chandak addressing.