The Individual who has the largest capacity for Work and Thought is the Individual who is bound to Succeed.

Dear Professional Colleagues

The month of December is very important to us, as it sets the ball rolling for the New Year and has more than half of the world "going off" on their annual holiday. Many of us celebrate Christmas and let me Wish You a Merry Christmas and Happy vacation to those who are able to plan and stick to the same.

I am happy to inform you that the First ICSI-SIRC CSBF Musical Nite organized by ICSI-SIRC on 11th November 2012 at Kamarajar Arangam, Chennai was a thunderous success. A Souvenir synchronizing this event was released on this occasion.

The First Two Day Residential Seminar on "Corporate Law Updates" organized by ICSI-SIRC at MGM Hotels & Resorts, Chennai was also a grand success with over 100 delegates from Delhi, Bangalore, Hyderabad, Tirunelveli, Tiruchirapalli, Mangalore, Thoothukudi and Thrissur attending the Programme. I received overwhelming response to this Residential Seminar and the delegates who participated in the programme congratulated the ICSI-SIRC for the arrangements made and the eminent speakers who addressed this programme.

The next programme of the Regional Council is on 18th & 19th January 2013 at Tirupati, the details of which will be intimated shortly. Arrangements are also being made for a Darshan of Lord Balaji. The information is being given to you in order to block your dates for the same.

The First ICSI Convocation [SIRC] was held on 30th November 2012. Dr. S. Sudalaimuthu, Vice Chancellor, Alagappa University was the Chief Guest and distributed the Membership Certificates to the newly admitted Members. CS Nesar Ahmad, President, ICSI and CS Jain N.K., Secretary & Chief Executive Officer, The ICSI graced the occasion. The programme was widely covered in the Press and electronic media.

The Regional Council continues to provide the best facilities to the Members and in this direction, we request the Members to kindly give their interest in taking classes and writing articles in the e-newsletter. Please share your experience so that the Regional Council can utilize the talents for the benefit of the members and students.

The power of belongingness and brotherhood is known to all of us. Many a times we tend to think that our success as a personal achievement and forget the contribution of the community we belong to – in our case, as professionals, the community of Company Secretaries. The CS Benevolent Fund is one of such collective effort towards extending the much needed financial support to the community of Company Secretaries in times of distress. I appeal to Members who have not joined the Company Secretaries Benevolent Fund to become its life members and extend the benevolence to your brothers in times of sorrow.

Members are requested to kindly update their mobile numbers and contact details with the HQ and the Regional Council for better communication.

Wishing you all a Merry Christmas and a very Happy and Prosperous New Year

With warm regards

Yours Sincerely

CS MARTHI.S.S.
spcspl@gmail.com
chairman.sirc@icsi.edu
ECGC

EXPORT CREDIT GUARANTEE CORPORATION OF INDIA LIMITED
[A Government of India Enterprise]

Requires a

COMPANY SECRETARY

ECGC is a Central Public Sector Enterprise, providing export credit insurance to exporters/ banks and having branches all over India, with an annual income of about Rs. 1200 crores. The company urgently requires a qualified Company Secretary at its Head Office in Mumbai.

Qualification, Experience & Age Limit: The ideal candidate besides being an ACS/ FCS, will have additional qualifications in law, have good drafting skills and at least five years' post-qualification experience in handling corporate secretarial/ legal matters. The upper age limit shall be 50 years as of 31 October 2012.

Emoluments: The position is in Senior Management Cadre in the Scale Rs. 41660-1200(3)-45260-1350(2)-47960. In addition to Basic pay, monthly emoluments shall include DA, HRA and CCA. (Starting gross monthly pay currently is around Rs. 70,000). Other benefits include company-provided vehicle, gratuity, EPF, LTC, medical reimbursement, meal subsidy etc. as applicable to the officers of the Corporation, subject to Corporation's terms and conditions. Residential accommodation could be considered.

Career Prospects: Those who are exceptionally good may have opportunity to move to higher positions in general management.

Interested candidates may apply in the prescribed format, to the Deputy General Manager (HRD), ECGC of India Limited, Dalamal House, Ground Floor, Nariman Point, Mumbai - 400021 together with self-attested copies of all relevant certificates, so as to reach us by not later than January 04, 2013. Format may be downloaded from the website www.ecgc.in.
Required Company Secretary (CS) for International consulting firm in Dubai

- Minimum 5 to 10 years Post Qualification Experience.
- Knowledge of company incorporation, drafting resolutions, MOA etc.
- Proactive, self starter personality, excellent interpersonal and communication skills.
- Good hand on Computers
- Age 30 to 45Years
- Selected candidate will be Incharge of the Business Incorporation division.

Send CV at: jcainfo@airtelmail.in : jcashj@eim.ae
Tel : 022 40029795
MCA-21 has been continuously evolving ever since it was launched in April 2006 by the Hon’ble Prime Minister, Dr. Manmohan Singh. In the year 2013, MCA-21 will be entering into a new phase called as MCA-21 V2 which stands for **Version-2**. The primary objective of MCA-21 V2 is to identify the existing deficiencies in the present MCA-21 and work out ways and means to eliminate such deficiencies and ameliorate the existing system with the ultimate objective of catering to the needs of the stakeholders. The Ministry has also taken necessary steps to elicit the views and opinions of various stakeholders to understand the areas for improvement and take MCA-21 to the next level.

It is generally known that computerization in the Office of Registrars of Companies has not encompassed every detail of functioning of the Office of ROC. There are still areas like issuance of certified copies of documents registered with ROC, settlement of claims, etc. which are still dealt in manual form. This causes inconvenience to the stakeholders. Presently, certified copies of documents are manually issued in physical form. It is expected that all such areas of functions in the office of ROC which are presently done in physical form will also be converted into electronic form to ease the functioning of ROC as well as expedite service delivery.

Secondly, there are issues relating to the efficiency of the systems in terms of speed and performance. This area will also be addressed by enhancement of computer hardware, software and equipments which will go a long way in better service to the stakeholders.

Thirdly, the existing eforms are also being reviewed with a view to make them simpler and also in total conformity with the provisions of the Companies Act, so as to ensure total acceptability by all stakeholders.

At this juncture, it is appropriate for the stakeholders to communicate their views and opinions for the ultimate good of the new system. If any professional has anything to contribute in terms of inputs which can be considered for overall improvement of MCA-21 and ultimately make MCA-21 V2 a success, such suggestions could be made in the common interest of all stakeholders. The suggestions could be communicated to Registrar @ roc.chennai@mca.gov.in
Ministry of Corporate Affairs have come out with a number of circulars and notifications in the recent times relating to maintenance of Cost Accounting Records and Cost Audit. These circulars and notifications have not only brought remarkable changes in the applicability of cost accounting and audit rules but have introduced a number of new requirements like obtaining of Cost Compliance Report, filing of reports in XBRL mode, fees for appointment of cost auditor etc.

These announcements and changes have created a lot of perplexity in the minds of the readers regarding the applicability of the revised rules. Moreover, since the onus of compliance has been shifted from the legislator to the company, it becomes even more vital to understand the changes and their implications.

For ease of understanding, we have divided this section into 2 parts –
2. Appointment of Cost Auditor and filing of Cost Audit Report

Maintenance of Cost Accounting Records and Filing of Cost Compliance Report

⇒ Notification
The Companies (Cost Accounting Records) Rules, 2011 were notified on 03rd June 2011 vide notification no. G.S.R. 429(E), issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 642(1)(b) read with section 209(1)(d) of the Companies Act, 1956. These rules are in supersession of all Cost Accounting Record Rules issued so far.

⇒ Applicability
These rules shall apply to every company, including a foreign company as defined under section 591 of the Act which is engaged in the production, processing, manufacturing, or mining activities and which satisfies any one of the following criteria:

- Aggregate value of net worth as on the last date of the immediately preceding financial year exceeds rupees 5 crores.
- Aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds rupees 20 crores

- Companies whose equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India

These rules shall not apply to the following class of companies –

- A company which is a body corporate governed by any special Act
- Activities or products covered in any of the following Industry Specific rules:
  
  (a) Cost Accounting Records (Bulk Drugs) Rules, 1974
  (b) Cost Accounting Records (Formulations) Rules, 1988
  (c) Cost Accounting Records (Fertilizers) Rules, 1993
  (d) Cost Accounting Records (Sugar) Rules, 1997
  (e) Cost Accounting Records (Industrial Alcohol) Rules, 1997
  (f) Cost Accounting Records (Electricity Industry) Rules, 2001
  (g) Cost Accounting Records (Petroleum Industry) Rules, 2002
  (h) Cost Accounting Records (Telecommunications) Rules, 2002
In supersession of the aforesaid Rules, following industry specific Cost Accounting Records Rules were notified:


- Whole sale of retail trading activities.
- Banking, financial, leasing, investment, Insurance, education, healthcare, tourism, travel, hospitality, recreation, transport services, business/professional consultancy, IT & IT enabled services, research & development, postal/courier services, etc. unless any of these have been specifically covered under any other Cost Accounting Records Rules.

- Companies engaged in rendering job work operations or contracting/sub-contracting activities, and are paid only the job work or conversion charges, such as tailoring, baking, repairing, painting, printing, constructing, servicing, etc.

- Companies engaged in the production, processing, manufacturing or mining activities till such time they commence their commercial operations.

- Ancillary products/activities of companies incidental to their main operations (i.e. products/activities that do not constitute their main line of business) and wherein the total turnover from the sale of each such ancillary products/activities do not exceed 2% of the total turnover of the company or Rs.20 crores, whichever is lower.

⇒ **Maintenance of Records**

- Every company to which The Companies (Cost Accounting Records) Rules, 2011 apply, including all units and branches thereof shall, in respect of each of its financial year commencing on or after the 1st day of April, 2011, keep cost records.
- Records to be maintained on regular basis and in such manner that per unit cost can be calculated or every financial year on monthly/quarterly/half-yearly/annual basis.
- Records to be maintained in accordance with cost accounting standards and principles issued by ICWAI.
- Cost records to be reconciled with audited financial statements.
- All Cost records and statements to be maintained for at least 8 years.
Filing of Compliance Report

<table>
<thead>
<tr>
<th>Form of Compliance Report</th>
<th>Compliance Report (along with annexure), certified by a Cost Auditor to be submitted to the Central Government for each FY starting from 01.04.2011 in Form A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Limit for submission</td>
<td>Within 180 days from close of FY</td>
</tr>
<tr>
<td>Authentication of Annexure to the Compliance Report</td>
<td>Annexure to compliance report to be approved by Board before submission to Central Government</td>
</tr>
</tbody>
</table>
| Penalty | For Cost Accountant - Up to Rs. 5000/-
For Company & every officer in default - Rs. 500/- plus Rs. 50 per day in case of continuing default. |
| XBRL Filing | General Circular No. 8/2012 dated 10th May, 2012 mandated filing Compliance Report in XBRL format for year 2011-12 onwards including overdue reports of previous years. |

**Due date for filing under XBRL mode**

As per General Circular No. 8/2012 dated 10.05.2012, MCA had notified that XBRL filing for Cost Compliance Report will be enabled after 30.06.2012 which was modified to 31.07.2012 vide Circular dated 29.06.2012.


As per the XBRL website maintained by MCA, the Validation Tool for XBRL filing of Compliance Report to MCA is presently under development. Filing can be enabled only after the validation tool is ready.

**Format of Compliance Report and Form for filing**

<table>
<thead>
<tr>
<th>Form A</th>
<th>Form B</th>
<th>Annexure to Form B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form for filing Compliance Report and other documents with the Central Government</td>
<td>Form of compliance Report</td>
<td>Annexure to Compliance Report</td>
</tr>
</tbody>
</table>

**Appointment of Cost Auditor and Filing of Cost Audit Report**

- Revised procedure notified vide General Circular No. 15/2011 dated 11.04.2011
- Cost Auditor to be Cost Accountant as per Sec 2(1)(b) of CWA, 1959 and holding certificate of practice
- Individual as well as firm can be appointed as cost auditor
- Audit committee to be first point of reference for cost auditor appointment
- Audit Committee to ensure that Cost auditor does not have any disqualifications and should get certificate of independence
- Company to file form 23C within 90 days of commencement of each financial year along with prescribed fees
- Documents to be attached to form 23C -
  - Board resolution
  - Certificate u/s 224(1-B)
• Form 23C deemed to be approved if no communication received within 30 days. Company to issue formal letter of appointment after 30 days
• Auditor to file form 23D (Intimation of appointment) within 30 days of receipt of appointment letter
• Particulars of Cost Auditor to be given in financial statements each year
• Penalty
  ⇒ For Cost Accountant - Up to Rs. 5000/-
  ⇒ For Company & every officer in default - Rs. 500/- plus Rs. 50 per day in case of continuing default.

• This procedure is effective from FY commencing on or after 01.04.2011
⇒ The Companies (Cost Audit Report) Rules, 2011

❖ Notification
The Companies (Cost Audit Report) Rules, 2011 were notified on 03rd June 2011 vide notification no. G.S.R. 430(E), issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 642(1)(b) read with section 233B(4) and Section 227(1) of the Companies Act, 1956. These rules are in supersession of the Cost Audit Report Rules, 2001.

❖ Applicability
  ➢ These rules shall apply to every company in respect of which an audit of the cost records has been ordered by the Central Government under sub-section (1) of section 233B of the Act.

  ➢ Vide order reference number F.NO. 52/26/CAB-2010 dated 30.06.2011 (for FY 10-11) and F.NO. 52/26/CAB-2010 dated 24.01.2012 (for FY 11-12) Central Government has ordered Cost Audit for following class of companies –

  • All Companies to which The Companies (Cost Accounting Records) Rules, 2011 apply, AND

  • Which are engaged in production, processing, manufacturing or mining of products/activities given in table below, AND

  • Wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds rupees 100 crores, OR

  • Wherein the company’s equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India.

  ➢ Products/Activities include intermediate or allied products and articles. Clarification regarding meaning of intermediate/allied products and their examples is given in General Circular No. 67/2011 dated 30.11.2011.
### Products/Activities to which cost audit is applicable for FY 10-11

**F.NO. 52/26/CAB-2010 dated 30.06.2011**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Industry</th>
<th>Relevant Chapter Heading of the Central Excise Tariff Act, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cement</td>
<td>Chapter 25, 38 and 68</td>
</tr>
<tr>
<td>2.</td>
<td>Tyres &amp; Tubes</td>
<td>Chapter 40</td>
</tr>
<tr>
<td>3.</td>
<td>Steel</td>
<td>Chapter 72 and 73</td>
</tr>
<tr>
<td>4.</td>
<td>Paper</td>
<td>Chapter 47 and 48</td>
</tr>
<tr>
<td>5.</td>
<td>Insecticides</td>
<td>Chapter 30</td>
</tr>
<tr>
<td>6.</td>
<td>Glass</td>
<td>Chapter 70</td>
</tr>
<tr>
<td>7.</td>
<td>Paints &amp; Varnishes</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Aluminum</td>
<td>Chapter 76</td>
</tr>
</tbody>
</table>

### Products/Activities to which cost audit is applicable for FY 11-12

**F.NO. 52/26/CAB-2010 dated 24.01.2012**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of Industry</th>
<th>Relevant Chapter Heading of the Central Excise Tariff Act, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Jute, cotton, silk, woolen or blended fibers/textiles</td>
<td>Chapters 50 to 63</td>
</tr>
<tr>
<td>2.</td>
<td>Edible oil seeds and Oils (incl. vanaspati)</td>
<td>Chapters 12 and 15</td>
</tr>
<tr>
<td>3.</td>
<td>Packaged food products</td>
<td>Chapters 2 to 25 (except Chapters 5, 6, 14, 23 and 24)</td>
</tr>
<tr>
<td>4.</td>
<td>Organic &amp; Inorganic Chemicals</td>
<td>Chapters 28, 29, 32, 38 and 39</td>
</tr>
<tr>
<td>5.</td>
<td>Coal &amp; Lignite</td>
<td>Chapter 27</td>
</tr>
<tr>
<td>6.</td>
<td>Mining &amp; Metallurgy of ferrous &amp; non-ferrous metals</td>
<td>Chapters 26 and 74 to 83 (except Chapters 76 and 77)</td>
</tr>
<tr>
<td>7.</td>
<td>Tractors &amp; other motor vehicles (incl. automotive components)</td>
<td>Chapters 84, 85 and 87</td>
</tr>
<tr>
<td>8.</td>
<td>Plantation Products</td>
<td>Chapters 8, 9, 21 and 40,</td>
</tr>
<tr>
<td>9.</td>
<td>Engineering machinery (incl. electrical &amp; electronic products)</td>
<td>Chapters 84 and 85,</td>
</tr>
</tbody>
</table>

**These rules shall not apply to the following class of companies –**

- Generation of electricity for captive consumption
- Own manufactured products that are consumed exclusively by the company for the sole purpose of production, processing, manufacturing, or mining of its other product or activities that are subject to cost audit.
- All units located in SEZs, EPZs, FTZs & 100% EOUs (refer general Circular No. 11/2012 dated 25.05.2012 for more details)
**Cost Audit Report**

| Form of Report | • Cost Audit report to be filed with Central Government in Form I  
|                | • All Cost records to be duly authenticated by 2 directors and cost auditor  
|                | • Performance Appraisal Report to be submitted by cost auditor to Board/Audit Committee |
| Time Limit for submission | • Auditor to submit report to company and Central Government within 180 days of close of financial year |
| Annexure to the Audit Report | • To be approved by Board of Directors  
|                | • To be signed by Company Secretary and at least one director or 2 directors in case no company secretary is appointed. |
| Penalty | • For Cost Accountant - Up to Rs. 5000/-  
|         | • For Company & every officer in default - Rs. 500/- plus Rs. 50 per day in case of continuing default. |

**Filing of Cost Audit Report in XBRL**

Ministry of Corporate Affairs has mandated filing of the Cost Audit Report and Compliance Report from the financial year 2011-12 onwards (including overdue reports relating to any previous year) by using the XBRL taxonomy vide General Circular No. 8/2012 dated 10.5.2012 [as amended on 29.6.2012] and No. 18/2012 dated 26.7.2012. All such companies that are NOT covered under the company specific Cost Audit Orders issued prior to 31.3.2011 and/or under the industry specific Cost Audit Order No. 52/26/CAB-2010 dated 2nd May 2011, 30th June 2011 and 24th January 2012 are not required to file Cost Audit Report. However, companies meeting with the threshold limits as prescribed in the relevant Cost Accounting Records Rules 2011 are required to file Compliance Report in the XBRL format.

Due date for filing Cost Audit and Compliance Report, without additional fees has been notified as **31.12.2012** as per General Circular No. 18/2012 dated 26.07.2012.

The Validation Tool for XBRL filings of Cost Audit & Compliance Report is recently introduced by Ministry of Corporate Affairs on 02.12.2012.
Overview of Domestic Transfer Pricing
In line with Income Tax Act, 1961 Companies Act, Accounting Standards & Listing Agreement

INTRODUCTION – What is Transfer Pricing

Transfer pricing is the mechanism adopted by multinational Enterprises for valuing the goods and services traded with their Subsidiaries or Associate Companies abroad so as to lower taxes and to maximize profits. The yardstick for acceptance of such transfer pricing is the “Arms Length Price” which should represent the price charged in comparable transactions between independent parties, where price is not influenced by the relationship or business interest between the parties in the transaction.

Transfer pricing is a mechanism for distributing revenue between different divisions which jointly develop, manufacture and market products and services.

Transfer pricing systems are designed to accomplish the following objectives: to provide each division with relevant information required to make optimal decisions for the organisation as a whole; to promote goal congruence – that is, actions by divisional managers to optimise divisional performance should automatically optimise the firm's performance; and to facilitate measuring divisional performances.

The fundamental principle is that the transfer price should be similar to the price that would be charged if the product were sold to outside customers or purchased from outside vendors.

Before discussing the issue in detail meaning of certain terms needs to be understood:

What is Arm's Length Price?

It is defined as a transaction in which the buyers and sellers of a product act independently and have no relationship between each other. The concept of an arm's length transaction is to ensure that both parties in the deal are acting in their own self-interest and are not subject to any pressure or duress from the other party. This contrasts with a situation in which the two parties are not strangers. For example, it is unlikely that the same transaction involving a father and his son would yield the same result, because the father may choose to give his son a discount.

What is an 'Associated Enterprise'?

The basic criterion to determine an Associated Enterprise is the participation in management, control or capital (ownership) of one enterprise by another enterprise. The participation may be direct or indirect or through one or more intermediaries.

The concept of control adopted in the legislation extends not only to control through holding shares or voting power or the power to appoint the management of an enterprise, but also through debt, blood relationships, and control over various components of the business activity performed by the taxpayer such as control over raw materials, sales and intangibles.

It appears that one may go to any layer of management, control or ownership in order to find out association

(a) Direct Control
(b) Through Intermediary

For instance, if enterprise B is managed, controlled or owned either directly or through an intermediary, then Enterprise B is said to be an AE of enterprise A. Further, if Mr A and Mr B control both Enterprise A and Enterprise B then both Enterprise A and Enterprise B AE.
Further the Transfer pricing and the contracts under section 297 has some relativity. All the transactions covered under Section 297 will be covered under DTP whereas all DTP need not be covered under Section 297. So the DTP is wider in scope compared to the transactions contemplated under Section 297 of the Companies Act. For a limited understanding lets review the provisions of Section 297:

**Scope of Section 297 of the Companies Act, 1956**

Section 297 deals with **Board's sanction to be required for certain contracts in which particular directors are interested**. Thus, every contract does not require consent of the board, only those contracts in which directors are interested require the consent of board. Usually, a contract is entered into only with the approval of the board. **Only the contracts entered into between a Public and Private Company or between two Private Companies are covered under this Section.**

**Non Applicability of Section 297**

Sec 297 is not applicable in the following cases:-

1. Giving or taking loans
2. Contract in respect of immovable property
3. Contract between two public companies
4. Contract between A Ltd. And B Pvt. Ltd. Where directors of A Ltd. are not members or directors of B Pvt. Ltd., but only relatives of directors of A Ltd. are members/directors of B Pvt. Ltd.
5. Hiring of office premises on rent as the transaction is in immovable property
6. Contract of professional services of advocates and solicitors are obtained on basis of professional expertise and not on tender basis. Such services cannot be bracketed with supply of goods and materials. The principle should equally apply to professional services like accounting, management, taxation, valuation etc., if provided by qualified professional.
7. Employment of MD/WD, since supply of service is not the same as 'rendering of personal services'
8. Contract for employment of relative of director.
9. Contract by Indian entity with its Holding company overseas.

Whereas some of the above transaction do attract DTP like transaction between Indian entity with overseas entity, between two public limited companies though all the transaction shall not fall in its purview.

With the above, certain aspects of Accounting Standard 18 shall also be analyzed which is directly related to Section 297 of Companies Act & DTP under Income Tax Act.

**Scope of AS(Accounting Standard) 18 – Related Party Disclosure**

It should be applied in reporting related party relationships and transactions between a reporting enterprise and its related parties. A party is considered to be a related party only if one party has ability to control or exercise significant influence over the other party in making financial and/or operating decisions.

The statement deals only with specific related party transactions as specified below:

(a) enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (including holding companies, subsidiaries and fellow subsidiaries).

(b) associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture.

(c) individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.

(d) Key management personnel and their relatives

(e) Enterprises over which any of the persons in (iii) or (iv) are able to exercise significant influence.
Following are not considered related parties: (i) Two companies merely because of common director, (ii) Customer, supplier, franchiser, distributor or general agent merely by virtue of economic dependence; and (iii) Financiers, trade unions, public utilities, government departments and bodies merely by virtue of their normal dealings with the enterprise.

Disclosure under the standard is not required in the following cases (i) If such disclosure conflicts with duty of confidentially under statute, duty cast by a regulator or a component authority; (ii) In consolidated financial statements in respect of intra-group transactions; and (iii) In case of state-controlled enterprises regarding related party relationships and transactions with other state-controlled enterprises.

Provisions relating to Related Party Transactions in Clause 49 of the listing agreement—Corporate Governance

A statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the audit committee.
Details of material individual transactions with related parties, which are not in the normal course of business, shall be placed before the audit committee.
Details of material individual transactions with related parties or others, which are not on an arm's length basis should be placed before the audit committee, together with Management's justification for the same.

Disclosures to be made with regard to AS 18

The Related Party Disclosure has to be made in the financial statements of each reporting enterprise, and the consolidated financial statements by a holding company.
As per Schedule VI of the Companies Act, 1956, the investments made in bodies corporate under the same management, secured and unsecured loans given, taken, guaranteed from directors/managers and subsidiary companies, etc. to be shown in the Balance Sheet and Amount of interest on such loans take, dividend paid etc. to be shown in the Profit and Loss Account.

With the Basics of the above lets discuss about the DTP:

DOMESTIC TRANSFER PRICING

Finance Act, 2001 introduced detailed provisions relating to transfer pricing, requiring all 'international transactions' between 'associated enterprises' to be at arm's length. These provisions are applicable to the transactions with effect from 1st April, 2001. The law with respect to transfer pricing in India is to a great extent in lines with that prescribed by the Organization for Economic Cooperation and Development ("OECD"). India is not a member nation of OECD (it now has an "Observer Status"); however, there has been an increasing and greater reliance being placed by the tax authorities in India on the OECD Model.

Transfer pricing until now was applicable to companies having cross border transactions with their Associated Enterprises. However, The Finance Bill 2012 proposes to make major amendments to transfer pricing regulations in India. As per Finance Bill, 2012, Transfer Pricing regulations will also be applicable on Specified Domestic Transactions. 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.

Specified domestic transactions include payments to specified related parties, inter-unit transfer of goods or services of profit-linked tax holiday-eligible units, transactions of profit-linked tax holiday-eligible units with other parties, and any other transactions that may be notified. By extending transfer pricing provisions, the pricing of these transactions will have to be determined using prescribed arm's length principles.

WHY IS IT INTRODUCED?

The real need for Domestic Transfer Pricing was expressed by Hon. Apex Court in the judgment of Glaxo Smith Klein Asia Pvt. Ltd. dated 26th October 2010. A three Judges' bench headed by CJI S.H. Kapadia ruled in favour of the assessee but suggested amendments for consideration by the Finance Ministry in certain provisions for empowering the Assessing Officer(AO) to apply any of the generally accepted methods of determination of arm's length price, including the methods provided under the Transfer Pricing Regulations to domestic transactions between related parties. The Supreme Court judgement was an eye opener in the introduction of the Domestic Transfer Pricing guidelines. It helps in ensuring that profits taxable in India are not understated (losses overstated) by declaring low receipts or higher outgoings than those actually liable to be declared.
All the above three deals with the subject of related parties. However, the ambit of Domestic Transfer Pricing is wider when compared with the former two, as Section 297 is restricted to getting Board’s approval only for certain contracts entered with related parties above specified limits, while AS 18 applies to disclosures to be made in the financial statements when transactions are entered into between a reporting enterprise and its related party. Whereas, Domestic Transfer Pricing takes the essence of both the above but has a much broader scope and defines the procedure and adjustment of charges to be made between related parties for goods, services and property.

**What is a Specified Domestic Transaction (SDT)?**

SDTs would include transactions entered into by domestic related parties, or by an undertaking with other undertakings of the same entity, for the purposes of section 40A [Expenses or payments not deductible in certain circumstances], Chapter VI-A, section 10AA, and which exceed a monetary threshold of Rs 5 crore in aggregate during a financial year.

**KEY ASPECTS OF PROVISIONS FOR SPECIFIED DOMESTIC TRANSACTIONS**

The existing transfer pricing provisions applicable to international cross-border transactions regarding documentation, filing of accountant’s report, and penal consequences for non-compliance are applicable to specified domestic transactions too.

The key aspects of the provisions for specified domestic transactions are:

- **Allowance for** expenditure or allocation of any cost, expense or income in relation to specified domestic transactions will be computed on the basis of the arm’s length price;

- **Taxpayers** cannot apply transfer pricing provisions to specified domestic transactions if it reduces the taxable income;

- **Monetary threshold** of Rs. 5 crore is applicable for the trigger, which is computed based on the aggregate of payments and receipts to which the provisions apply;

With the introduction of transfer pricing provisions to specified domestic transactions, related-party payments may be subject to detailed scrutiny, to assess whether they are consistent with arm’s length principles. Intra-enterprise arrangements may also be reviewed to assess the reasonableness of tax holiday profits, and this, in turn, would impact the extent of profits eligible for tax holiday. As such transactions will be scrutinised by specialised officers i.e., Transfer Pricing Officer (TPO) instead of AO, taxpayers should take care to adhere to the compliances. The extension of transfer pricing provisions to domestic transactions is aimed at providing objectivity in the determination of income from domestic related-party transactions and the reasonableness of expenditure between them. **Identify inter-company** transactions/arrangements subject to provisions for specified domestic transactions;

**APPLICABILITY OF PROVISIONS**

The Finance Bill proposes to extend the applicability of the transfer pricing provisions to following referred “specified domestic transactions”:

- any expenditure in respect of which payment has been made or is to be made to a person referred to in clause (b) of sub-section (2) of section 40A as named below:
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Type of Assessee</th>
<th>Person referred to in Section 40A(2)(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Individual</td>
<td>relative</td>
</tr>
<tr>
<td>2</td>
<td>Company</td>
<td>any director of the firm, association of persons or company, partner of the Hindu undivided family firm, etc. or any relative of such director, partner or member;</td>
</tr>
<tr>
<td>3</td>
<td>Individual carrying on business or profession</td>
<td>any individual who has a substantial interest in the business or profession of the assessee or relative of such individual</td>
</tr>
<tr>
<td>4</td>
<td>Individual carrying on business or profession</td>
<td>A Director, Partner or member of a company, firm or AOP, has a substantial interest in the business or profession of the assessee;</td>
</tr>
<tr>
<td>5</td>
<td>Individual carrying on business or profession</td>
<td>A Company, firm or an AOP has a substantial interest in the business of the assessee or of the business of any director, partner or member of such company, firm or an AOP.</td>
</tr>
<tr>
<td>6</td>
<td>Individual carrying on business or profession</td>
<td>Where any relative of the assessee has a substantial interest on the business of the individual</td>
</tr>
<tr>
<td>7</td>
<td>Company, firm, AOP or HUF</td>
<td>Any director, partner, or member of such company, firm, AOP or HUF relative of such persons has a substantial interest in the business or profession of that person</td>
</tr>
</tbody>
</table>

- any transaction referred to in section 80A[Deductions to be made in computing total income],
- any transfer of goods or services referred to in section 80IA(8)[transfer of goods or services by the assessee from eligible business to any other business or vice versa]  
- any business transacted between the assessee and other person as referred to in section 80IA(10) [If the business transacted between the assessee and the other person produces higher profits, expected to arise in eligible business due to the closer connection between the two, then the profits reasonably deemed to have been derived would be computed by the Assessing Officer]  
- any transaction referred to in any other section under Chapter VIA[Deductions allowed under Income Tax Act, 1961] or section 10AA [Special Provisions for newly established in SEZ], to which provisions of section 80IA(8) or 80IA(10) are applicable or  
- any other transactions as may be referred.

**Minimum value of transactions:**

Transfer pricing will be applicable to taxpayer, if aggregate value of all above specific domestic transactions exceeds Rupees 5 crores in a year.

**Computation of Arm’s length price:**

The arm’s length price (ALP) in relation to specified domestic transaction would be determined by any of the following methods:

- **COMPARABLE UNCONTROLLED PRICE METHOD:** Arm’s length price is determined by comparing the price charged for goods or services transferred in a controlled transaction with the price charged for goods or services transferred in a comparable uncontrolled transaction in comparable circumstances

- **RESALE PRICE METHOD:** Arm’s Length Price is determined by comparing resale price margin (i.e. the gross margin) that the reseller earns from the controlled transaction with the gross margin from comparable uncontrolled transactions.
COST PLUS METHOD: Arm's Length Price is determined by comparing the mark-up on costs that the manufacturer or service provider earns from the controlled transaction with the mark-up on costs from comparable uncontrolled transactions.

PROFIT SPLIT METHOD: Arm's Length Price is determined by evaluating the allocation of the combined profit or loss attributable to one or more controlled transactions with reference to the relative value of each controlled taxpayer's contribution to that combined profit or loss.

TRANSACTION NET MARGIN METHOD: Arm's Length Price is determined by comparing the net profit on costs or sale that the manufacturer or service provider earns from the controlled transaction with net profit on costs or sale from comparable uncontrolled transactions.

What is Controlled and Uncontrolled Transaction

Controlled Transactions are transactions between two enterprises that are associated enterprises with respect to each other. Thus, transfer pricing transactions are also known as “controlled transactions” as it is between two associated enterprises and the pricing policies and decisions made in the transaction are by the related parties only. On the other hand, “uncontrolled transactions” are between companies that are not associated and operate independently (“on an arm's length basis”) in reaching terms for such transactions.

Maintenance of documents for specified domestic transactions:

- Taxpayer needs to maintain mandatory detailed transfer pricing documents for all specified domestic transactions.
- Taxpayer needs to obtain report from Chartered Accountant u/s 92E under form 3CEB and submit the same to the Income Tax Department.

Penalties applicable on non-compliance:

<table>
<thead>
<tr>
<th>Non Compliance</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>If adjustment is treated as concealment of income</td>
<td>100% to 300% of the tax on adjustment</td>
</tr>
<tr>
<td>Failure to maintain required set of documents</td>
<td>2% of value of transactions</td>
</tr>
<tr>
<td>Failure to report transaction in report from Chartered Accountant</td>
<td>2% of value of transactions</td>
</tr>
<tr>
<td>Failure to furnish documentation</td>
<td>2% of value of transactions</td>
</tr>
<tr>
<td>Failure to furnish report by due date</td>
<td>INR 1,00,000</td>
</tr>
</tbody>
</table>

Conclusion

With introduction of “Specified domestic transaction provisions”, transfer pricing regulations will now be applicable to all taxpayers including Individuals, Hindu Undivided Families (HUFs). Assessees will need to evaluate intra-group transactions with greater detail and will in turn also increase the administrative and compliance burden for the taxpayer in respect of such transactions.

Further, if excessive or unreasonable expenses are disallowed in the hands of tax payer at time of the assessment then corresponding adjustment to the income of the recipient will not be allowed in the hands of recipient of income. Hence, it may lead to double taxation in India.

Thus the introduction of Domestic Transfer Pricing will help assessees to substantiate that the transactions covered under this are at Arm's Length Price using prescribed methods and supporting documentation which was at the discretion of the Assessing Office previously.

As company secretaries let us not look into Companies Act alone and let's examine the other issues associated thereto in order give a pragmatic view on the proposed transaction by any business enterprises to avoid future legal entanglement.
FEMA - Recent changes in policy and procedure

Liaison Office (LO) / Branch Office (BO) in India by Foreign Entities – Reporting to Income Tax Authorities.

As per existing provisions, LOs/BOs are required to furnish copy of the Annual Activity Certificate (AAC) to Director General of Income Tax (International Taxation), Drum Shaped Building, I.P. Estate, New Delhi 110002.

Vide APDIR Circular No.55 dated November 26, 2012 it is clarified that copies of the AACs submitted to the DGIT (International Taxation) should be accompanied by audited financial statements including receipt and payment account.

Further, at the time of renewal of permission of LOs by AD banks, they may note to endorse a copy of each such renewal to the office of the DGIT (international Taxation).

Export of Goods and Software – Realisation and Repatriation of export proceeds – Liberalisation

The Indian companies have to realize and repatriate to India of the amount representing the full export value of goods or software exported within six months from the date of export.

However, keeping in mind the global economic conditions, the RBI vide its APDIR Circular No.40 dated November 01, 2011 the period was extended to twelve months. This relaxation was available up to September 30, 2012.

Vide APDIR Circular No.52 dated November 20, 2012, it has been decided, in consultation with the Government of India, to extend the above relaxation w.e.f. October 01, 2012 till March 31, 2013.

The provisions in regard to period of realization and repatriation to India of the full export value of goods or software exported by a unit situated in a Special Economic Zone (SEZ) as well as exports made to warehouses established outside India remain unchanged.

External Commercial Borrowings (ECB) Policy – ECB by Small Industries Development Bank of India (SIDBI)

As per existing provisions, only certain entities such as players in infrastructure development, certain service sectors, etc are permitted to borrow ECB.

Vide APDIR Circular No.48 dated November 06, 2012, it has been decided to include SIDBI as an eligible borrower for availing of ECB for on-lending to MSME sector, as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, subject to the following terms and conditions:-

a. Such on-lending by SIDBI shall be to the borrowers' directly either in INR or in foreign currency (FCY);

   ➢ The foreign currency risk shall be hedged by SIDBI in full in case of on-lending to MSME sector in INR; and

   ➢ on-lending in foreign currency shall be subject to Regulation 5(5) of FEMA Notification No. 3/2000-RB dated May 03, 2000, as amended from time to time and shall only be to those beneficiaries which have natural hedge by way of foreign exchange earnings;

b. Availment of ECBs, including the outstanding ECBs, up to 50 per cent of their owned funds, for on-lending to MSME sector, will be under the automatic route and beyond 50 per cent of owned funds, will be under the approval route, subject to a ceiling of USD 500 million per financial year; and

c. The proceeds of ECB availed by SIDBI, shall be used for on-lending to MSME sector only for the permissible end-uses as provided under the extant ECB policy.

All other conditions of ECB, such as recognized lender, all- in-cost, average maturity, prepayment, refinancing of existing ECB and reporting arrangements shall remain unchanged.
Declaration to be made in every package under Legal Metrology Act

Cavaet emptor is the fundamental principle in case of Sale of goods. It means let the buyer be aware. It is not the duty of a seller to point out the defects in his own goods. The responsibility lies with the buyer to inspect the goods to find out defects if any and whether the goods will suit his requirements. The rule also has some exception, wherein the seller has furnished false representation and based on which the buyer has purchased, then it is the duty of seller to make good the loss as well as replace the goods. In this case, he cannot take shelter under the principle of Cavaet emptor.

When we are doing any purchases, take for instance, household articles or car/motorcycle accessories, we simply purchase the goods without looking into the labels attached to the goods. Sometimes, the labels may be damaged or old labels may also be affixed. The billing rate in the counter may differ from the rate mentioned in the labels. We normally do not go into these minute details nor enquire from the retailer the reasons for such variation. Very few will take the manufacturers to Consumer Court for compensation. It requires greater awareness in the interest of consumers to know the provisions of Legal Metrology and also one’s own rights.

Earlier these were dealt in the Standards of Weights and Measures Act, 1976. Later on, the same has been replaced by the Legal Metrology Act, 2009

Objectives of the Act:

Every Weight, Measure, Weighing and Measuring Instrument used or intended to be used in any transaction, or for protection shall conform to physical characteristics, construction details, materials, performance and tolerance shall meet the specifications given in the Schedule.

Rule 6 Provides declaration to be made on every package

Pre-packed Commodity for sale, distribution or delivery must bear thereon or on a label securely affixed thereto, the following declarations

1. The name and address of the manufacturer or packer or the importer.
2. The name, address, telephone number, e-mail address, if available, of the person in charge of consumer complaints.
3. The name(s) of the commodity.
4. The net quantity of the package;
5. The month and year of manufacture / pre-pack / import. (The manufacturer may indicate the month and year using a rubber stamp without overwriting.)
6. The retail sale price of the package (MRP)

Where the sizes of the commodity contained in the package are relevant, the dimensions of the commodity contained in the package and if the dimensions of the different pieces are different, the dimensions of each such different piece.

Rule 29 of the Legal Metrological Rules 2011 provides that every company shall inform the Director or the concerned Controller or his authorized officer, by notice in duplicate, in the format specified in Thirteenth Schedule containing the name and address of the Director, who has been nominated by it under sub-section (2) of Section 49 of the Act to be in charge of and responsible to the company for the conduct of the business of the company or any establishment, branch or unit thereof.

In the absence of nomination of officer in charge of and responsible, then all the directors will be liable for the same. Not only the Directors, the company will also liable to be prosecuted. If there is a deficiency in the display or affixation of labels in the goods will lead to prosecution under the Act.

In case of non compliance of Legal Metrology Act/Rules, the consumer/buyer can approach consumer court to redress their grievances.

Conclusion: From the consumer point of view, we need to see the label which contain all the information and also ensure that the amount charged is not higher than the Maximum retail price mentioned in the labels. As far as manufacturer/wholesaler/retailer, they should ensure that the products to be sold comply with provisions of the Legal Metrology Act. In case of non compliance by the Manufacturer, it may lead to prosecution by the appropriate authorities.
Government has restored the accounting codes for the payment of service tax as was prevalent before introduction of negative list. A specific sub-head has been created for payment of “penalty” under various descriptions of services. The sub-head “other receipts” is meant only for payment of interest payable on delayed payment of service tax. Accounting Codes under the sub-head “deduct refunds” is not to be used by the taxpayers, as it is meant for use by the department while allowing refund of tax.

Registrations obtained under the positive list approach continue to be valid. New taxpayers can obtain registrations by selecting the relevant description/s from among the list of 120 descriptions of services given. Where registrations have been obtained under the description 'All Taxable Services', the taxpayer should file amendment application online in ACES and opt for relevant description/s from the list of 120 descriptions of services. If any applications for amendment of ST-1 are pending with the department, seeking the description 'all taxable services', such amendment may not be necessary in view of the circular no.165/16/2012-ST dated 20th November 2012.
Thrissur Chapter, along with the SIRC of ICSI hosted the 7th Southern India Regional Conference of Company Secretaries at Lulu International Convention Center and Garden Hotels, Thrissur on 2nd and 3rd November 2012, on the theme "PCS – Igniting Professional Excellence".

The inaugural session started with the exhibition of promo video and the logo of the conference, designed by Mr. Sabu and Mr. Amal, the students of Thrissur Chapter. CS Marthi SS, Chairman of SIRC of ICSI, welcomed the gathering. Shri V.P. Nandakumar, Chairman, Manappuram Group of companies, the Chief Guest and Mr. Rajendran P Managing Director of KSFE Ltd, the Guest of Honour formally inaugurated the conference along with the other dignitaries. CS Visweswara Rao A, Chairman, Practicing Company Secretaries Committee, SIRC of ICSI presented the Theme of the Conference. CS Krishnakumar M, Chairman Thrissur Chapter of ICSI introduced the Chief Guest and the Guest of Honour. During the inaugural address, Shri V.P. Nandakumar, Chairman, Manappuram Group of companies, emphasized the role of practicing professionals in ensuring better corporate governance. In his special address Mr. Mr. Rajendran P, Managing Director KSFE Ltd, appreciated the services rendered by company secretaries to the corporate. CS Sudhir Babu, Council Member of The ICSI also addressed the audience. The Souvenir was released by the Guest of Honour. CS Dr. Baiju Ramachandran, Secretary of SIRC of ICSI, proposed the vote of thanks.

The First technical session on revised Schedule VI and XBRL was presented by Mr. Darshan Varma, Associate Director, Accounting Advisory Services KPMG Hyderabad. The presentation highlighted the recent changes in Schedule VI and the practical issues of XBRL filings. CA Ananthanarayan, Thrissur introduced the Speaker and CS Ramachandran TM, Vice Chairman, Thrissur Chapter proposed vote of thanks.

The Second technical session on Art of Advocacy / appearing before Quasi judicial bodies was presented by CS Sathyaranarayan S, Advocate & Consultant, Chennai. During the presentation, CS Sathyaranarayan highlighted the practical aspects of the subject and emphasized the need for professionals like company secretaries to improve their advocacy skills so as to seize the opportunities presented by the proposed company law amendments like NCLT. Adv. Saji Narayanan, Thrissur introduced the Speaker and CS Anuradha Varma, Secretary Thrissur Chapter proposed vote of thanks.

Third Technical session was on Brand Building of the Profession, handled jointly by CS S Eshwar, Practising Company Secretary Chennai and Adv. Inbavijayan, Chennai. In his interactive session, CS S Eshwar highlighted the need of Company Secretaries to be the brand for themselves to seize immense opportunities presented by the global economy. The presentation made by CS Inbavijayan, Chennai presented before the audience, opportunities for company secretaries in the field of arbitration and reconciliation. Dr. VM Xavier, co ordinator, School of Management Studies, Calicut University introduced the Speaker and CS Jackson David, Member, Thrissur Chapter proposed vote of thanks.

On 3rd November 2012, the Fourth technical session on Safeguarding professional liability presented by Mr. P Umesh, Sr. Vice President – South, Raheja QBE General on insurance Company Limited, briefed various risks associated with the profession and the need for today's professionals to safeguard any liability arising there from.

In the first part of the 5th and the last Technical session on PCS in transition, CS Ananthasubramanian SN, Vice President of the ICSI explained the initiatives taken by the ICSI for maintaining the high standards of integrity and ethics in practice of the profession. In the second session on PCS & Governance, Mr. S V Subramanian, Chairman, Secretarial Standards Board, emphasized proactive role of the Company Secretaries in good corporate governance.

In the Valedictory session, presided by CS SS Marthi, Chairman of SIRC applauded the team effort of each of the Members and students and staff of Thrissur Chapter for organizing the conference. Shri Kanthi Narahari Hon’ble member, of the Company Law Board Chennai was Chief Guest. The Session was attended by the members of Southern India Regional Council and delegates from all over South India.

Thrissur Chapter had organized darshan of Sree Guruvayoorappan Temple in connection with the Conference and also arranged a cultural programmes for the delegates.
The Institute of Company Secretaries of India organized the 1st convocation of its Southern India Regional Council at ICSI – SIRC House, Chennai on 30th November 2012. Prof. S Sudalaimuthu, Vice Chancellor, Alagappa University, Tamilnadu delivered the convocation address and gave away the certificates to the new members.

CS N K Jain, Secretary & CEO, The ICSI declared the convocation open. CS Sridharan R, Council Member, The ICSI and Chairman, Convocation Sub Committee welcomed all. In his welcome address, he said that education and opportunities have created unprecedented social and economic mobility. There is a revolution of expectations and the surge of aspirations in an increasingly young India. He reiterated that while there should be pride in successes, there is also need to be conscious of challenges ahead. He advised the young professionals to consistently develop their physical, emotional, psychological and mental levels.

CS Marthi S S, Chairman, ICSI – SIRC introduced the dignitaries.

CS Nesar Ahmad, President, the ICSI in his address while congratulating the newly admitted members, meritorious students of the CS Course, their parents and teachers, spoke about the importance of continuous learning and advised all young professionals to have a craving for learning with application of knowledge towards professional success in tandem with societal expectations. Nesar Ahmad also informed about the new initiatives of the Institute towards the growth and development of the profession.

In his convocation address, Prof. Sudalaimuthu lauded the efforts of ICSI in making the curriculum to be updated with the requirement of the corporates. He quoted the long relationship the ICSI has with the Alagappa University in the terms of MOU which was signed in the year 1991. He also congratulated the ICSI for organizing the convocation for the new members. Prof. Sudalaimuthu observed that the Company Secretaries are the conscience keepers of the company and they are the black box of the company. He also advised the new members to keep themselves updated with the latest happenings in the various laws to survive in the competitive world. He also advised the young members to maintain a healthy life. Prof. Sudalaimuthu concluded his convocation address by quoting that one's success lies in his hands only and it is upto them to make their life success with their dedicated efforts.

The new members recited the oath. 17 members received the certificate of membership.

CS N K Jain Secretary & CEO, The ICSI while making concluding remarks and proposing a vote of thanks, congratulated all the newly admitted members and meritorious students. He emphasized that the perception of business towards Company Secretaries has been changing over a period of time as the portfolio of the profession has expanded beyond company law. He advised the young professionals to keep pace with the increased technological advancements, respond to the speed of change and innovation, meet with rising quality standards, satisfy accelerated demands and above all to perform, exceeding the expectations.

The Convocation Programme was attended by the Press and electronic media viz. Raj TV & Sun TV. In all 14 Press Corps covered the proceedings. The programme is being telecast today at 7 pm news in SUN TV [main news] and 6 pm news in RAJ TV – prime time.

Sirc e-Newsletter November 2012
In the interaction meeting with the members, CS Nesar Ahmad, President, The ICSI explained the members and students on the various initiatives taken by the Institute pertaining to the profession. Hon'ble Shri Kanthi Narahari, Member, Company Law Board, Chennai also graced the function. Earlier CS Marthi S S, Chairman, ICSI – SIRC welcomed the dignitaries. He lauded the efforts taken by CS N K Jain in his tenure for the growth of the institute and profession. CS Sridharan R, Council Member, The ICSI gave an overview of the proposed changes in the syllabus of the course to the students. Hon'ble Shri Kanthi Narahari advised the members to always be updated with amendments in the company law. Shri Narahari also advised members to go through the case well before appearing in the board. He also suggested members to stick with a decent dress code while appearing before, not only in CLB, but also before any boards or courts. CS N K Jain, Secretary & CEO requested the members to contribute more to the profession and the take institute to the next level. He wished the students to become members of the institute at the earliest. The members interacted with the dignitaries on various matters relating to the institute.

**FIRST ICSI-SIRC CSBF MUSICAL NITE**

SIRC of The ICSI at its 141ST meeting held on 26th August 2012 decided to organize the CSBF Cultural Evening on 11th November 2012 to raise funds for the corpus of the CSBF. The well known Orchestra “Lakshman Shruthi” was engaged for cultural evening and the event managers for the programme was M6 Events & Tours. Celebrity singers S/Sri Unni Menon, Srinivas, Ms Anoorada Sriram, Ms Malathy Lakshman & Sri Michael Augustine rendered around 40 songs which included songs from Hindi, Kannada, Malyalam, Tamil and Telugu. Apart from musical programme, there was variety entertainment by Mimicry Artist Sri Michael Augustine. Fusion music and dance programme was also performed.

The film on ICSI was also screened during the programme.

A Souvenir brought out in this connection was released by Shri Devadas, Chairman, VGN Developers Pvt. Limited and Shri S Murali, Executive Director & CFO of Shriram Capital.

CS Marthi S.S., Chairman, CS .Dwarakanath C, Vice-Chairman, CS Baiju Ramachandran, Secretary, CS Nagendra D Rao, Treasurer, ICSI-SIRC; CS Sridharan R, Council Member, The ICSI and CS Ramasubramaniam C., Member, ICSI-SIRC took part in the programme.

The programme attracted large members from the public due to which we could propogate and spread the awareness about ICSI through electronic and print media.
12th Student Induction programme

The Coimbatore chapter has always been forerunner in student development activities. The Chapter boosts of having an excellent set of faculties and conducts a series of developmental programmes which enhance the personality of students through soft skills and also knowledge enhancement.

In a mission to achieve excellence in students, the Chapter had conducted student induction programme for the 12th time in Coimbatore from 23rd November to 30th November, 2012. 41 Students in and around Coimbatore participated in the 7 day programme and topics covered includes personality development to Intellectual property. Faculties from different spheres from Practicing to highly experienced industrialists shared their experiences with the students throughout the 7 days

Programme on XBRL

The Chapter believes in having holistic knowledge sharing and has always felicitated members to achieve professional independence through knowledge development programmes. The chapter had a programme organized for the members and students in the topic “ XBRL”. The total PDP hours granted for members was 4. More than 68 members and students participated in the Professional Development Programme CAT. Raghavendran, Patel Mohan & Co, Chartered Accountants and Mr. T.Rajesh Kumar, Team Leader, Relyon Softech Ltd addressed the participants.

Madurai Chapter

5th STUDENT INDUCTION PROGRAMME REPORT – MADURAI CHAPTER

The Fifth SIP training programme was organised by Madurai chapter of ICSI from 21.11.2012 to 27.11.2012 between 10 am to 5 pm at Madurai Chapter of ICSI class room. 36 students were participated. The Programme was inaugurated by Shri.S.Kumararajan, Chairman Madurai Chapter of ICSI. In the inaugural address the chairman emphasised the need for this kind of training and advice the students to make use of the well experienced faculty to learn more. The professors from various colleges and faculties from industries have taken classes on the topics of soft skills, Personality developments, SWOT analysis, students Vs professionals, and usefulness and necessity of reading newspapers etc. In this programme chapter arranged Industrial Visit at M/s. Hi-tech Arai (p) Ltd, Madurai.

The students were exposed to the ultra-modern unit for making rubber compounds with the Japanese technology. Shri.S.Kumararajan, Company Secretary M/s. Hi-tech Arai (p) Ltd to addressed the students during the Industrial Visit Programme. The students appreciated the cleanliness and atmosphere prevailing in the unit as their feedback. The Valedictory session was attended by Shri.S.Srinivasan, Retd. Assistant General Manager, State Bank of India, Madurai. During his address he emphasized achieving the goal of passing the CS course in the shortest time by hard work and dedication.

BLOOD DONATION CAMP

In view of the dengue fever prevalent in the district of Madurai requirement of blood was increased manifold to treat the affected people as there is no specific medicines are available to meet this epidemic calamity. In this Connection Madurai chapter arranged with Tamillandu Government Rajaji Hospital Madurai for Blood Donation Camp on 25th Sunday 2012. Around 30 students, members and staff were donated the blood on that day. The blood bank authorities were appreciated and thanked the Madurai chapter of ICSI for organising the camp at the need of this hour.
Attn Members

COMPANY SECRETARIES BENEVOLENT FUND – IMPORTANCE

“BE BENEVOLENT TO YOUR FAMILY. REGISTER FOR CS BENEVOLENT FUND TODAY”
This is an appeal to all our members who are not members of CSBF to kindly register for the same as this is
the only benefit which we can pass it on to our family members. Your membership to the fund will go a long
way in strengthening the corpus of the fund, which will result in the Institute being able to provide a higher
amount of Financial Assistance to members and their families in time of need.

CSBF Life membership subscription increased from Rs.5,000/- to 7,500/- w.e.f.1-4-2012.

What you need to do is very simple:

1. Download and take print of the application form for CSBF-www.icsi.edu
2. Fill the required information
3. Draw a cheque or DD for Rs. 7500/- in favour of
   Institute of Company Secretaries of India, payable at Chennai
towards one time membership fee to CSBF.

Alternatively, log into www.icsi.in pay online and join the fund.

Advantages to you:

1. Contribution to the Fund is a noble cause.
2. Members of the ICSI after becoming the member of CSBF get the additional
   security shield for the life.
3. Contribution to the Fund qualify for the deduction under

The CSBF can provide much needed financial assistance in such cases if the corpus of the Fund increases
substantially which is possible if more number of members are enrolled for the fund.

Our object is to make 100% registration by our esteemed members from Southern Region.
I earnestly request all the members to join for this campaign so that we can help our own family as well as the
families of our fellow members in times of distress.

The significant importance of becoming a Member in the Company Secretaries Benevolent Fund is to help
the members who are in distress and need financial help. Due to low enrolment for the Benevolent Fund,
the Institute is not in a position to extend the required benefit to the Members and therefore, it is an
timely opportunity for Members of the Benevolent Fund and thus extend full support to the Members
who are in distress through the Fund. One time fee payable to become a member under the Fund is Rs.7500/- [Rs.7500/- w.e.f. 1.4.2012], which may be sent by way of crossed cheque/demand draft favoring
“Company Secretaries Benevolent Fund” payable at New Delhi. For further details please contact ICSI-SIRO, Chennai.

For clarifications/queries contact Ms. Meenakshi Gupta, Joint Director on telephone no.45341047 or Shri J
S N Murthy, Desk Officer.

ICSI-SIRC LIBRARY

The library is having a wide range of facilities including internet access. Quite a number of new books have
been added. The refurbished library is having separate enclosures for the members and students in order to
enable them to pursue their academic pursuits in calm atmosphere.

Yearly Library Subscription: Rs.500/- for Members and Rs.200 for Students per financial year. [April to
March]

For further details please contact ICSI-SIRO, Chennai.

SPARING THE FACILITIES AT ICSI-SIRC HOUSE

The ICSI-SIRC House is having two halls – Dr A C Muthiah Conference Hall and LV B Hall. These halls are
being let out to conduct in-house meetings of the companies; arbitration meetings; board meetings; EGM and
other similar types of programmes. These halls are having adequate facilities like mike facilities, lift, fully
backed power supply, ample parking space. The ICSI-SIRC is centrally located. For further details, please
contact, ICSI-SIRO.
Attn Students

Sirc e-Newsletter November 2012

Examination Camp

The ICSI – SIRC and Chennai South Study Circle of the ICSI – SIRC organized an examination camp for students who are appearing for the CS December 2012 Executive & Professional Programme Examinations, on 16.11.2012 at “ICSI-SIRC House”, Chennai. Faculties and members of the Institute participated and clarified the doubts of the students. Around 40 students attended the programme. The students were highly benefited on attending the camp and they appreciated the ICSI – SIRC for organizing the camp.

14th Management Skills Orientation Programme (MSOP)

<table>
<thead>
<tr>
<th>Batch NO</th>
<th>Date</th>
<th>Timing</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>14th Batch of MSOPB</td>
<td>13th January 2013 to 15th February 2013</td>
<td>10.00 a.m. to 5.00 P.m</td>
<td>Rs. 4500/-</td>
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Oral Coaching

<table>
<thead>
<tr>
<th>Subject</th>
<th>Date</th>
<th>Timing</th>
<th>Amount</th>
<th>Last Date</th>
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</thead>
<tbody>
<tr>
<td>Executive Programme Module –II (Morning) for June 2013 examination</td>
<td>21.01.2012</td>
<td>6.30 a.m. to 8.30 a.m.</td>
<td>Rs.4500/- per Module</td>
<td>15.01.2012</td>
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<tr>
<td>Executive Programme Module –I (Evening) ) for June 2013 examination</td>
<td>21.01.2012</td>
<td>6.00 p.m. to 8.00 p.m.</td>
<td>Rs.4500/- per Module</td>
<td>15.01.2012</td>
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<tr>
<td>Professional Programme Module –III &amp; IV (Morning) for June 2013 examination</td>
<td>28.01.2012</td>
<td>6.30 a.m. to 8.30 a.m.</td>
<td>Rs.4500/- per Module</td>
<td>21.01.2012</td>
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<tr>
<td>Professional Programme Module –I &amp; II (Evening) for June 2013 examination</td>
<td>28.01.2012</td>
<td>6.00 p.m. to 8.00 p.m.</td>
<td>Rs.4500/- per Module</td>
<td>21.01.2012</td>
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For further details please contact

SIRC of The ICSI
ICSI-SIRC House, No.9 Wheat Crofts Road
Nungambakkam,Chennai 600 034
Telephone No.28279898;28268685
Email: siro@icsi.edu

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