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Values Virtues Vision

EASTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF CHARTERED ACCOUNTANTS INDIA

EIRC NEWSLETTER

VOL: 39 | ISSUE: 7 | DATE: 27TH AUGUST 2013 | ₹ 10/-

GEARING UP FOR THE CLIMB

COMPANIES BILL 2013

The Institute of Chartered Accountants of India

Set up by an Act of Parliament

ICAI, New Delhi

Joint Education Programmes with Various Indian Universities

Opportunity to pursue

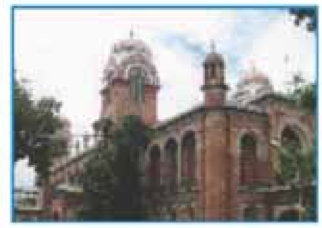
B.Com, M.Com, BBA and MBA

with exemptions in certain papers exclusively for Members and Students of the Institute.

IGNOU, New Delhi
Course: BCom (A&F), MCom (F&T)

Netaji Subhas Open University, Kolkata
Course: BCom

Bharathiar University, Coimbatore
Course: BCom, BBA, MCom, MBA



University of Madras, Chennai
Course: BCom, BBA, MCom, MBA

- For further details and to download the Application form visit the Official Website of the Respective University or follow the "students" icon on the Homepage of ICAI website www.icai.org
- Duly filled in application form along with the enclosures can be sent to the respective University.

Board of Studies
The Institute of Chartered Accountants of India
ICAI Bhawan, Post Box No.36,
A-29, Sector-62, Noida - 201 309
Phone 0120-3045949 / 35/30/31
E-mail: moubos@icai.org,bosnoida@icai.org

Dear Friends & Professional Colleagues,

We are already into the second quarter of this financial year.The growth parameters of our economy yet do not reflect positive indicators which would give us reasons to hope for a better mid-term financial show. Government continues to grapple with the dismal show of the rupee which has been steadily declining coupled with a rising inflation index, increased deficit on the current account and the strain is showing on the forex reserves too. Even though we have been made to believe that we have a good six months of reserves in our kitty. Little is being done on the import segment, that is substituting the oil imports which are getting costlier by the day and is driving up the prices of both petrol and diesel, leading to spiraling inflationary pressures all across the country. We are witnessing all kinds of economic and commercial hiccups and the run up to the general elections of 2014 is starkly evident.

Last night we all have witnessed the passing of **Food Security Bill** in Lok Sabha which ia being considered a landmark achievement of current Government.However there are vrious loop holes in the Bill which has to be addressed before making it applicable completely all accross the Country.We had good news on the legal front with the historical new **Companies Bill** replacing the existing Companies Bill,1956, which finally sees the light of the day with the passage of the Bill in Rajya Sabha on 8th of August,2013. The Bill now awaits the President assent. The draft rules will be available in the public domain soon, for comments. As Auditors, the bill has changed the parameters of the practicing area significantly.With features like - **Compulsory Rotation of Auditors, Maximum Company Audit Limit reduced to 20, Civil and Criminal Liability of the Partners and Firm, Constitution of NFRA (National Financing Reporting Authority)** are some of the highlights of the bill which will significantly change the auditing dimensions for all times to come.

Some of the activities and achievements of our Regional Council during the past month are listed below:

1. Independence Day Celebrations:

On 15th August we celebrated Independence Day by hoisting our National Flag at EIRC premises followed by Panel Discussion on "Protection of Women against Atrocities-Let's Unite" at R. Singhi Hall which was attended by large number of Members and Students.

2. E-Filing and Tax Audit:

On 17th of August we organized a Seminar on E-filing and Tax Audit Report at Royal Bengal Room,Salt Lake which was attended by 686 delegates. The seminar was deliberated by Dr V. K. Singhania, Eminent Author and CA Rajeev Khandelwal of New Delhi.

3. Program on Peer Review:

On 24th of August, a One Day Peer Review Training was also organized by Peer Review Board at The Flaotel Hotel wherein 56 delegates participated.

4. New Companies Bill 2013:

We recently organized a Seminar on New Companies Bill-A new Era of Chartered Accountants jointly with all the Study Circles at Vidya Mandir on 24th of August wherein 736 delegates registered and it was addressed by Adv LVV Aiyer, CA B Ganesh and CS Vinod Kothari.I must thanks Convenors of All Study Circles for their co-operation and unstined support.

We will be organizing a series of workshops and events on the Companies Bill, once the rules are made available for public scrutiny.

Some of the major events lined up in the month ahead are as under:

1. Capital Market Seminar:

Capital Market Seminar organized jointly along with ANMI has been deferred due to current Capital Market scenarios prevalent.

2. Students' International Conference:

14 & 15th September, will witness the highly anticipated 'Students' International Conference'. It has been planned at Science City Auditorium. Members are requested to Sponsor/instruct their article students to register for the same as 200 student delegates will be attending from the neighborhood countries.

3. A Marathon on Gandhi Jayanti:

A Mini-Marathon has been planned on 2nd of October on Gandhi Jayanti. This will highlight certain important pressing and important social issues and will be a novel manner to celebrate the birthday of one of our founding fathers.

The call of the day is to study the novel provisions of the New Companies Bill as there are very stringent provision for Chartered Accountants housed therein. Also, there is a need to study various emerging statutes and important judgments as they will lay down the tone for the future of this country and how we professionals will sustain ourselves in this dynamic environment.

I wish you the best in coping with this fast changing world and hope that we Chartered Accountants will face the challenges ahead head-on, and will emerge stronger, fitter and more capable than we have been before.

Sincerely yours,

facebook
easternindiaregionalcouncil

CA Ranjeet Kumar Agarwal
Chairman,EIRC
27th August 2013, Kolkata

The EIRC News letter can be downloded from EIRC Website : eircicai.org

EIRC

Day and Date	Programme	Speakers	Coordinator	Venue	Duration	CPE Hours	Delegate Fees ₹
Tuesday 3rd September, 2013	Family Business on Succession Planning & Taxation issues, Ombudsman under IT Act	CA S.M. Surana, CA Bharat Baid	CA Anirban Datta	R.Singhi Hall, EIRC Premises	5:15 pm to 8:30 pm	3	150
Friday 6th September, 2013	Limited Liability Partnership	Mr D. Bandyopadhyay, ROC. CA Shashi Agarwal, CA Kunjal Mehta	CA Sunil Kumar Sahoo	R.Singhi Hall, EIRC Premises	5:15 pm to 8:30 pm	3	150
Tuesday 10th September, 2013	The Companies Bill- 2013 with Rules	CA Debashis Mitra CA Mohit Bhuteria	CA Manish Goyal	R.Singhi Hall, EIRC Premises	5:15 pm to 8:30 pm	3	150
Friday 13th September	TDS u/s 195 with Disallowance under 40(a)(i) & PE	Mr K.C.Singhal, former VP, ITAT. CA Barun Ghosh	CA Subhash Chandra Saraf	R.Singhi Hall, EIRC Premises	4:30 pm to 8:30 pm	4	200
Saturday 21st September, 2013	eFiling of ITR & Audit Report & Tax Audit	Eminent Speakers	CA Pramod Dayal Rungta	R.Singhi Hall, EIRC Premises	10:00 pm to 5:00 pm	6	500
Tuesday 24th September, 2013	Service Tax	Eminent Speakers	CA Anirban Datta	R.Singhi Hall, EIRC Premises	5:15 pm to 8:30 pm	3	150
Thursday 3rd October, 2013	Derivatives – Recent Judgements & Ammendments	Eminent Speakers	CA Sunil Kumar Sahoo	R.Singhi Hall, EIRC Premises	5:15 pm to 8:30 pm	3	150

Important Dates

Day & Date	Programme Details	Venue	Duration
Saturday & Sunday, 14-15 September, 2013	International Student Conference	Science City Auditorium	10am to 5:30pm
Friday & Saturday, 22 - 23, November, 2013	International Member Conference	Science City Auditorium	10am to 5:30pm
Friday & Saturday, 20 – 21ST December, 2013	38th Regional Conference of EIRC	Science City Auditorium	10am to 5:30pm

Branches

Study Circle	Day & Date	Programme	Speakers	Co- ordinator	Venue	Duration	CPE Hour
Guwahati Branch	Saturday 31st August 2013	Enabling Service Tax Practice	CA Sushil Kr. Goyal & Others	CA. Vikash K. Jain 09435043223, vikash196@gmail.com	ICAI Bhawan, Guwahati	10:00 am to 5:00 pm	6
Durgapur Branch	Sunday 1st September 2013	Companies Bill 2013 Procedure Of E-Filling Of Tax Audit Report	CA Debashish Mitra CA Pramod Dayal Rungta	CA Manoj Sharma, Vice Chairman, Durgapur Branch, 09933057025	ICAI Bhawan, Durgapur Branch	9:45 am to 4:30 pm	6
Bhubaneswar Branch	Tuesday 3rd September 2013	E-Filing of Tax Audit Report	Mr. Deepak Bholusaria, New Delhi (confirmation awaited)	CA. Ramesh Chandra Pradhan 09437177221, rcpbbsr@sify.com	ICAI, Bhubaneswar Branch	4:00 pm to 7:00 pm	3
Bhubaneswar Branch	Saturday 14th September 2013	A Awareness Programme on Financial Reporting Practices	Yet to be finalised	CA. Ramesh Chandra Pradhan 09437177221, rcpbbsr@sify.com	ICAI, Bhubaneswar	10:00 am to 6:00 pm	6
Cuttack Branch	6th &7th December 2013	National Conference	Yet to be finalised	CPE Committee	Saheed Bhawan	10:00 am to 5:00 pm	12

Study Circles

Study Circle	Day & Date	Programme	Speakers	Co- ordinator	Venue	Duration	CPE Hour
Raniganj Study Circle - EIRC	Sunday 1st September 2013	Companies Bill & E-filing	CA Ranjeet Kumar Agarwwal Dr. Debashis Mitra CA Pramod Dayal Rungta	CA Bijay Barnwal 9933007599		4:00 pm to 6:00 pm	2
DTPA Chartered Accountants Study Circle Of EIRC	Friday 6th September 2013	"Procedure of E-filing of Tax Audit Report vis-à -vis practical difficulties"	CA Pramod Dayal Rungta	CA Sanjay Bajoria, Convenor 9331845005, sbacal@vsnl.net	DTPA Conference Hall, 3 Govt Place, Kolkata : 1	4:00 pm to 7:00 pm	3
Vitta Salahkar Chartered Accountants Study Circle - EIRC	Saturday, 7th September, 2013	Era Of Learning, Unlearning & Relearning'	1) Dr. Vinod Singhania, Taxmann, New Delhi 2) CS U.K.Chaudhary New Delhi 3) CS Vinod Kothari, Kolkata	CA. Hari Ram Agarwal 09830630386, gk.sons@hotmail.com	Hotel Hindusthan International,	9:30 am to 5:00 pm	6
DTPA Chartered Accountants Study Circle Of EIRC	Monday 9th September 2013	"Overview of New Companies Bill -2013"	CA Vinod Kothari & Dr. Debasish Mitra	CA Sanjay Bajoria, Convenor 9331845005, sbacal@vsnl.net	DTPA Conference Hall, 3 Govt Place, Kolkata: 1	4:00 pm to 7:00 pm	3
ASOCAS Chartered Accountants Study Circle Of EIRC	Saturday 14th September 2013	Companies Bill, 2012	1.CA Animesh Mukhopadhay 2.CA Anirban Datta 3.CA Indrajit Dhar 4.CA Manish Jain 5.CA (Prof.) S.K. Gandhi	CA (Dr.) Satyajit Dhar, Convenor 9433463658, satyajitdhar@yahoo.co.in	YMCA, Chowringhee J. L. Neheru Road Kolkata	2:30 pm to 7:00 pm	4
DTPA Chartered Accountants Study Circle Of EIRC	Friday 20th September 2013	Assessment proceeding - Practical Issues with Interactive session	CA Sanjay Bhattacharya	CA Sanjay Bajoria, Convenor 9331845005, sbacal@vsnl.net	DTPA Conference Hall, 3 Govt Place, Kolkata: 1	4:00 pm to 7:00 pm	3
DTPA Chartered Accountants Study Circle Of EIRC	Friday 27th September 2013	Taxation Issues- Cash Credit & Gift	CA Shanti Swarup Gupta	CA Sanjay Bajoria, Convenor 9331845005, sbacal@vsnl.net	DTPA Conference Hall, 3 Govt Place, Kolkata: 1	4:00 pm to 7:00 pm	3

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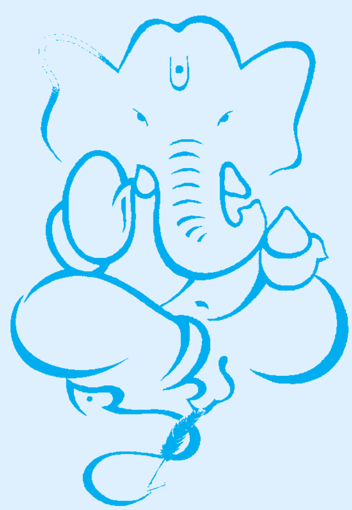


Happy Ganesh Chaturthi

Dear Students,

Achieve most & more ...

Results for IPC Examination held in May,2013 were announced recently and my best wishes & congratulations to all such students who have been able to clear the examinations. I would request students to obtain Articleship immediate and start your new journey with sincerity, dedication, hard work and with a vision that you will make BIG in your professional life. I also welcome those students who have contested and won the election for Management Committee of EICASA. It is also the time to compete filling up of examination form for November, 2013 term.

Please note that we have mega event of the year – Students International Conference 2013 on 14th-15th September, 2013 at Science city where approx 3000 students from neighbouring Countries, States and our Region will participate for two days to gain by way of exchange of knowledge, information, net working, professional update and will have good time to enjoy cultural programme. I request you one & all not only to attend but support the event in whatever way you wish.

Details of the programmes held & lined up for coming months are given here under :

1. A Workshop on "Mind Power : Memory Techniques" by CA Naresh Agarwal was organised on 27th July 2013 where 40 Students participated.
2. A Seminar on "Negative List & Mega Exemptions of Service Tax" by CA Sushil Kumar Goyal was organised on 6th August 2013 where 70 students participated
3. A Revisionary Class cum Crash Course on "Adv. Management Accounting" by CA B Saravana Prasath (Chennai) from 10-12 August 2013 was organised where 150 Students Attended
4. A Seminar on "Tax Audit & Online Filing of Return" by CA Vivek Newatia was organised at R. Singhi Hall on 19th August 2013
5. An "Inter-School Debate Competition" was organised at R. Singhi Hall on Friday, 23rd August 2013 where 9 Schools Participated.
6. The EICASA Election 2013-14 were held on Saturday, 24th August 2013 and new team has been elected.

Future Events

1. Regional Level Quiz & Elocution Contest on 27th August 2013 at R. Singhi Hall.
2. Seminar on "Companies Bill 2012" by CA Manoj Banthia on 6th September 2013 at R. Singhi Hall.
3. Students International Conference at Science City, Kolkata on Saturday,14th & Sunday, 15th September 2013

It is advised that students should regularly visit the Institute's website www.icai.org and EIRC website www.eircicai.org for latest update. It is also advised to check students Notice Board at EIRC from time to time for various activities and events. I also strongly recommended you to read Student's Journal (The Chartered Accountant Student) issued by the ICAI for current valuable topics and updates. Our institute's "BOS knowledge portal" is very informative and contains valuable update for your reference.

You are requested to send your views and / or suggestions for improvement, correction or modification in student's activities and especially EICASA activities which you may send directly to me at subhash@sarafchandra.com while marking a copy to eicasakolkata@gmail.com

Wish you Most and more from Life. This and that and that too...

With Best Wishes,

CA Subhash Chandra Saraf

Chairman, EICASA, Vice Chairman-EIRC

Seminar on "Mind Power : Memory Techniques" on 27th July 2013

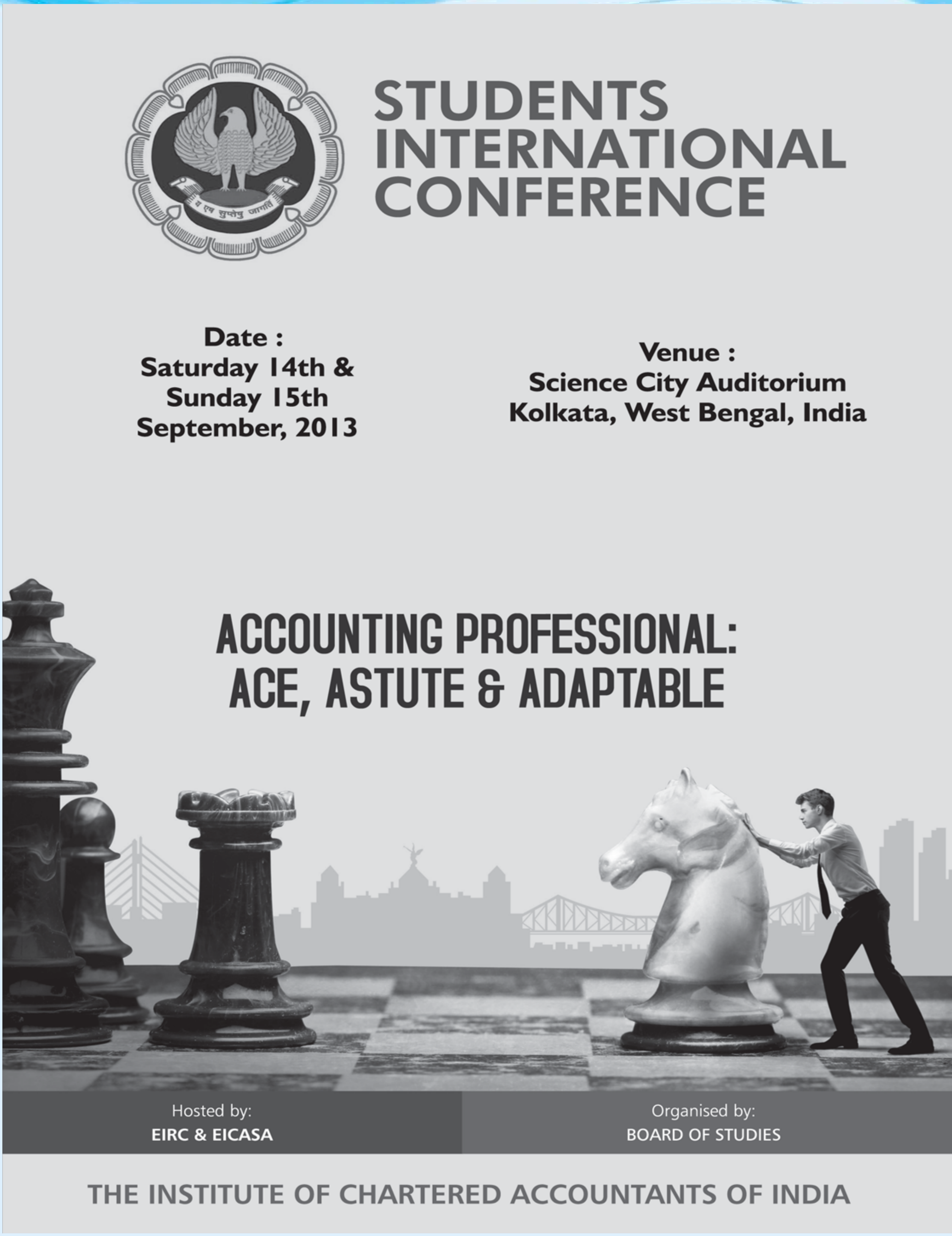
CA Naresh Agarwal

Seminar on "Negative List & Mega Exemptions of Service Tax" on 6th August 2013

CA Sushil Kumar Goyal

CA Final "Advanced Management Accounting" Revisionary cum Crash Coursefrom 10-12 August 2013

CA B. Saravana Prasath, Ms Sangeeta Jindal, Treasurer, EICASA & CA Subhash Chandra Saraf, Vice Chairman, EIRC


STUDENTS
INTERNATIONAL
CONFERENCE
Date :
Saturday 14th &
Sunday 15th
September, 2013
Venue :
Science City Auditorium
Kolkata, West Bengal, India
ACCOUNTING PROFESSIONAL:
ACE, ASTUTE & ADAPTABLE
Hosted by:
EIRC & EICASA
Organised by:
BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

STUDENTS' INTERNATIONAL CONFERENCE

Dates : **14th & 15th September, 2013**

Venue : **Science City Auditorium, Kolkata**

Organized by : **Board of Studies, ICAI**

Hosted by : **EIRC of ICAI & EICASA**

ACCOUNTING PROFESSIONAL – ACE, ASTUTE & ADAPTABLE

DAY 1 : Saturday 14th September

10 AM- 11.30 AM	**Inaugural Session**	
	Chief Guest	Shri K. Rahman Khan, Hon'ble Union Minister for Minority Affairs, Govt. of India
	Guests of Honour	CA. Subodh Kumar Agrawal, President, ICAI, CA. K Raghu, Vice-President, ICAI, CA. Vijay Garg, Chairman, Board of Studies, ICAI
11.30 AM – 1 PM	**Technical Session 1 : Financial Reporting & Analysis**	
	Chairman :	CA. Abhijit Bandyopadhyay, Central Council Member, ICAI
	Key Note Speaker :	CA. Nilesh S. Vikamsey, Central Council Member, ICAI
2 PM – 3.30 PM	**Special Session 1 : Making of a Successful Professional**	
	Chairman :	CA. V. Murali, Vice-Chairman, Board of Studies, ICAI
	Key Note Speaker :	CA. Shyam Lal Agarwal, Central Council Member, ICAI
3.30M – 5 .00 PM	**Technical Session 2 : Audit : Dynamic Shift**	
	Chairman:	CA Rajkumar S. Adukia, Central Council Member, ICAI
	Key Note Speaker :	CA. Tarun J. Ghia, Central Council Member, ICAI
5.30 PM – 7.00 PM	**Special Session 2 : Special Session on Communication Skills : "Bindass Bol"Guest Speaker :** Mr. Akash Gautam,	

DAY 2 : Sunday 15th September

10 AM – 11.30 AM	**Technical Session 3 : Taxation : New Dimension**	
	Chairman :	CA Manoj Fadnis ,Central Council Member , ICAI
	Key Note Speaker :	CA Sanjay Agarwal ,Central Council Member , ICAI
11.30 AM – 1:00 PM	**Special Session 3 : Practical Training: An Important Ingredient of a Successful CA**	
	Moderator :	CA. A.C. Chakrabortti, Past President, ICAI
	Address by Past Presidents, ICAI- CA. S. K. Gupta, CA. S.K. Dasgupta, Padmashree CA T. N. Manoharan	
2.00 PM – 3.30 PM	**Technical Session 4: Impact of IT on CA Profession**	
	Chairman:	CA. S. Santhanakrishnan, Central Council Member ICAI
	Key Note Speaker :	CA. Sumantra Guha, Central Council Member ICAI
03:30 PM – 04:00 PM	Valedictory Address, Certificate & Prize Distribution	
04:30 PM – 07:30 PM	Cultural Program & Closure	

Regn. Fees	Rs.600 per student (Early bird discount of Rs. 100 is applicable for registrations on and before 5th August, 2013, i.e. Fees Payable upto 5th August, 2013 will be Rs. 500)
Accommodation	Rs.400 per day over & above delegate fees of Rs.500. (For outstation students, if required). Outstation delegates to register names with the delegate fee within 5th August 2013.
Payment Mode	DD to be drawn in favour of "The Institute of Chartered Accountants of India, EIRC", payable at 'Kolkata'. Fee can also be paid in cash at EIRC office during office hours in person.

For Registration Contact :

Chairman , EIRC , ICAI, 7, Anandilal Poddar Sarani (Russell Street), Kolkata,700 071, Phone: 033-3021-1120 to 23 Fax; 033-3021-1146;
E-mail: erobos@icai.in; eircorient@icai.in website: www.icai.org , For Regn form please visit - www.eircicai.org

CA. Sumantra Guha
Conference Director & Member,
Board of Studies, ICAI

CA. V. Murali
Conference Co-Chairman &
Vice-Chairman, Board of Studies, ICAI

CA. Vijay Garg
Conference Chairman &
Chairman, Board of Studies, ICAI

CA. Abhijit Bandyopadhyay
Central Council Member, ICAI

CA. Subhash Chandra Saraf
Vice-Chairman, EIRC & Chairman, EICASA
09831087579

CA. Ranjeet Kumar Agarwal
Chairman, EIRC,
09830140211

WHY A NEW LAW WAS NEEDED?

- The changing national and international economic environment
- Exponential growth of the Indian economy
- Changes in the stakeholders' expectations
- Manifold Increase in Number of Companies

Year	No. of Companies
1956	30,000 approx
2013	11,00,000 approx

- The need of a legal framework was felt to enable the Indian corporate sector to adopt the best international practices in a globally competitive manner, fostering a positive environment for investment and growth
- Companies Bill 2012 was passed by Lok Sabha on 18th December, 2012 and subsequently, was passed by the Rajya Sabha on 8th August, 2013.
- The bill comprises of 29 chapters, 470 Clauses with 7 Schedules as against 658 sections and 14 Schedules in the Companies Act, 1956
- Substantively a law based on Rules (as may be prescribed).

  In 470 Clauses the word "as may be prescribed" has been used at around 336 places.

NEW CONCEPTS

New definitions (Accounting Standards, Auditing Standards, Associate Company, Authorized Capital, Books of Accounts, Called up Capital, Charge, Chartered Accountant, Chief Executive Officer, Chief Financial Officer, Company Limited By Guarantee, Company Limited by Shares, Company Liquidator, Contributory, Control, Cost Accountant, Deposit, Expert, Financial Institution, Financial Statement, Foreign Company, Free Reserves, Global Depository Receipt, Independent Director, Indian Depository Receipt, Interested Director, Issued Capital, Key Managerial Personnel, Notification, Official Liquidator, One Person Company, Ordinary or Special Resolution, Postal Ballot, Promoter, Public Financial Institution, Register of Companies, Related Party, Remuneration, Serious Fraud Investigation Office, Small Company, Subscribed Capital, Sweat Equity Shares, Turnover, Unlimited Company, Voting Right, Whole Time Director).

- Private company to have a maximum of 200 members (earlier limit was upto 50). (Clause 2 (68))
- E-Governance – maintenance and allowing inspection of documents by companies in electronic form. (Clause 120)
- Vigil mechanism (whistle blowing) introduced. (Clause 177 (10))
- In prescribed class or classes of companies, there should be atleast 1 woman director. (Clause 149 (1))
- Restrictions on layers of subsidiaries. (Clause 2 (87))
- The Financial Year of any Company can be only from April-March. (Clause 2 (41))
- Memorandum not to have 'other objects'. (Clause 4 (1))
- A person cannot become director in more than 20 companies instead of 15 as provided in the Companies Act 1956 and out of this 20, he cannot be director of more than 10 public companies. (Clause 165)
- Shareholders to have exit option if money raised has not been utilized. (Clause 27)
- A company can make buyback even if it had at any time defaulted in repayment of deposit or interest payable thereon, redemption of debentures or preference shares or payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, provided that default must have been remedied and a period of 3 years must have lapsed after such default ceased to subsist. (Clause 66 (6))
- Concept of CSR introduced. (Clause 135)
- Definition of independent Directors introduced. (Clause 149 (5))
- Condition for issue of Bonus shares has been introduced. (Clause 63)
- New provisions suggested for allowing re-opening of accounts in certain cases with due safeguards. (Clause 130)
- Consolidation of Accounts (Clause 129)

  Secretarial Audit Report given by a company secretary in practice is required to be attached with Boards' report in case of bigger companies. (Clause 204)

HIGHLIGHTS OF COMPANIES BILL - 2013

PRELIMINARY (Chapter I, Sec 1-2)

This Act may be called the Companies Act, 2013 (Clause 1 (1))

Issue: Cash Flow Statement becomes mandatory.

- Clause 2 (41) definition of "Financial Year" modified
  - ✓ The Financial can mandatorily end on 31st March
  - ✓ Exception- entities which are holding cos or subsidiary companies of foreign companies requiring consolidation outside India with the approval of Tribunal.
  - ✓ Existing companies to align within 2 years
- Clause 2 (43) definition of "Free Reserves" modified,
  - ✓ Share premium account does not form part.
  - ✓ Credit balance in Statement of Profit & Loss is not free reserve.
- Clause 2 (51) "key managerial personnel", in relation to a company, means—
  - (i) the Chief Executive Officer or the managing director or the manager;
  - (ii) the company secretary;
  - (iii) the Chief Financial Officer if the Board of Directors appoints him; and
  - (iv) such other officer as may be prescribed;
- Clause 2 (57) definition of "net worth" modified, it says that only paid up capital, share premium and reserves created out of profit will be treated as net worth.
  - ✓ Credit balance in Statement of Profit & Loss has been left out.
- Clause 2 (59) definition of "Officer" modified to include CEO/ CFO or any other officer as may be prescribed.
- Clause 2 (60) "officer in default":

  Scope broadened
  - ✓ Directors aware of the default
  - ✓ CFO
  - ✓ KMP's if knowingly commits default
- Clause 2 (77) "relative", with reference to any person, means anyone who is a related to another, if—
  - (i) they are members of a Hindu Undivided Family;
  - (ii) they are husband and wife; or
  - (iii) one person is related to the other in such manner as may be prescribed
- Small Company (Clause no. 2(85)) : means a company, other than a public company,-
  - i. paid up share capital of which does not exceed fifty lakh rupees or such higher amount as may be prescribed which shall not be more than five crore rupees; or
  - ii. turnover of which as per its last profit and loss account does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than twenty crore rupees.

    Provided that nothing in this clause shall apply to :
    - a) a holding company or a subsidiary company;
    - b) a company registered under section 8;
    - c) a company or body corporate governed by any special act.

    subjected to a lesser stringent regulatory framework

INCORPORATION OF COMPANY AND MATTERS INCIDENTAL THERETO (Chapter II, Sec 3-22)

- Concept of One Person Company has been introduced and the OPC can be formed as private limited company (Clause 3). Certain Privileges Provided to OPCs
  - ✓ The financial statement may not include the cash flow statement [Proviso to Clause 2(40)]
  - ✓ The annual return to be signed by the company secretary, or where there is no company secretary, by the director of the company.
  - ✓ No requirement of holding an AGM [Clause 96(1)]
  - ✓ Inapplicability of the provisions of Section 98 and Sections 100 to 111 (both inclusive) [Clause 122(1)]
  - ✓ Minimum number of directors: 1 [Clause 149(1)]

- ✓ Board Meetings- Minimum 1 in each half of a calendar year and the Gap between the two meetings shall not be less than 90 days. Not applicable where there is only one Director. Clause 173 (5)
- ✓ Quorum for Board Meetings not applicable where there is only 1 director in OPC. (Clause 174)

- The Memorandum of Association shall only state the mandatory objects. The Company cannot provide for other object clause (Clause 4).

  After reservation of name for proposed company, if it is found that the name was applied for furnishing wrong or incorrect information then

  a) Company not incorporated- Reserved name cancelled and a penalty not exceeding Rs. 100000 shall be levied.

  b) Company incorporated- name to be changed or to make a petition for winding up. (Clause 4(4) and 4(5)).

- Articles of Association may contain provisions with respect to entrenchment whereby the specified provisions of the article can be alerted only if the more restrictive conditions or procedures as compared to those applicable in case of special resolution have been met with. (Clause 5)

  A declaration, in the prescribed form, required to be filed with the Registrar at the time of registration of a company that all the requirements of the Act in respect of registration and matters precedent or incidental thereto have been complied with, will be required to be signed by both - a person named in the articles as a director, manager or secretary of the company as well as by an advocate, a chartered accountant, cost accountant or company secretary in practice, who is engaged in the formation of the company. (Clause 7)

- If a company has any raised Money from public through prospectus and if there is any unutilised amount out of the money so raised, it shall not change its objects unless a special resolution is passed and other requirements of advertisement and exit opportunity to dissenting shareholders is complied with. (Clause 13)

PROSPECTUS AND ALLOTMENT OF SECURITIES (Chapter III, Sec 23-42)

- The Bill governs the issue of all types of securities (Clause 23)
- Public company can only issue securities by following the provisions related to public offer or Private Placement or by way of bonus or right issue. (Clause 23)
- A Private company may issue securities only through private placement by complying with the provisions of Part II of Chapter III. (Clause 23)
- Where a company has varied the terms of contract and has not utilized any amount raised by it, the dissenting Shareholders to have exit option. (Clause 27)
- The Bill provides provisions for offer of sale by existing shareholders to public. (Clause 28)
- Any class of companies or companies as the SEBI may provide by regulations may file shelf prospectus. (Clause 31)
- Deals with Civil liability and where it is proved that a prospectus has been issued with intent to defraud then every person (like directors, promoters, experts etc.) shall be personally liable without any limitation of liability. (Clause 35)
- Any person (including group or association) who is affected by any misleading statement or inclusion or omission of any matter in the prospectus can file any suit or take any action under clause 35 or 36 providing for civil liability for misstatement in prospectus and Punishment for fraudulently inducing persons to invest money. (Clause 37)
- A person shall also be liable for impersonation, in case he makes multiple applications in different name or in different combination of surnames for acquiring or subscribing the securities of the company. (Clause 38)
- Return of allotment shall be filed with the Registrar. Clause 39(4)

  Companies may now issue Global Depository Receipt by passing the special resolution and subject to such conditions as may be prescribed. (Clause 41)

- Qualified Institutional Buyers shall not be covered under the provisions related to Private Placement

  If a company, listed or unlisted, makes an offer to more than the prescribed number of persons, whether the payment for the securities has been received or not or whether the company intends to list its securities or not on any recognised stock exchange in or outside India, the same shall be deemed to be an offer to the public and shall accordingly be governed by the provisions provided in this regard by SEBI.

  Any company making any offer or invitation of securities under private placement has to allot the securities within 60 days of receipt of application money. (Clause 42)

SHARE CAPITAL AND DEBENTURES (Chapter IV, Sec 43-72)

- If a company with intent to defraud issues a duplicate certificate of shares, the company shall be punishable with fine which shall not be less than five times the face value of the shares involved in the issue of the duplicate certificate but which may extend to ten times the face value of such shares or rupees ten crores whichever is higher and every officer of the company who is in default shall be liable for action under section 447. (Clause 46)
- The conditions under which the preference shareholders can vote on every resolution placed before meeting of shareholders has been changed. Now preference shareholders can only exercise such voting rights when dividends payable in respect of a class of preference shares are in arrears for a period of 2 years or more. There is no distinction between cumulative and non cumulative preference shares. (Clause 47)
- If the variation of one class of shareholders affects the rights of any other class of shareholders the consent of ¾ of that class should also obtained. (Clause 48)
- Such class of companies as may be prescribed and whose financial statements comply with the accounting standards cannot utilize securities premium for in writing off the preliminary expenses, for providing the premium payable on the redemption of preference shares or of any debentures of the company. (Clause 52)
- A company cannot issue share at a discount. In case of default penalty shall be levied. [Clause(53)]
- Company cannot issue shares at discount other than as sweat equity, no provision has been provided for any approval. (Clause 54)

  a company may issue preference shares redeemable after 20 years for such infrastructure projects as may be specified subject to redemption of specified % of preference shares on annual basis at the option of the preference shareholder. The term Infrastructure projects has been defined for the purpose of this section as the infrastructure projects specified in Schedule VI. (Clause 55)

- Alteration of Share Capital shall be made only after making application to the Tribunal and getting approval. (Clause 61)
- Bonus shares can be issued out of –
  - ✓ Free reserves, Securities premium, CRR, not in lieu of dividend, authorized by AOA,
  - ✓ recommended by the Board and authorized by general meeting and if no defaults in respect of statutory dues (PF, gratuity and bonus) (Clause 63)
- Apart from existing shareholders, if the company having share capital at any time, proposes to increase its subscribed capital by the issue of further shares, such shares may also be offered to employees by way of ESOP subject to approval of shareholders by way of special resolution. (Clause 62)
- No reduction of capital shall be allowed if the company is in arrears for payment of deposits, accepted either before or after the commencement of this Act. Reduction of share capital to be made subject to confirmation by the Tribunal. The Tribunal on receiving an application for reduction of share capital, shall give notice to the Central Government, Registrar and to the SEBI and consider the representations received in this behalf (Clause 66)
- A company can make buyback even if it had at any time defaulted in repayment of deposit or interest payable thereon, redemption of debentures or preference shares or payment of dividend to any shareholder or repayments of any term loan or interest payable thereon to any financial institution or bank, provided that default must have been remedied and a period of 3 years must have lapsed after such default ceased to subsist. (Clause 66 (6))
- When the company issues prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, it is required to appoint a debenture trustee. (Clause 71)

ACCEPTANCE OF DEPOSITS BY COMPANIES (Chapter V, Sec 73-76)

- NBFCs are not covered by the provisions relating to acceptance of deposits and they will be governed under rules issued by Reserve Bank of India. (Clause 73)

  Company may accept deposit from persons other than its members having net worth and turnover of certain amount as prescribed subject to complying with necessary conditions and after consultation with RBI. (Clause 76)

MANAGEMENT AND ADMINISTRATION (Chapter VII, Sec 88-122)

- First Annual General Meeting of the Company shall be held within the period of 9 months from closure of its first financial year instead of 18 months from the date of the Incorporation. AGM can be called on a public holiday. (Clause 96)
- The resolution requiring special notice has to be moved by such number of members holding not less than 1 % of total voting power or holding shares on which an aggregate sum of not less than one lakh rupees has been paid-up. (Clause 115)
- Penalty is now prescribed for tampering with the minutes. (Clause 118)

ACCOUNTS OF COMPANIES (Chapter IX, Sec 128-138)

- The term Balance Sheet & Profit & Loss Account, has been defined collectively as financial statement under the Act and cash flow statement also forms part of the same. (Clause 2(40))
- Books of Accounts etc. to be kept by the company- The Books of accounts may be kept in electronic form also.

  In case of default, the Managing Director, the whole time director in charge of finance, the CFO and any other person charged by the Board with the duty of complying with the provisions of this Clause, they shall be punishable, Even if the default was not done wilfully. (Clause 128)
- The requirement of attaching the balance sheet, profit & loss account, report of board of directors, auditor report, statement of the holding company's interest in the subsidiary and others reports as was required by section 212 of the Companies Act 1956 has been dispensed with.
- The benefit given to Private Companies to file their balance sheet & profit and loss account separately has been withdrawn.
- Along with financial statement, consolidated financial statement of all subsidiaries shall be prepared and shall also be laid before the AGM. Subsidiary shall for the purpose of this requirement include associate company and joint venture. (Clause 129)
- No re-opening or re-casting of book of accounts of the Company is allowed except under Court's or Tribunal's orders. (Clause 130)
- Voluntary revision of financial statements or Board's Report can also be made with Tribunal's consent. (Clause 131)

National Financial Reporting Authority (Clause 132)

- The name of NACAAS has been changed to National Financial Reporting Authority (NFRA) and authority is to advise on matters related to auditing standard in addition to accounting standards.
- The CG may prescribe the standards of accounting or any addendum thereto, as recommended by the ICAI in consultation with and after examination of the recommendations made by the NFRA.
- Powers of NFRA includes:
  - ✓ monitor and enforce the compliance with accounting and auditing standards
  - ✓ oversee the quality of service of the professions associated with ensuring compliance with such standards
  - ✓ have the power to investigate into the matters of professional or other misconduct committed by any member or firm of chartered accountants and impose penalties of not less than Rs. 1 lakhs in case of individuals and Rs. 10 Lakhs in case of firms and debar members/ firms for a period of 6 months to 10 years.
- Provided that the Appellate Authority constituted under respective Acts shall be deemed to the appellate authority against any order made by the NFRA and any person aggrieved by any order of the NFRA shall have the right to appeal before the appellate authority.

Issues related to Clause 132

- NFRA had jurisdictions over CAs, cost accountants, company secretaries and any other profession as may be prescribed.
- Now, this Clause has been amended, NFRA to have jurisdiction over only CAs. i.e., Professional misconduct of chartered accountants also comes under NFRA.
- Where NFRA initiates an investigation, no other institute or body shall initiate or continue any proceedings in such matters of misconduct
- Penalty increased
- Chairperson and members in Full Time Employment with NFRA shall not be associated with any audit firm including related consultancy firms during the course of their appointment and 2 years after ceasing to hold such appointment.
- The Director's report for every company except for One Person Company, shall provide various types of additional information like number of meetings of the Board, Company's policy on directors' appointment and remuneration; explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Company Secretary in his secretarial audit report, particulars of loans, guarantees or investments etc. (Clause 134)

  The Directors responsibility statement in case of listed company shall also include additional statement related to internal finance control and compliance of all applicable laws

Corporate Social Responsibility (Clause 135)

- Concept of CSR introduced & Board to have a CSR Committee consisting of three or more directors, out of which at least one director shall be an independent director for companies
  - ✓ having networth of Rs. 500 crore or more or
  - ✓ turnover of Rs. 1000 crore or more or
  - ✓ net profit of Rs. 5 crore or more
  - ✓ during any financial year
- The committee shall recommend the policy for CSR to the Board
- Board to ensure atleast 2% of average net profits may during 3 immediately preceding years spent every year on CSR
- Certain Class of companies are required to appoint an internal auditor to conduct internal audit of the books of company. Internal Auditor shall be a Chartered Accountant or Cost Accountant or such other professional as may be decided by Board. (Clause 138)

AUDIT AND AUDITORS (Chapter X, Sec 139-148)

- Every company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting.
- Provisions for compulsory rotation of individual auditors in every five years and of audit firm every 10 years in the listed company & certain other class of companies, as may be prescribed.
- A transition period of 3 years from the commencement of this Act has been prescribed for the Company existing on or before the commencement of this Act to comply with the provision of the rotation of auditor.
- The members of a company can resolve for rotation of auditing partner and also for audit to be conducted by more than auditor. (Clause 139)
- Where a company constitutes an Audit Committee, all appointments including the filling of a casual vacancy of an auditor shall be made after taking into account the recommendations of Audit Committee.

  appointment is done once for 5 years
  - ✓ Ratification done every year
  - ✓ confusion between "ratification" and "reappointment" taken as these two expressions to mean the same
  - ✓ Mandatory retirement after 5 years in case of individual and 10 years in case of firms
  - ✓ no auditor/audit firm/ audit firms having common partners, shall take audit for a consecutive term of 5 years after 5 years have been completed
  - ✓ Provision applicable to all listed companies, and companies of such class as may be prescribed
- A person at the time of appointment or reappointment holding appointment as auditor of more than twenty companies shall not be eligible for appointment. (Clause 141 (3) (g))
- In case, LLP is appointed as auditor only chartered Accountants is allowed to act and sign on behalf of the firm. Clause 141(2)
- Multidisciplinary partnership is allowed. Proviso to Clause 141(1)
- Fraud reporting- A duty has been casted on the auditor, to immediately report to the central government, any offence involving fraud which is being or has been committed against the company by officers or employees of the company, which he believes to be committed during the course of performance of his duties as an auditor.

- The Auditor shall also comply with auditing standards. The Central Government will prescribe the standards of auditing or any addendum thereto, as recommended by the ICAI, in consultation with and after examination of the recommendations made by the NFRA. (Clause 143)
- Auditor of the company shall not provide directly or indirectly the specified services to the company, its holding and subsidiary company. (Clause 144)
- The Auditor unless otherwise exempted by the company shall attend any general meeting by himself or through his representative. (Clause 146)
- Auditors not to provide non-audit services (Clause 144)

Following services not to be provided

- ✓ accounting and book keeping services;
- ✓ internal audit;
- ✓ design and implementation of any financial information system;
- ✓ actuarial services;
- ✓ investment advisory services;
- ✓ investment banking services;
- ✓ rendering of outsourced financial services;
- ✓ management services; and
- ✓ any other kind of services as may be prescribed
- ✓ not to the company, holding company, or subsidiary directly or indirectly
- ✓ indirectly includes through relative, connected or associated person, or other entity over which individual has significant influence or control, or whose name or trade mark or brand is used by the individual

Clause 147

- In case the auditor contravenes the provisions related to his powers & duties, provide services given under Clause 144 then in addition to punishment provided in the section, he shall be required to refund the remuneration received by him from the company and shall be liable to pay the damages to the company or to any person for the loss arising out of misleading or incorrect information.
- It is specifically provided that partner or partners of the audit firm and the firm shall be jointly and severally responsible for the liability, whether civil or criminal as provided in this Act or in any other law for the time being in force.
- If it is proved that the partner or partners of the audit firm has or have acted in a fraudulent manner or abetted or colluded in any fraud by, or in relation to or by, the company or its directors or officers, and they shall also be punishable in the manner provided in Clause 447.

Cost Audit (Clause 148)

- Instead of company pertaining to any class of companies engaged in production, processing, manufacturing or mining activities, the central government can only direct cost audit to be conducted in such class of companies engaged in the production of such goods or providing such services , which have the prescribed networth or turnover and who has been directed to include the particulars relating to the utilization of material or labour or to other items of cost as may be prescribed in their books of account .
- No approval is required of central government for the appointment of cost auditor to conduct the cost audit

APPOINTMENT AND QUALIFICATIONS OF DIRECTORS (Chapter XI, Sec 149-172)

- In prescribed class or classes of companies, there should be atleast 1 woman director. (Clause 149)
- There is a provision for compulsory rotation of individual auditors in every five years and of audit firm every 10 years in the listed company & certain other class of companies, as may be prescribed.
- Out of all the Directors, atleast one director shall be a person who has stayed in India for a total period of not less than one hundred and eightytwo days in the previous calendar year.

  The maximum limit of directors in the Company has been increased to 15 with a power to add more directors upon passing of Special Resolution. (Clause 149 (1))
- A person cannot become directors in more than 20 companies and out of this 20, he cannot be director of more than 10 public companies. (Clause 165)
- A transitional period of 1 year is provided to persons acting as director to comply with the requirement of maximum number of directorship and they have to intimate their choice to each of company where they wish to continue as director and also to the Registrar.
- Independent Directors- Defined in Clause 149 (5)
  - ✓ Qualifications as may be prescribed
  - ✓ Term upto 5 consecutive years prospectively but not for more than two consecutive terms
  - ✓ Reappointment by Special Resolution
  - ✓ Cooling off period for three years
- The Bill provides provision for limiting the liability of Independent Director and non executive director not being promoter or key managerial personnel. (Clause 149)
- Panel of ID's to be maintained by a body/institute notified by the CG facilitating appointment of Independent Directors. (Clause 150)
- Listed company may have one director by small shareholders. (Clause 151)
- The company and the independent directors shall abide by the provisions of (Code of Conduct) specified in Schedule IV of the bill.
- Every listed public company shall have at least one-third of the total number of directors as independent directors. Companies existing as on date of commencement of this Act have been provided a transition period of 1 year for the compliance of this provision. (Clause 163)

Resignation of Director (Clause 168)

- The Bill prescribes the duties of the directors towards the company
- Directors are required to mandatorily forward their resignation along with detailed reason for resignation also to the Registrar within 30 days of resignation in prescribed manner.
- The notice for removal of director can only be given by prescribed number of members or members holding prescribed number of shares or voting power.

INSPECTION, INQUIRY AND INVESTIGATION (Chapter XIV, Sec 206-229)

- The Central Government will establish Serious Fraud Investigation Office (SFIO) for investigation of frauds relating to a company. Till the time SFIO is not established, SFIO set up by Central Government to be used for the purpose of this section (Clause 211)
- Investigation report filed by SFIO with the court for framing of charges shall be treated as a Report filed by a Police Officer. SFIO shall have the power to arrest. (Clause 212)
- In the process of the Investigation, Inquiry or inspection if any person

  a) destroy, mutilates or falsifies or conceals or tamper or unauthorized removes or is a party to that or any document relating to the property, assets or affairs of the Company or body corporate or

  b) makes or is a party to the making of any false entry in the document concerning the company or body corporate or

  c) provides any false information which he knows to be false then he shall be liable to punishment for imprisonment for a term from 6 months to 10 years and shall also be liable to fine which shall not be less than the amount involved in fraud but which may extent upto 3 times of the amount of fraud. (Clause 229)

COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS (Chapter XV, Sec 230-240)

- No compromise or arrangement shall be sanctioned by the Tribunal unless a certificate by the company's auditor has been filed with the Tribunal to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the accounting standards prescribed under Clause 133. (Clause 230)
- Separate provisions have been provided for the merger or amalgamation between two small companies or between a holding company and a wholly owned subsidiary company. (Clause 233)
- Provision for cross border amalgamations between Indian Companies and companies incorporated in the jurisdictions of such countries as may be notified from time to time by the Central Government. (Clause 234)
- Specific provision for purchase of minority shares in case an acquirer or person acting in concert with the acquirer become holder of 90% or more of the issued capital of the company, either directly or by virtue of any amalgamation, share

exchange, conversion of securities or any other reason. (Clause 236)

PREVENTION OF OPPRESSION AND MISMANAGEMENT (Chapter XVI, Sec 241-246)

(**Clause 245 Class Action Suits**)

- The Bill provides for class action by specified number of Members or Depositors against the company except the banking company, which is prevalent in developed countries.

  Penalty for failing to comply with an order passed by Tribunal

  Company – Rs. 5 lakhs to Rs. 25 lakhs,

  Officer – Rs. 25000 to Rs. 10 lakhs, Imprisonment 3 years

REGISTERED VALUERS (Chapter XVII, Sec 247)

- Where any valuation is required to be made of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that company.

REMOVAL OF NAMES OF COMPANIES FROM THE REGISTER OF COMPANIES (Chapter XVIII, Sec 248-252)

- Registrar has the power to remove the name of a company from its record under certain circumstances. (Clause 248 (5))
- In case of a company regulated under a Special Act, approval of the regulatory body constituted or established under that Act shall also be obtained (Clause 248 (2))

REVIVAL AND REHABILITATION OF SICK COMPANIES (Chapter XIX, Sec 253-269)

- Any company can be declared as sick. (Clause 253 (1))

WINDING UP (Chapter XX, Sec 270-365)

- There are only two modes of winding up. (270 (1))
  - i) By the Tribunal; or
  - ii) Voluntary
- New grounds of winding up by Tribunal are incorporated. (271 (1))
- The minimum amount of indebtedness raised from Rs. 500 to Rs. 1.00 lakh. (271 (2a))

(Chapter XXI, Sec 366-378)

PART I.—Companies authorized to register under this Act

PART II.—Winding up of unregistered companies

COMPANIES INCORPORATED OUTSIDE INDIA (Chapter XXII, Sec 379-393)

- Service of documents on foreign company now can be served through any electronic mode. (Clause 383)

  The foreign offices are also required to comply with the provisions of winding up. (Clause 391)

GOVERNMENT COMPANIES (Chapter XXIII, Sec 394-395)

REGISTRATION OFFICES AND FEES (Chapter XXIV, Sec 396-404)

NATIONAL COMPANY LAW TRIBUNAL AND APPELLATE TRIBUNAL (Chapter XXVII, Sec 407-434)

SPECIAL COURTS (Chapter XXVIII, Sec 435-446)

- For providing speedy trial offences, Central Government may by notification establish as may Special Courts as may be necessary.

MISCELLANEOUS (Chapter XXIX, Sec 447-470)

- Specific provisions related to any act of fraud. (Clause 447)

SCHEDULE I	SECTIONS 4 AND 5
SCHEDULE II	USEFUL LIVES TO COMPUTE DEPRECIATION
SCHEDULE III	GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS OF A COMPANY
SCHEDULE IV	CODE FOR INDEPENDENT DIRECTORS
SCHEDULE V	CONDITIONS TO BE FULFILLED FOR THE APPOINTMENT OF A MANGING OR WHOLE TIME DIRECTOR OR A MANAGER WITHOUT THE APPROVAL OF THE CENTRAL GOVERNMENT
SCHEDULE VI	SECTION 55 AND 186 RELATED TO INFRASTRUCTURE PROJECTS
SCHEDULE VII	CORPORATE SOCIAL RESPONSIBILITY

Disclaimer : This document is based on the Companies Bill 2012. The Institute of Chartered Accountants of India does not own the responsibility for any error or omission. The users are advised to cross check with the original bill before acting upon this document.

Extension of MEF 2013-14

The last date for online submission of Multipurpose Empanelment form for the year 2013-14 (including form for empanelment of Bank Branch Auditors' for the year 2013-14) hosted on the website www.meficai.org has been extended upto **2nd September, 2013**and that of receipt of duly signed declarationupto 12th September, 2013.

In continuation thereof ……..

Interaction of Team EIRC with past Chairmen/Past Council Members/Past Regional Council Members on 31st May, 2013

Eastern India Regional Council interacted with past leaders of our profession to seek their advice for development of the profession.

CA K. N. Jain suggested that the students and members must be provided more infrastructural facilities. Articleshiptraining should be taken seriously by both members & student concerned.

CA Sushil Kumar Goyal expressed his pleasure that EIRC would be having its 2nd building in Kolkata at Rajdanga and would be inaugurated soon this year. This would help provide better infrastructure to Members & Students.

CA Raj Kumar Daga expressed his concern about DummyArticleship and requested the Council Members to take necessary steps to stop this menace.

CA Alok Kumar Jalan suggested that CAs should focus in more diverge areas of professional interest so that the profession can flourish further. He was also concerned about Dummy Articleship practiced by students and sought exemplary punishment for the offenders.

CA Ranjeet Kr. Agarwal, Chairman, EIRC informed that such meetings will be held quarterly so that regular interaction/suggestion can come from the Leaders. He said that the strength of the members in Eastern Region is less than 10% and the strength of the student is less than 7%. This is a matter of concern for all of us along with the employment opportunities for members.

ONE PERSON COMPANY [OPC] UNDER COMPANIES BILL, 2012

-CA KHUSHBOO BOTHRA

The Companies Bill, 2012 has finally been passed by the Rajya Sabha (India's Upper House of Parliament) and has introduced several new concepts, one of them being **One Person Company [OPC]**. Though the concept of OPC is new in Indian Corporate world, it is already known in several countries such as EU nations, UK.

Though an OPC can be said to be identical to a sole proprietorship concern, it is expected to have an edge over the traditional sole proprietorship form of business in terms of increased public confidence arising out of a governing law and more legal compliances.

SUMMARY OF IMPORTANT PROVISIONS W.R.T OPC IS AS UNDER:

SL. No.	PARTICULARS	APPLICABLE SECTION OF COMPANIES BILL, 2012	REMARKS
1.	**Meaning**- a company which has only one person as a member	2(62)	If more shareholders are to be admitted, status of the OPC will change. Consequently, from one class to another will have to be followed.
2.	**Name**- The words "One Person Company" shall be mentioned in brackets below the name of such company, wherever its name is printed, affixed or engraved.	12	
3.	**Procedure for Incorporation-** Same as for Private Limited Company.	3	
4.	**First Directors-** there is no separate provision for appointment of first directors in the AOA of OPC. An individual being member shall be deemed to be the first Directors.		
5.	**Nominee**- The MOA of OPC shall include name of a person, other than the subscriber, who shall, in the event of the subscriber's death or his incapacity to contract become the member of the company.	3	Written consent of such other person shall also be filed with the ROC. Format for filing consent has not yet been notified
6.	**Change in Nominee**- Can be changed by intimating the Company, indicating in the MOA or as may be prescribed and to be intimated to the ROC.	3	Any such change in the name of the person shall not be deemed to be an alteration of MOA.
7.	**No. of Directors**- Minimum- 1 Maximum- 15.	149	A company may appoint more than 15 directors after passing a special resolution.
8.	**AGM**: Not required	96(1)	
9.	**Resolutions Required to be passed at General Meeting-** (i) It shall be deemed to have been passed if the resolution is agreed upon by the sole member & communicated to the company and entered in the minutes book maintained u/s 118; (ii) Such minutes book shall be signed and dated by the member; (iii) The resolution shall become effective from the date of signing such minutes by the sole member.	Table F (Clause 48)	
10.	**Board Meetings-** Minimum 1 in each half of a calendar year & the gap between 2 meetings shall not be less than 90 days. **Quorum for Board Meeting-** 1/3rd of total strength or 2 directors, whichever is higher & the participation of the directors by video conferencing shall also be counted for the purposes of quorum.	173(5) & 174	Not applicable where there is only one director. Quorum for Board Meeting- Not applicable where only one director.
11.	**Other Relaxations**- Provisions of Section 98(Power of Tribunal to call meetings of members, etc), Section 100 to 111 shall not apply.	122(1)	
13.	**Taxation Issues-** It is likely to be assessed in the status of Company (i.e liable to tax @ 30% and Mat @ 18.5%)		However, nothing has been notified in I.Tax Act in this regard.
14	**Suitability-** For incorporating whollyowned subsidiaries.		

Compiled by **CA Manoj K Tiwari**
ca.mtiwari@gmail.com

1. **CIT vs. Vector Shipping Services (P) Ltd [ITA No. 122 of 2013, Allahabad High Court]**

Section 40(a)(ia) disallowance applies only to amounts "payable" as of 31st March and not to amounts already "paid" during the year

The assessee engaged Mercator Lines Ltd to perform ship management work on behalf of the assessee for which it paid an amount of Rs.1.17 crore. The assessee claimed that the amount paid by it to Mercator was a 'reimbursement of salaries' and that as Mercator had deducted TDS on the payments made by it to the employees, the assessee was not required to deduct TDS. The AO disagreed and disallowed the entire payment u/s 40(a)(ia). The Tribunal upheld the assessee's claim and held that no TDS was required to be deducted on a reimbursement. It also relied on **Merilyn Shipping and Transport Ltd** 136 ITD 23 (SB) where it was held that Sec. 40(a)(ia) applied only to amounts that were "payable" as at the end of the year and not to amounts that had already been "paid" during the year.

On appeal by the department, HELD dismissing the appeal:

The revenue cannot take any benefit from the observations made by the Special Bench of the Tribunal in **Merilyn Shipping and Transport Ltd** 136 ITD 23 (SB) to the effect that Sec. 40 (a) (ia) was introduced by the Finance Act, 2004 w.e.f. 1.4.2005 with a view to augment the revenue through the mechanism of tax deduction at source. Sec. 40(a)(ia) was brought on the statute to disallow the claim of even genuine and admissible expenses of the assessee under the head 'Income from Business and Profession' in case the assessee does not deduct TDS on such expenses. The default in deduction of TDS would result in disallowance of expenditure on which such TDS was deductible. On facts, tax was deducted as TDS from the salaries of the employees paid by Mercator Lines and the circumstances in which such salaries were paid by Mercator Lines for the assessee were sufficiently explained. It is to be noted that for disallowing expenses from business and profession on the ground that TDS has not been deducted, the amount should be payable and not which has been paid by the end of the year.

Comment: This judgment helps in assessee's cause and smoother beneficial way towards Apex court judgment.

2. **CIT vs. HCIL Kalindee ARSSPL [ITA No. 480 of 2012, Delhi High Court]**

Section 271(1)(c) penalty is valid even if claim is disclosed and as per CA certificate

The assessees claimed deduction u/s 80IA on the ground that it has executed an eligible infrastructure project. A copy of Form No.3CB, 3CD and Form No.10CCB was filed with the return in support of the claim. In the assessment order, the AO denied 80-IA deduction on the ground that the assessee had not executed the work but had given a sub-contract to another party and that it was not eligible u/s 80-IA(13). The assessee accepted the denial of the claim. The AO levied penalty u/s 271(1)(c) for filing inaccurate particulars of income which was upheld by the CIT(A). The Tribunal relied on **Reliance Petroproducts** 322 ITR 158 (SC) and deleted the penalty on the ground that the claim for deduction u/s 801A was on the basis of a certificate of the CA, was bona fide and all the material facts relevant thereto had been furnished.

On appeal by the department to the High Court, HELD reversing the Tribunal:

While it is true that the Income-tax Act, 1961 is one of most vexed and complicated legislation and requires highest degree of interpretative skills and there are divergent views on interpretation of its provisions and while it is also true that penalty for concealment cannot be imposed merely because assessee's interpretation or claim is rejected, such cases have to be distinguished from cases where the claim of the assessee is farcical or farfetched. Dubious and fanciful claims under the garb of interpretation are a mere pretense and not bona fide. Absurd or illogical interpretations cannot be pleaded and become pretence and excuses to escape penalty. "Bona fides" have to be shown and cannot be assumed. The fact that the claim for deduction u/s 80IA was duly supported by the Chartered Accountant's Certificate and prescribed forms signed by the CA cannot absolve and protect an assessee who furnishes in-accurate particulars because then in all cases where a form/certificate is furnished by the CA but a wrong claim of deduction is made, no penalty u/s 271(1)(c) can be imposed. Merely because the assessee complies with the statutory procedural requirement of filing the prescribed form and certificate of the Chartered Accountant cannot absolve the assessee of its liability if the act or attempt in claiming the deduction was not bona fide. On facts, the assessee's claim was not tenable due to the Explanation to s. 80IA (13) which stipulates that benefit is not available to a contractor carrying on a works contract. The assessee has not shown any "tangible material" or basis as to why a clear statutory provision which excludes works contracts was ignored.

Comment: With due respect Hon'ble High court, it is indeed very harsh judgment.

3. **Vaghjibhai S. Bishnoi vs. ITO [Special C. A. No. 6726 of 2013, Gujarat High Court]**

Department's practice of not giving prompt & full credit for TDS condemned

The assessee filed a return of income in which he claimed a refund of Rs. 2.11 lakhs. An intimation u/s 143(1) was issued by the CPC Bangalore in which credit for certain TDS certificates was omitted to be given. The assessee filed a rectification application u/s 154 before the AO which was not acted upon. The assessee filed a writ petition to challenge the neglect of the AO to give proper TDS credit. Before the High Court the AO argued inter alia that as the details of the e-return had not been transferred to him by the CPC, he was not authorized to accede to any request of the assessee. It was also claimed that the assessee had not filed full details relating to the claim.

HELD by the High Court allowing the Petition:

Form 26AS, available on the department's website, clearly reflects the assessee's entitlement to credit for TDS. Instead of giving credit for the TDS, the department has adamantly continued to take the stand that there is a failure on the part of the assessee to furnish details. We are not impressed with such a stand. Computerization is with the object to facilitate easy access to the assessee and make the system more viable and transparent. In the event of any shortcoming of software programme or any genuine mistake, the Department is expected to respond to such inadvertence spontaneously by rectifying the mistake and give corresponding relief to the assessee. Instead of that, even when it is being brought to the notice of the Department by the assessee, by a rectification application and subsequent communication, not only it has chosen not to rectify the mistake, but, the lack of inter departmental coordination has driven the assessee to this Court for getting his legitimate due. This attitude for sure does not find favour with the Court, as more responsive and litigant centric system is expected; particularly in the era of computerization. Tax payer's friendly regime is promised in this electronic age. For want of necessary coordination between the two departments, the assessee cannot be expected to be sent from pillar to the post. If the Centralized Processing Center meant for return processing, accounts, refund, storage of data etc. adds to the difficulties of the Tax payers, due to lack of distribution of work between back office and front office, and that too, after having been pointed out the actual error, a serious re-look is expected.

Comment: We fervently hope that it will be benevolent for the assessee.

Compiled by **CA P. R. Kothari**
ramram@vsnl.net

01. Section 14A : Disallowance of exp. related to exempt income

Disallowance of expenditure u/s 14A can be made only when there is dominant and immediate connection between the expenditure incurred and the income not forming part of the total income. In the instant case, there was no connection whatsoever with the expenditure incurred by Kolkata and Mumbai Offices for investment and finance business exclusively with that of agricultural activity carried out at Sardarsahar, Rajasthan exclusively and separate accounts were maintained of both places. Hence, no disallowance u/s 14A in respect of expenditure incurred at Mumbai offices is required on the ground that some expenses had been incurred from Mumbai offices in relation to exempted agricultural income.

ITO Vs. Kali Kripa Agro (ITAT Kolkata)

ITA No. 1678-1679/Kol/2011 for asst. yr. 2005-06 & 2006-07 D.O.O. 21.06.13

02. Section 14A : disallowance of exp. related to exempt income

Loans for specific taxable purposes to be excluded for Rule 8D(2)(ii)

ACIT Vs. Best & Coromption Engineering Ltd. (ITAT, Chennai) www. itatonline.org (26.07.13) D.O.O. 16.07.13

03. Section 40(a)(ia) : Disallowance for non-deduction of tax at source :

When advertisement exp. was paid through agent (a group concern) who deducted tax at source from that payment on behalf of assessee, there was no violation to attract disallowance u/s 40(a)(ia). The question that why group concern would act as an agent without any consideration is answered by section 185 of the Contract Act which provides that no consideration is necessary to create an agency.

CIT Vs. Harbanslal Malhotra & Sons (P) Ltd.

(2013) 35 taxmann.com 512 (Calcutta) D.O.O. 05.04.13

04. Section 41 : Cessation and remission of liability

As held in J.K. Chemicals Ltd. Vs. CIT (1996) 62 ITR 34 (Bom.), cessation of liability may occur either by the reason of liability becoming unenforceable in law when creditor declares his intention not to honour his liability or by a contract between parties or by discharge of the debt. In the present case, the assese is acknowledging the particular debt and there is nothing to indicate any contract between the parties to extinguish the liability. Although unenforceability of a debt being time barred does not ipso facto lead to the conclusion that there is cessation or remission of liability whereas in the facts of present case, it is also not possible to conclude that debt has even become unenforceable. It is well settled that reflecting an amount as outstanding in the B/sheet by the company amounts to acknowledgement of debt for the purposes of sec. 18 of the Limitation Act, 1963 and the claim by creditor can also not be considered as time barred.

The issue of genuineness of a credit entry does not arise in current year as the subject liability is the opening balance carried forward for several years and the issue of genuinity could only be examined in the year when liability was recorded as having arisen. The Department having accepted the balances outstanding over several years it was not open to confirm the addition on the ground that the assessee could not produce sufficient evidence to prove the genuineness of the transactions.

CIT Vs. Jain Exports (P) Ltd.

(2013) 35 taxmann.com 540(Delhi) D.O.O. 24.05.13

05. Section 154 – Rectification of mistake apparent from record.

Power of rectification can be exercised by assessing authority on his own accord but order, purporting to be a rectification under u/s 154, was in fact a re-assessment order u/s 147/148, hence cannot be sustained.

CIT Vs. Karjat Trade Place P. Ltd.

(2013) 35 taxmann.com 481 (Uttarakhand) D.O.O. 27.06.13

06. Section 250 : Appeal order by CIT(A)

Original return was filed disclosing loss and there was no question of claiming any deduction u/s 80HHC or 80-IA. Such deduction was available only when there was positive income. A/O made certain additions and converted the loss into positive income. Only at that stage, the question of pressing for deduction u/s 80 HHC or 80- IA arose and assessee in the appeal before CIT(A) raised an alternative contention of deductions under said provisions besides questioning the validity of additions made by the A/O. The CIT(A) committed no error in entertaining said alternative contention and remanding the proceedings for verification of facts by A/O. as the occasion to press for deduction u/s 80HHC & 80- IA arose only when once the A/O passed the asst. order.

CIT Vs. Shree Rama Multi Tech Ltd.

(2013) 35 taxmann.com 513 (Gujarat) D.O.O. 16.04.13

07. Section 271 (1)(c): Penalty for concealment of income

The question whether gain arising out of exercise of cashless ESOP was long term capital gain or short term capital gain could have been a contentious issue at the material time. Further, the assessee disclosed all material facts and claimed exemption u/s 54F showing gain on stock option as long term gain upon legal advice to the effect that gains from exercise of options would not be taxed. These facts do not indicate that assessee had furnished inaccurate particulars or concealed income. Held that Section 271(1)(c) penalty was not leviable.

CIT Vs. Smt. Neenu Dutta

(2013) 35 taxmann.com 454(Delhi High Court) D.O.O.31.05.13

08. Section 271(1)(c) :Penalty for concealment of income

On estimated addition, penalty u/s 271(1)(c) cannot be imposed as any estimation is a subjective opinion and when this difference of opinion's leads to any addition, it cannot terminate into a penalty u/s 271(1)(c). On such cases there is no concealment of income nor furnishing of inaccurate particulars of income. Shiblal Tak Vs. CIT(2001) 251 ITR 373 (Raj.) and Dr. Hakeem S. A. Sajed Sattar Vs. ACIT (2009) 120 ITD 1 (Chennai) followed.

ITO Vs. Gurunanak Oil Agency

(2013) 35 taxmann.com 56 2C (Jodhpur. Trib.) D.O.O. 21.03.13

Corrigendum

This corrigendum is issued in respect of a case law published in Part 'B' of Direct Taxes in July, 13 newsletter :

"The title of case law at Sl. No. 5 of Part 'B' of Recent Judicial Pronouncements' (Direct Taxes) relating to S. 263 (Revision by Commissioner) could not be published which was as under : Chambal Fertilizers & Chemicals Ltd.

(2013) 35 taxmann.com58 (Rajasthan)
D.O.O. 22.01.2013

Compiled by **CA Ankit Kanodia**
ankit@skkassociates.com

1. **Recovery of Arrears from Purchaser of property in auction by SFC, No Liability can be recovered unless the entire business is purchased – Supreme Court of India** *(M/s Rana Girders Ltd. Versus Union of India &Ors[2013-TIOL-39-SC-CX])*

   The Apex court by giving reference to the case of ***M/s. Mascon Marbles Pvt. Ltd Vs. UOI and UOI Vs. SICOM Ltd.*** held that *"it is only in those cases where the buyer had purchased the entire unit i.e. the entire business itself, that he would be responsible to discharge the liability of Central Excise as well. Otherwise, the subsequent purchaser cannot be fastened with the liability relating to the dues of the Government unless there is a specific provision in the Statute, claiming "first charge for the purchaser". As far as Central Excise Act is concerned, there was no such specific provision as noticed in SICOM as well. Proviso to Section 11 is now added by way of amendment in the Act only w.e.f. 10.9.2004. Therefore, we are eschewing our discussion regarding this proviso as that is not applicable in so far as present case is concerned. Accordingly, we thus, hold that in so far as legal position is concerned, UPFC being a secured creditor had priority over the excise dues. We further hold that since the appellant had not purchased the entire unit as a business, as per the statutory framework he was not liable fordischarging the dues of the Excise Department."* It was also observed by the Apex Court that the phrase "***all these statutory liabilities arising out of the land shall be borne by purchaser in the sale deed"*** in the Sale Deed as well as in the Agreement for purchase of plant and machinery talks of statutory liabilities "arising out of the land" or statutory liabilities "arising out of the said properties" (i.e. the machinery). Thus, it is only that statutory liability which arises out of the land and building or out of plant and machinery which is to be discharged by the purchaser. Excise dues are not the statutory liabilities which arise out of the land and building or the plant and machinery. Statutory liabilities arising out of the land and building could be in the form of the property tax or other types of cess relating to property etc. Likewise, statutory liability arising out of the plant and machinery could be the sales tax etc. payable on the said machinery. As far as dues of the Central Excise are concerned, they were not related to the said plant and machinery or the land and building and thus did not arise out of those properties.

2. **Invocation of Extended Period of Limitation when the facts where in the knowledge of the department***(M/s. Anutone Acoustics Ltd. Vs. CCE.[2013-TIOL-1019-CESTAT-MUM])*

   In this case,the Appellants had applied for registration in August 2006. A query was raised by the Dy. Commissioner which was replied to by the Appellants and the factory was also visited by the departmental officers. After due understanding of the activity, the registration for central excise was granted to the appellants. Thereafter, a show cause notice was issued invoking extended period of limitation and demanding reversal of CENVAT credit for the period October 2006 to March 2009. The Tribunal while allowing the appeal of the appellant noted that as the activity of the appellant was in knowledge of the department, extended period of limitation is not invokable. Thus, the order of the lower authority was set aside and appeal allowed with consequential relief.

3. **Extension of interim stay order of the Tribunal***(Southern Boilers &Equipments Pvt Ltd Vs CCE[2013-TIOL-1066-CESTAT-Chennai)])*

   In this case the appellants had filed an application for extension of the interim order of stay by the Tribunal. In the interim order, the Tribunal had granted waiver of pre deposit but not stay of recovery. Thus, the question of extension of stay does not arise. Also, the assessee had filed an appeal against the order of the Tribunal to pre deposit Rs. 500000/- which was dismissed by the High Court as withdrawn. Once, the same was dismissed as withdrawn, the original order of the Tribunal gets revived and thus the assessee was directed to pre deposit Rs. 500000/-. Thus, the application for extension was dismissed.

4. **Application seeking more time for pre deposit on vague grounds dismissed and appeal also dismissed for noncompliance***(Tops Security Ltd Vs CCE [2013-TIOL-1093-CESTAT-MUM])*

   In this case, the appellant had made an application seeking more time to make pre deposit on the ground that they were expecting some refund from the department. The Tribunal held that these submissions of the appellant are not acceptable as appellants have already collected service tax from the customers and misused the amount without remitting them to the exchequer. In these circumstances no leniency is called for. Thus, the appeal is dismissed on grounds of non-compliance with the stay order and the application is rejected.

A. DIRECT TAXES

Compiled by **CA Debayan Patra**

patra.debayan@gmail.com

1. Repayment terms of '8% Savings (Taxable) Bonds, 2003' modified **(Notification No. F.4(10)-W&M.2003, DATED 29-7-2013)**
2. The Central Government notified the rates of interest in respect of rupee denominated bond of an Indian company **(Notification No. 56/2013 [F.NO.149/81/2013-TPL]/SO 2311(E), dated 29-7-2013)**
3. CBDT made the Income-tax (Eleventh Amendment) Rules, 2013 amending Rule 21AB & inserting Form 10F **(Notification No. 57/ 2013 [F.NO.142/16/2013-TPL]/SO 2331(E), dated 1-8-2013)**
4. CBDT made the Income-tax (Twelfth Amendment) Rules, 2013 substituting Rule 37BB & Form 15CA AND 15CB **(Notification No. 58/2013 [F.NO.149/119/2012-SO(TPL)]/SO 2363(E), dated 5-8-2013)**
5. CBDT made the Income-tax (Thirteenth Amendment) Rules, 2013 substituting Rule 12C & Form 64 **(Notification No. 59/2013 [F.NO.142/ 17/2013-TPL]/SO 2364(E), dated 5-8-2013)**
6. The Board has laid down the procedure and criteria for manual selection of returns/cases for scrutiny during the financial year 2013-2014 **(Instruction No. 10/2013 [F. NO. 225/107/2013/ITA.II], dated 5-8-2013)**

B. SERVICE TAX

Compiled by **CA Gourav Kedia**

gourav_kedia@yahoo.com

1. Clarifications regarding the Service Tax Voluntary Compliance Encouragement Scheme **(Circular No.170/5/2013-ST**).

   The Service Tax Voluntary Compliance Encouragement Scheme (VCES) came into effect from 10.5.2013. Some of the issues raised with reference to the Scheme was clarified by the Board vide circular No. 169/4/2013-ST, dated 13.5.2013. Subsequently, references have been received by the Board seeking further clarifications as regards the scope and applicability of the Scheme and the same has been discussed wide **Circular No. 170/5/2013-ST**.
2. Service Tax Return (ST-3) Online Utility for e-filing in ACES is now available for the period Oct'12- March'13

   The online version of the Service Tax return (ST-3) for the period October'12 to March'13 is now available for e-filing in ACES. The last date of filing of the ST-3 return is 31st Aug, 2013.

   The Assessee can also use offline utility for filing the service tax return, which may be downloaded from 'DOWNLOADS' section of ACES website or from the link http://acesdownload.nic.in

C. FOREIGN TRADE

Compiled by **Kushal Bhuwania**

1. Sale of waste or scrap from SEZ to DTA is permitted without an authorization - **Notification No. 28 (RE-2013)/2009-2014 dtd 24/07/ 2013**
2. Inputs actually used in manufacture of the export product should only be imported under the authorisation. This has to be established in respect of every Advance Authorisation / DFIA - **Notification No. 31 (RE-2013)/ 2009-2014 dtd 01/08/2013**
3. Certain conditions regarding export of cotton have been relaxed for The Cotton Corporation of India Ltd., a Public Sector Undertaking under Ministry of Textiles, during the current cotton season 2012-13 - **Notification No. 32 (RE-2013)/2009-14 dtd 02/08/2013**
4. Export of all varieties of onions as described above will be subject to a Minimum Export Price (MEP) of USD 650 per MT - **Notification No 35 (RE-2013)/2009-2014 dtd 14/08/2013**
5. When a DTA unit converts itself into an EOU or a unit in SEZ/EHTP/STP/ BTP, the IEC issued by the RA would continue to be valid even after such conversion - **Policy Circular No.2 (RE-2013)/2009-2014 dtd 26/07/2013**

D. RESERVE BANK OF INDIA

Complied by **CA Dipanjan Bose**

dipanjan.bose@icai.org

1. RBI/2013-14/187 A.P. (DIR Series) Circular No. 25 dt Aug 14, 2013: **Revised scheme of import of gold** by nominated banks/ agencies. Salient points:
   a. **Import of gold coins and medallions prohibited**;
   b. nominated banks / agencies and other entities to ensure that **at least 20%, of every lot of gold imported is exclusively made available for the purpose of exports** and the balance for domestic use;
   c. Next lot of import will be dependent on release of 20% for export purpose;
   d. supply of gold for domestic purpose should be to entities engaged in jewellery business/bullion traders/banks operating the Gold Deposit Scheme **against full payment upfront**;
   e. imports**not to exceed highest yearly imports in last 3 years**.
2. RBI/2013-14/186 DBOD.Dir.BC. 40 /13.03.00/2013-14 dt Aug 14, 2013: Existing **ceiling on interest rates offered by banks on NRE deposits removed** till 30-11-2013 s.t. review. Hence banks are free to decide on maximum rate of interest on NRE deposits.
3. RBI/2013-14/158 DPSS.CO.CHD.No./209/04.07.05/2013-14 dt Jul 24, 2013: **No fresh / additional Post Dated Cheques (PDC) / Equated Monthly Installment (EMI) cheques (either in old format or new CTS-2010 format) shall be accepted in locations where the facility of ECS/RECS (Debit) is available**. The existing PDCs/EMI cheques in such locations may be converted into ECS/RECS (Debit) by obtaining fresh ECS (Debit) mandates.
4. RBI/2013-14/156 RPCD.CO.Plan. BC15/04.09.01/2013-14 dt Jul 24, 2013: **Definition of disbursement for Priority Sector Lending Reporting** purposes stands as under:
   i) Cash credit/over draft account/other running accounts: **Debit summation minus interest and other charges** or **sanctioned limit**, **whichever is lower** for the particular period under consideration;
   ii) Term Loans: **Debit summation minus interest and other charges for the particular period** under consideration (monthly/ quarterly/half yearly/yearly).
5. RBI/2013-14/138 DBOD.No.Ret.BC. 31/12.01.001/2013-14 dt Jul 15, 2013: **Bank Rate stands adjusted upwardsfrom 8.25% to 10.25%.**

Members facing difficulty in registering themselves as "Tax professionals" in the e-filing portal

As the members are aware, e-filing of Tax Audit Reports has been made mandatory from the AY 2013-14 onwards vide *Notification No. 34/2013 dated 01-05-2013.* In order to e-file Tax Audit Report a Chartered Accountant requires to register himself in the e-filing portal as a "Tax professional".

The Direct Taxes Committee of ICAI has been intimated that issues are being faced by the members in registering themselves in e-filing portal due to mismatch of their Date of Birth and/or name. This mismatch may be on account of various reasons like wrong date of Birth in PAN, wrong date of Birth in ICAI records, different name in the PAN vis-a-vis ICAI records etc.

In order to successfully register in the e-filing portal, members facing such issues are required to get the Date of Birth or name corrected if the same is required, so that there is no mismatch in future. For example, if the date of birth mentioned as per educational records (noted by ICAI) is not the date of birth mentioned in PAN card, the procedure to change the Date of Birth in PAN card is required to be followed. Also, if the name mentioned in ICAI records is different than members name mentioned in PAN card due to change of name post marriage or punching error etc., the procedure for change of name in ICAI records or PAN card, as the case may be, is required to be followed.

A- In case of mis-match in name

1. The member can change his name by furnishing an Affidavit duly sworn before 1st class magistrate/notary public stating the correct name member desires to be recorded by ICAI.

B- In case of mis-match in date of birth:

1. The date of birth recorded in the ICAI, based on the educational records, will not be changed. In such cases the date of birth mentioned in PAN card needs to be rectified by the member concerned.
2. Pending rectification in the PAN card, the member can furnish the following documents to the Institute:
   (a) Self attested copy of the existing PAN card.
   (b) Self attested copy of application submitted for rectification in PAN card.
   (c) Undertaking by member to furnish the rectified copy of PAN card to the Institute on or before 15th December, 2013.
3. The documents mentioned in para (2) above are to be submitted to the concerned decentralized office of ICAI, in hard copy or soft copy (digitally signed) to :eromem@icai.in

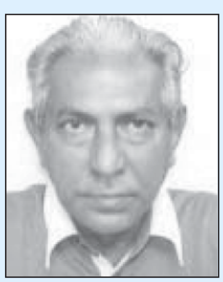
   Thereafter, the Institute will take on record the PAN of the member and in turn send it to DGIT (Systems).
4. Upon receipt of PAN of the member from the ICAI, the member will be permitted to be registered as "Tax professional" in the e-filing portal. It will take around 5 working days for a member to register himself as Tax Professional after submitting the information to the ICAI.

In case, the member, after giving declaration for filing the rectified PAN with ICAI does not provide a self attested copy of the changed PAN card by 15th December 2013, to ICAI without any reasonable cause, the same may result in unfavorable consequences for giving wrong undertaking in this regard.

PLEASE NOTE: To facilitate smooth e-filing of tax audit reports this facility is available only upto 30thSeptember, 2013.

EIRC DEEPLY MOURNS THE SAD DEMISE OF ...

CA Jyoti Kumar Mitra
Mem No – 002865
left us on
7th May, 2013



CA Prabhat Kumar Sarkar
Mem No- 054677
Left us on
5th June, 2013

CA Jay Kumar Jain
Mem No- 050526
left us on
24thJune, 2013

We pray to the Almighty 'May their soul rest in peace'

BHUBANESWAR BRANCH

All India Conference on 9th & 10th August, 2013

Lighting of the Inaugural Lamp by Dr S. C. Jamir, Hon'ble Governor of Odisha along with CA Ranjeet Kumar Agarwal, Chairman, EIRC.

Release of Souvenir: (L to R) CA Ramesh Chandra Pradhan, Chairman, Bhubaneswar Branch; CA Subodh Kumar Agrawal, President, ICAI; Sri Ansuman Das, CMD, Nalco; Dr. S. C. Jamir Hon'ble Governor, Odisha; Sri S. K. Srivastav, CCIT, Bhubaneswar; CA K. Raghu, Vice President, ICAI and CA Prashant Panda, Chairman, Organising Committee.

CUTTACK BRANCH

Seminar of E-filling of Tax audit on 3rd August, 2013

L to R : CA Sunil Surana, CA Rajesh Kumar Agarwal, Chairman Cuttack Branch, CA P. D. Rungta Secretary EIRC, CA Sunil Sahoo Member EIRC & CA Bimal Agarwalla Secretary Cuttack Branch

Flag Hosting at Branch on 15.08.2013

TINSUKIA BRANCH

Workshop on Recent Changes in Service Tax &VCES – 2013 and Indian Economy & CA Profession on 10.08.13

CA Subodh Kumar Agarwal, President ICAI addressing Seminar. L to R - CA Sushil Kumar Goyal, Past Chairman, EIRC and other eminent members.

ASANSOL BRANCH

Hoisting of the National Flag by Branch Chairman CA Debabrata Banerjee.

ROURKELA BRANCH

Seminar on E-FIlling of IT Return on 27th July'2013

L to R: CA Dillip Kumar Agarwalla, Chairman, Rourkela Br, CA R. M. Bagri, Vice Chairman, Rourkela Br & CA Subhash Chandra Saraf, Vice Chairman, EIRC

DURGAPUR BRANCH

CA Amit Kumar Ram, Chairman, Durgapur Branch hoisting the National Flag.

GUWAHATI BRANCH

CA Kaberi Bhuyan, Chairperson, Guwahati Branch hoisting the National Flag.

Seminar on Direct Taxes on 8th August, 2013

L to R: CA Sanjay Bhattacharyya, CA Vikash Kumar Jain, Member, Guwahati Br, CIT Anandee Mishra, CA Kaberi Bhuyan, Chairperson, Guwahati Branch, CA Vivek Newatia

Seminar on Project Finance on 25th July, 2013

L to R: Mr. Souren Mukhopadhyay, Sr. Vice President, Project Finance, Srei Infrastructure Ltd, CA Deepak Kalani, Indore & CA Ranjeet Kumar Agarwal, Chairman, EIRC.

Certificate Course on Concurrent Audit from 23rd June to 13th July, 2013

CA Subodh Kumar Agarwal, President, ICAI

CA Partha Sarathi De & CA Abhijit Bandyopadhyay, Council Member, ICAI.

CA Anirban Datta, Treasurer, EIRC, CA Sukamal Basu, CA Amitava Kothari, Mr Jyoti Saran, Mr PG Joshi & CA Ranjeet Kr Agarwal, Chairman, EIRC.

Certificate Course on Indirect Taxes from 22nd June to 4th August, 2013

Inaugural Session CA Anirban Datta, Treasurer, EIRC, CA Sushil Kumar Goyal, Member, Indirect Taxes Committee & CS Timir Baran Chatterjee.

Valedictory Session CA Arun Agarwal, CA Ranjeet Kr Agarwal, Chairman, EIRC, CA Sanjay Agarwal, Council Member, ICAI.

The participants of the Certificate Course along with CA Ranjeet Kr Agarwal, Chairman, EIRC & CA Sanjay Agarwal, Council Member, ICAI.

Seminar on Adversity Creates Opportunity on 2nd August, 2013

L to R: CA Anirban Datta, Treasure, EIRC, CA Amar Agarwala & CA Ranjeet Kr Agarwal, Chairman, EIRC.

Seminar on Important Aspects of efiling of Returns & Audit Report on 4th August, 2013

L to R: CA Sanjay Agarwal, Council Member, ICAI, CA Ranjeet Kr Agarwal, Chairman, EIRC & CA Pramod Dayal Rungta, Secretary, EIRC.

Seminar on Entry Tax & VAT Audit on 7th August, 2013

L to R: CA Prasun Kr Bhattacharyya, Past Chairman, EIRC, CA Ranjeet Kr Agarwal, Chairman, EIRC, CA Vikram Khaitan & CA Subhash Chandra Saraf, Vice Chairman, EIRC,.

Seminar on Rectification under CPC Regime & AMT & MAT provisions under IT Act on 13th August, 2013

L to R: Mr B. K. Mondal, CA Ranjeet Kr Agarwal, Chairman, EIRC, CA K. K. Chapparia, CA Sarvesh Chapparia & CA Anirban Datta, Treasurer, EIRC

Seminar on e Filing of Returns & Tax Audit Report on 17th August, 2013

L to R: CA Ranjeet Kr Agarwal, Chairman, EIRC, Dr. V. K. Singhania, CA Sanjay Bhattacharyya & CA Subhash Chandra Saraf, Vice Chairman, EIRC.

L to R: CA Pramod Dayal Rungta, Secretary, EIRC, CA Rajeev Khandelwal & CA Anirban Datta, Treasurer, EIRC,

Seminar in IND AS (11,16,18,23) on 19th August 2013

L to R: CA Pramod Dayal Rungta, Secretary, EIRC, CA Sanjay Agarwal, CA Nirupam Haldar, Past Chairman, EIRC, CA Pratik Niyogi & CA Ranjeet Kr Agarwal, Chairman, EIRC.

Recent Issues in NBFC & its Compliance on 20th August 2013

L to R: CA Vikas Mawandia, CA Subhash Chandra Saraf, Vice Chairman, EIRC, Mr Kishore Pariyar, DGM, RBI, CA Manoj Banthia & CA Ranjeet Kr Agarwal, Chairman, EIRC

Motivational Seminar on 22nd August, 2013

CA Anirban Datta, Treasurer, EIRC, Ms Shibani from Pranik Healing & CA Ranjeet Kr Agarwal, Chairman, EIRC

One Day Training Programme for Peer Reviewers on 24th August, 2013

L to R: CA Ranjeet Kr Agarwal, Chairman, EIRC, CA Partha Ray, CA Barun Ghosh, CA K. P. Khandelwal, Past Chairman, EIRC, CA S. Maheshwary, CA S.Chatterjee

Seminar on Companies Bill-2013 on 24th August, 2013

Lighting of the Inaugural Lamp by Adv LVV Iyer, Corporate Lawyer, Hyderabad & CA Ranjeet Kr Agarwal, Chairman, EIRC along with Regional Council Members, Study Circle Convenors & Past Chairmen of EIRC.

CA Ranjeet Kr Agarwal, Chairman, EIRC giving his welcome address. L to R: Adv. LVV Iyer, CA Ganesh Balakrishnan, Deloitte, Hyderabad & CA Vinod Kothari.

CA Subhash Chandra Saraf, Vice Chairman, EIRC

CA Pramod Dayal Rungta, Secretary, EIRC

CA Anirban Datta, Treasurer, EIRC

CA Manish Goyal, Member, EIRC

Celebration of Independence Day on 15th August, 2013

CA Ranjeet Kr Agarwal, Chairman, EIRC, hoisting the National Flag. Also seen from L to R: CA Pramod Dayal Rungta, Secretary, EIRC, CA Subhash Chandra Saraf, Vice Chairman, EIRC, CA Abhijit Bandyopadhyay, Council Member, ICAI, CA Anirban Datta, Treasurer, EIRC, CA R. N. Rustagi, Past Chairman, EIRC & other members.

Panel Discussion on **"Protection of Women against Atrocities – Let's Unite "**

L to R: CS Mamta Binani, Past Chairperson, ICSI, Ms Heena Gorsia, Ms Ruchika Gupta, Director Sanmarg, Mr Dinesh Bajpai, Ex DG Police (WB), CA O. P. Shah, Former Regional Council Member, Ms Alokananda Roy, Danseuse, Adv Narayan Jain, CA Sreemati Ghosh & CA Ranjeet Kr Agarwal, Chairman, EIRC

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