CORPORATE JOURNAL

"TO FACILITATE OVERALL PROFESSIONAL DEVELOPMENT WITH ENLIGHTENED INFORMATION"

"ALL YOUR DREAMS WILL COME TRUE, IF YOU HAVE COURAGE TO PURSUE THEM"

⇒ INSIDE

Articles / other materials and suggestions are invited from the Members for publication in forthcoming Issues. All articles submitted will be subjected to review and published only after accepted for publication.

Kindly send the articles and other relevant material for publication along with your photograph at ankursrivastavacs5985@gmail.com. We assure that we empower you with the knowledge you seek.

============================ FROM THE EDITOR ============================

CS Ankur Srivastava
Editor

Dear Professional Colleagues & Friends,

At the outset, I gratefully acknowledge the support, guidance and motivation received form all of you. We have re-started the journey of Corporate Journal once again after a gap of almost a year. With the encouragement received from all of you, we have been able to restart this endeavor, once again, with the same objective to share, update and connect the Professionals. Your valuable ideas and suggestions are priceless! Thank you for continuously sharing your views and motivating us for this unique endeavour.

I would like to congratulate all the CS Aspirants who have tasted success and has got the result of their hard and smart work. Your actual journey starts from here. As it is rightly said that “The sky gets cleared as we move on, with passion and sincerity”, those who could not make it this time move on to ensure the triumph next time.

Corporate Compliances are once again into the process of transformation. Company Law Committee has suggested more than 100 amendments in the Companies Act, 2013 to have ease of business integrated into the Companies Act. SEBI has also completely overhauled the Listing Agreement to make it Companies Act compliant and sharpen the Corporate Governance norms so as to enunciate dynamic and strengthen Governance.

It has become mandatory for every professional to keep sharpen your knowledge by constantly update yourself about the latest developments and acquaint yourself with the challenges thrown by the globalization and advancement of the Corporate World and its Governance regime. Early adaptation of the latest amendments will require transformation of the profession which will build confidence of the stakeholders.

All the Best and keep contributing towards the betterment of our profession.

Happy Reading.

CS Ankur Srivastava
Editor

================================ ARTICLE ================================

GUIDANCE CHECK LIST – LISTED COMPLIANCES

Under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Quarter I : April to June

Compliance to be done in the Months of April to June:

Sr. No.	Compliances	Time Period
1	Statement of Investor complaint This report shall also be placed before the board of directors on quarterly basis.	Within 21 days of the end of quarter
2	Compliance report on corporate governance	Within 21 days of the end of quarter
3	Shareholding Pattern for each class of securities and Statement of holding of securities	Within 21 days of the end of quarter
4	Compliance certificate to the stock exchange duly signed by compliance officer of the listed company and authorized representative of the share transfer agent	Within one month of the end of each half financial year
5	Certificate to the stock exchange from the Practicing Company Secretary certifying that all share certificates have been issued within 30 days from the date of its lodgment for transfer, sub divisions, consolidation, renewal, endorsement or exchange	Within one month of the end of each half financial year
6	Notice of Board Meeting to the Stock Exchange to consider the Annual Audited Financial Results	At least 5 clear days before the Meeting excluding the date of meeting and notice
7	Press release for Board Meeting (Eng.+Hindi)	Simultaneously i.e. as above
8	Every member of board of directors and senior management shall affirm compliance with the code of conduct.	Within 30 days from the end of financial year
9	Board Meeting to consider the Audited Financial Results for the financial year	Within 60 days form the end of Financial Year.

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		Audited financial results of last quarter along with the audited financial result of entire financial year along with a note that the figures of last quarter are the balancing figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year. As a part of the financial results for every half year a statement of assets and liabilities shall be given by way of note.
10	Disclosure of Qtr. Result to SE along with Audit Report	Within 30 minutes of Board Meeting
11	Publication of Qtr. Result (Eng.+Hindi)	Within 48 hours of Board Meeting
12	CEO/ CFO compliance certificate	To the Board of Director at the time of approval of Annual Results.
13	Audit Report	Within 60 days Along with the results and Form A/B

Quarter II : July to September

Compliance to be done in the Months of July to September:

Sr. No.	Compliances	Time Period
1	Statement of Investor complaint This report shall also be placed before the board of directors on quarterly basis.	Within 21 days of the end of quarter
2	Compliance report on corporate governance	Within 21 days of the end of quarter
3	Shareholding Pattern for each class of securities and Statement of holding of securities	Within 21 days of the end of quarter

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4	Notice of Board Meeting to the Stock Exchange to consider the Quarterly Results	At least 5 clear days before the Meeting excluding the date of meeting and notice
5	Press release for Board Meeting (Eng.+Hindi)	Simultaneously i.e. as above
6	Board Meeting to consider the Qtr. Results Audited).	Within 45 days form the end of quarter.
7	Disclosure of Qtr. Result to SE along with Audit Report	Within 30 minutes of Board Meeting
8	Publication of Qtr. Result (Eng.+Hindi)	Within 48 hours of Board Meeting
9	CEO/ CFO compliance certificate	To the Board of Director at the time of approval of Results.
10	Limited Review Report Duly approved by the Board of directors in which the financial results have been approved	Within 45 days from the end of quarter along with the results.

Quarter III: October to December

Compliance to be done in the Months of October to December:

Sr. No.	Compliances	Time Period
1	Statement of Investor complaint This report shall also be placed before the board of directors on quarterly basis.	Within 21 days of the end of quarter
2	Compliance report on corporate governance	Within 21 days of the end of quarter
3	Shareholding Pattern for each class of securities and Statement of holding of securities	Within 21 days of the end of quarter
4	Compliance certificate to the stock exchange duly signed by compliance officer of the listed company and authorized representative of the share transfer agent	Within one month of the end of each half financial year
5	Certificate to the stock exchange from the Practicing Company Secretary certifying that all share certificates have been issued within 30 days from the date of its lodgment for transfer, sub divisions, consolidation, renewal, endorsement or exchange	Within one month of the end of each half financial year

Cont…

6	Notice of Board Meeting to the Stock Exchange to consider the Quarterly Results	At least 5 clear days before the Meeting excluding the date of meeting and notice
7	Press release for Board Meeting (Eng.+Hindi)	Simultaneously i.e. as above
8	Board Meeting to consider the Qtr. Results	Within 45 days form the end of quarter. As a part of the financial results for every half year a statement of assets and liabilities shall be given by way of note.
9	Disclosure of Qtr. Result to SE along with Audit Report	Within 30 minutes of Board Meeting
10	Publication of Qtr. Result (Eng.+Hindi)	Within 48 hours of Board Meeting
11	CEO/ CFO compliance certificate	To the Board of Director at the time of approval of Results.
12	Limited Review Report Duly approved by the Board of directors in which the financial results have been approved	Within 45 days from the end of quarter along with the results

Quarter IV : January to March

Compliance to be done in the Months of January to March:

Sr. No.	Compliances	Time Period
1	Statement of Investor complaint This report shall also be placed before the board of directors on quarterly basis.	Within 21 days of the end of quarter
2	Compliance report on corporate governance	Within 21 days of the end of quarter
3	Shareholding Pattern for each class of securities and Statement of holding of securities	Within 21 days of the end of quarter
4	Notice of Board Meeting to the Stock Exchange to consider the Quarterly Results	At least 5 clear days before the Meeting excluding the date of meeting and notice
5	Press release for Board Meeting (Eng.+Hindi)	Simultaneously i.e. as above

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6	Board Meeting to consider the Qtr. Results Audited).	Within 45 days form the end of quarter.
7	Disclosure of Qtr. Result to SE along with Audit Report	Within 30 minutes of Board Meeting
8	Publication of Qtr. Result (Eng.+Hindi)	Within 48 hours of Board Meeting
9	CEO/ CFO compliance certificate	To the Board of Director at the time of approval of Results.
10	Limited Review Report Duly approved by the Board of directors in which the financial results have been approved	Within 45 days from the end of quarter along with the results

Common Obligation for Listed Entity:

1. Appointment of qualified company secretary as the compliance officer.
2. Establishment of the email id of the grievance redressal division. CS Shall monitor the same to resolve the grievances of the investors.
3. In case of any change or appointment of share transfer agent, an agreement is to be executed. The listed entity shall intimate such appointment, within 7 days of entering into such agreement.

Regular Compliances

1. Approval of all related party transactions from the audit committee.
2. Record date or book closure shall be atleast 5 workding days (excluding the date of intimation and the record date) AFTER the recommendation or declaration of dividend or cash bonuses. An advance intimation of atleast 7 days (excluding the date of intimation and record date) shall be given to the stock exchange.
3. Remote e voting facility in respect of all shareholders resolution.
4. Voting result within 48 hours of the conclusion of the general meeting.
5. Listed entity shall maintain a functional and updated website containing minimum information as specified.
6. Disclosure of events as per the policy and Schedule III

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Policies

1. The listed entity shall have a policy for preservation of documents, approved by the Board of Directors, classifying them in at least two categories as permanent or for only 8 years.
2. Policy to determine the material subsidiary company.
3. The board of directors shall lay down the code of conduct for all members of the board and senior management of the listed entity. Including the duties of the independent directors.
4. Policy to determine the materiality of related party transactions and to determine the procedure to deal with the related party transactions.
5. Criteria for granting omnibus approval by the audit committee in line with policy of Related Party Transactions.
6. Policy to determine the materiality of the event or information duly approved by the Board of Directors and uploaded on the website of the listed entity.

Committees:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee (Only for top 100 listed companies)

With Kind Regards:

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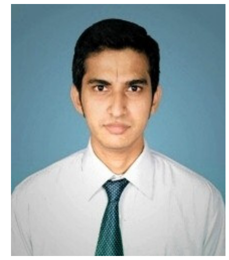
================================ ARTICLE ==================================

INTERNAL FINANCIAL CONTROL (IFC) – THRUST TOWARDS LARGER FORUM!



CMA Shriram Varadan

It is imperative that every business carries risk and such risks has to be counterfeited through effective governing, by ensuring adequate policies, procedures and measures are in place to make sure that controls are effective and sufficient. Keeping in mind the concept of globalization, conduct of business in fair and transparent manner the government laid emphasis on the concept of 'Internal Financial Control' in the recent amended Companies Act 2013.

The theme of IFC is mainly on globalisation, impetus on prevention of fraud and misstatements and cue obtained from SOX 404 which stresses on establising internal controls and procedures for financial reporting. IFC is forecasted to be seen as a major reform measure by bringing in all the chains of an organization in one group i.e not only Finance & Accounts will be responsible for getting the financial statements certified but also making other departments in the organization to participate and to ensure that the reporting, controls, procedures of their process/activities are in place and are effective and adequate as ultimately it will have an impact in the financial statements

→**DEFNITIONs**←

134(5)(e): "*Every director of the company to state that they had laid down IFC to be followed by the Company and that such IFC are adequate and were operating effectively*"**.**

134(5)(f): It requires the **Director's responsibility statement** to state that *they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.*

Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 requires the Board of Directors' report *of all companies to state the details in respect of adequacy of internal financial controls with reference to the financial statements*

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<u>Diagrammatic flow on applicability:</u>

APPLICABILITY

REQUIREMENTS	PUBLIC LISTED	PUBLIC UN-LISTED: PAID-UP SHARE CAPITAL>= INR 10 CR	PUBLIC UN-LISTED: TURNOVER >= INR 100 CR	PUBLIC UN-LISTED: LOANS, BORROWING IN AGGREGATE >= INR 50 CR	ALL OTHER COMPANIES
1 DIRECTOR'S RESPONSIBILITY STATEMENT (134) — IFC	✓				
2 AUDITOR REPORT (143) — ICFR	✓	✓	✓	✓	✓
3 AUDIT COMMITTEE (177) — IFC or ICFR	✓	✓	✓	✓	
4 INDEPENDENT DIRECTORS (SCHEDULE IV) — IFC	✓	✓	✓	✓	
5 RULE 8(5)(VIII) OF THE COMPANIES (ACCOUNTS) RULES, 2014 — ICFR		✓	✓	✓	✓

The above definition from the amended companies act 2013, clearly setting standards for top management to ensure that their business conduct is efficient and effective in all aspects . This sets the tone for external auditors to ensure that IFC is in confirmity with the accepted business practices before certiying the financial statements.

<u>HOW CAN WE ACHIEVE IT</u>

A simple approach can ensure compliance with IFC, lets analyse the same

<u>Process I – Maintain an SOP</u>

Maintaining an **SOP** (Standard Operating Procedure) for all the process in the organization. If not one has to create and maintain an SOP for the activities carried out. This SOP will enable to measure the competency of the process on how effective the activities of the business are carried out and the controls laid therein. Each department has to maintain SOP for all their activities. Some department like Quality engineering etc, may find it not feasible to maintain SOP instead their own work manual (Quality manual) can be taken into consideration as long as it is updated.

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<u>Process II – Adopt an Questionnaire</u>

- Lots of standard sets of Internal Control audit Questionnaires are available. Try to figure out the best applicable according to the operations of your organization. A sample format of questionnaire with select requirements:

	MAPPING - FINANCIAL STATEMENTS TO OBSERVATIONS				APPLICABILITY	RISK ASSESSMENT				
S NO	FINANCIALS P&L	FINANCIALS BALANCE SHEET	PROCESS/ DEPARTMENT	AREAS OF OBSERVATION	YES / NO	LOW	MEDIUM	HIGH	REMARKS	COMPENSATING CONTROLS

- **<u>Process/Department</u>** → Sort the questionnaire department wise & if possible classify the sub process (Eg: Accounts Payables > a) Supplier bills b) Travel bills etc)
- **<u>Risk assessment</u>** → Classify risk based on the observation/process
- **<u>Areas of observation</u>** → Key to questionnaire is the observation. Effective the observation more the crux in defining IFC. Create the questions for your process as efficiently as possible such that the end user has to fill the Yes/No on its applicability and fill the Remarks column on the process (**SOP**) being followed for the question and controls if any he has in place to be mentioned if applicable. Let's see an example:

  <u>Process/Department</u>: Purchase

  <u>Observation</u>: **Are quotes for purchases are sent to atleast three suppliers and the basis for considering supplier as potential source?**

  <u>Risk</u>: **Medium**

  <u>Remarks</u>: **Supplier Evaluation process**

  <u>Compensating controls</u>: **Selection based on tolerance levels**

  Pl note that on evaluating the remarks and compensating controls it shows how effective your control is in place and how adequate it is considering the size of your operations. On evaluation, it will make us to identify weakness and will act as a tool to strengthen the process
- **<u>Mapping</u>** → This is mainly to facilitate external auditors to ensure that all items in balance sheet, profit & loss accounts are covered. Map the observations to financials like Eg: Flight Expenses → Travel Expenditure (P&L) → Accounts Payable (Balance sheet)

  The above simple approach will give you some idea on how IFC will work.

- Give a quick walkthrough on the questions and its relevance. Delete the non-applicable ones and make additions to the questionnaire if you think it misses some processes.
- Validate and send it across all the departments and get it filled duly by the end-user

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Test Check

Once the above exercise is completed, one has to ensure the authenticity of the details filled. The best mechanism of validating the data is to test verify the same through tailor made approaches.

- Select the process on sample basis
- Define the scope, collate and reviewing the process
- Map the risks and control
- Evaluate the process for risk assessment, and identifying the control gaps
- Frame an outcome / conclusion based on your test results

Now select that particular process taken for test verification in the questionnaire and check for the remarks and compensating controls mentioned by the end user and compare the same with your test results. By this time you would be in a position to observe whether the process is heading in right direction or any inconsistencies exists. This test check had to be carried out on sample basis for all the process/ activities. By measuring each and every process/activities one will be in a position to evaluate how effective and adequate controls are in place.

Conclusion:

Adopting a questionnaire and evaluating it with your SOP is one of the simplest method in ensuring compliance with IFC guidelines. Since each and every activity in the organization activity has a financial impact, measuring each process and ensuring its effectiveness control mechanism will have favorable impact in qualifying financial statements positively. The entire process has to be carried out either by Finance department with assistance of in-house audit department/external audit firms since the onus of getting financials signed lies with Finance & Accounts. Apart from which, the process can also be used by external auditors in suggesting their clients on how to approach in complying with IFC or how to do an IFC audit.

Thanks and Regards:

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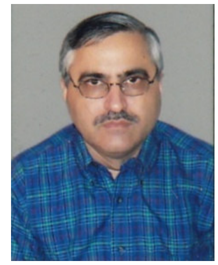
======================== FOREX HEDGING GUIDE========================



CMA D.S. Kapoor

Hello Dear Friends,

Greetings of the Day..!

It is my pleasure to share with you all, my weekly USD/INR hedging guide aimed at providing guidance to Importers and Exporters to hedge their forex exposure.

Last week, we were of the view that Rupee may remain in appreciation mode for next few days with the first support coming around 67.48. Further, it was also indicated that for next round of rupee depreciation to start, currency needs to be closed above 68.25.

During last week, Open / High / Low / Close have been **67.8699 / 68.4857 / 67.7700 / 68.1082** (earlier week's closing **67.7998**). After opening at 67.8699 on 8th, the currency remained range bound within 67.77 – 68.21 for first three days and then suddenly jumped to 68.4857, however after profit booking, it finally closed at 68.1082, higher than earlier week’s close. Thus, after moving above 68.25, Rupee depreciated as expected, however could not close above 68.25 once again.

Now, the present status: The moving averages position is presently as under**:**

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21DMA	67.87	**3 WMA**	67.92	**3 MMA**	67.39	**3 QMA**	66.60
30DMA	67.55	**5 WMA**	67.81	**5 MMA**	66.80	**5 QMA**	65.13
50DMA	67.11	**21WMA**	66.40	**21MMA**	63.63	**21QMA**	57.82
200DMA	65.42	**30WMA**	66.08	**30MMA**	62.95	**30QMA**	54.52

- Currency has closed above all the above-mentioned moving averages. It is also running above 65DMA (66.93) / 120DMA (66.36). 21DMA is running above 30DMA since last four weeks. 3WMA is running above 5WMA since last five weeks (after 3 weeks of downtrend). 3MMA is running above 5MMA. Currency is running above 8WMA (67.26) / 10WMA (67.15) / 13WMA (67.00); these averages are running in positive phase since last ten weeks. The above all is indicating towards consolidation process to continue in short to medium term.
- 21WMA is running above 30WMA; difference between the two is coming down since last five weeks and presently is at 0.32 (last week 0.37); this is a cause for concern, however till 21WMA runs above 30WMA, Dollar may be expected to remain bullish or bounce back from lower levels.
- Current difference between 50DMA and 200DMA has gone up to 1.69 (last week 1.65; end Jan'15 1.47). The difference is moving up and points towards rupee depreciation in medium term.
- The currency has been taking support at 8QMA (presently at 63.83) continuously since start 2012. Besides, 8QMA is running above 10QMA (63.24) / 13QMA (62.22). Long term trend reversal would only be there, once currency decisively moves below 8QMA. Further, in case 8QMA goes below 10QMA, it would also be an indication of medium term Rupee appreciation.
- MACD – the status is as under:

Daily Chart – is running above zero line, **but is below its average**;

Weekly Chart – is running above zero line, and is above its average;

Monthly Chart – is above zero line and is above its average (was running below its average since March'14 to 14th Aug'15);

Quarterly Chart – running above zero line and above its average as well.

Signal indicates consolidation with strengthening bias in Rupee to continue.

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- **<u>Crossover Signal</u> –** the status is as under:

  Daily Chart – running positive since 6th Jan'16 (**but is showing exhaustion**), and is above zero line;

  Weekly Chart – running positive since 6th Nov'15, and is above zero line;

  Monthly Chart - has been running positive since Aug'11.

  Signal indicates range bound movements with possibility of appreciation in Rupee in short term, however depreciation in medium term.

- **<u>RSI</u> –** the status is as under:

  Daily Chart - moved up to 58.55 (last week 57.70), but is below its average;

  Weekly Chart - moved up to 67.87 (last week 66.00), and is above its average;

  Monthly Chart – moved up to 71.60 (last week 70.64), and is above its average;

  Quarterly Chart - moved up to 75.10 (last week 74.77), and is above its average.

  Signal indicates appreciation in Rupee in short term and depreciation in medium term.

- **<u>Stochastic Oscillator</u> -** It is in upward mode in quarterly chart indicating bullish dollar / weaker Rupee in long term. **In monthly chart, however, exhaustion patterns are getting visible.**

- **<u>Dollar Index</u> –** It remained within 97.5000 – 95.2800 range and finally closed at 95.9820 (last week 97.0540)**.** The status is as under:

  Monthly crossover signal remains in up mode (above zero line since Feb'15); Daily Crossover signal running negative since 27th Jan'16, but is above zero line;

  Weekly Crossover signal running negative since week ending 5th Feb'16, but is above zero line;

  Daily RSI has moved down to 34.30 (last week 37.88), and is below its average;

  Weekly RSI has moved down to 43.42 (last week 47.38) and is below its average;

  Monthly RSI has moved down to 58.50 (last week 61.14) and is below its average;

  Daily MACD is running below zero line, and is below its average;

  Weekly MACD is above zero line, but is running below its average;

  3WMA (97.56) is running below 5WMA (98.27) since last two weeks (after five weeks of uptrend).

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We are of the view that index is likely to consolidate around current levels, which may be followed by a technical bounce towards 96.91 (200DMA) / 97.46 (120DMA). However, till index remains below 120DMA, medium term trend will continue to remain negative. The likely medium term targets should be around 93.85.

- The major resistances are likely to come around 68.50 / 68.80 / 69.50 / 70.00.
- The major supports are likely to come around 67.50 / 67.10 / 66.80.

Going forward, the following summarized facts may be observed:

a) 21WMA is running above 30WMA, however the difference between the two is continuously coming down since last five weeks;

b) 21DMA (67.87) is running above 30DMA (67.55);

c) 3WMA (67.92) is running above 5WMA (67.81) since last five weeks, 3WMA is to be watched cautiously;

d) Dollar Index is running negative;

e) 3WMA (67.92) / 30DMA (67.55) / 10WMA (67.15) / 65DMA (66.93) are likely to act as major supports;

f) Dow Jones Index (DJAI) is in correcting mode having negative impact on world stock markets and thus effecting currencies as well.

It may be observed that, though the currency went above the crucial level of 68.25 on 11th, but could not remain there and came down below 68.25 next day only; thus the range has now become 68.50 – 67.50. Accordingly we are of the view that for Rupee depreciation to gather momentum, currency would need to decisively move above 68.50; on the contrary, in case currency moves below 67.50, it would indicate Rupee appreciation starting for medium term. The targets above 68.50 would be around 68.80 / 69.50 / 70.00 and below 67.50 would be 67.10 / 66.80 / 66.40. Please remember that the currency in all fairness should be in its last leg, and hence volatile movements on both the sides may be likely.

This may be kept in mind that 68.60 is the top end of current upward sloping channel; 68.80 is all time high; and, around 21 months of Rupee depreciation has completed, hence great caution is required now all the times. It may be further added that difference between 21WMA and 30WMA is continuously coming down since last five weeks after a long time and should be cautiously watched.

Importers should wait for currency moving below 67.80 and then hedge short & medium term payables (up to March). Long term payables beyond March may be left or be covered with the help of call options.

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========================= FOREX HEDGING GUIDE=========================

Exporters should hedge short & medium term receivables at current levels i.e. 68.10 – 68.20 and on any uptick towards 68.30. Hedged position may be maintained at 65% - 70%.

Major Resistances : 68.50 / 68.80 / 69.50 / 70.00

Major Supports : 67.50 / 67.10 / 66.80

Note: All the above rates are from Meta Stock

Regards,

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Cost Accountant
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Mobile: 9628411116

================================= UPDATES =================================

Ministry of Corporate Affairs
Government of India

CIRCULARS/ NOTIFICATIONS ISSUED DURING THE PERIOD

Ref No.	Date	Description
General Circular 01/2016	12.01.2016	Whether Hindu Undivided Family(HUF)/ its Karta can become partner (DP) in Limited Liability Partnership (LLP).
S.O.125(E)	13.01.2016	Commencement of sub-sections (5), (6) and (7) of section 125 of CA 2013.
General Circular 02/2016	15.01.2016	Frequently Asked Questions (FAQs) with regard to Corporate Social Responsibility under section 135 of the Companies Act, 2013.
G.S.R.	16.02.2015	The Companies (Indian Accounting Standards) Rules, 2015.
S.O. 218(E)	22.01.2016	Notification under section 396 of Companies Act, 2013 dated: 22.01.2016 .

FAQs ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS ON CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION

The implementation of the Corporate Social Responsibility is so complex and there is various doubts relating to applicability, taxation impact, etc. that number of queries and requests for clarification for the same has been sought by the stakeholders. Ministry of Corporate Affairs has with the purpose to clarify the complex points of the Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with Schedule VII and Companeis (Corparate Social Responsibility) Rules, 2014 along with all statutory modifications thereof for the time being inforce, issued FAQ to create awareness, to remove the doubts in the minds of the stakeholders and to facilitate the effective implementation of the CSR. The highlights of the FAQ are summarized below :

- The provisions of CSR is applicable on every company including private and Section 8 Company having:

  a. Net worth of 500 crore or more; or

  b. Turnover of Rs. 1000 Crore or more; or

  c. Net profit of Rs. 5 crore or more.

  During any financial year during any of three preceding financial years.

- It is clarified that the expenditure of CSR cannot be claimed as Business expenditure thus cannot be claimed as expenditure : No Taxation benefit

  However, there are certain activities are available which are covered under schedule VII and like Prime Minister's Relief fund, Scientific research etc. which already enjoy exemption under different sections of the Income Tax.

- Following activities would not quantify as CSR:

  a. Activities for the benefit of employees or their families;

  b. Off one event such as Marathon/award/ charitable contribution/advertisement/ sponsorship of TV programmes etc.;

  c. Expenses incurred by the company for the fulfillment of any statute / Act (Labour Law, Land Acquisition Act, Apprentice Act, etc.);

  d. Contribution to any political party;

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e. Activities undertaken in pursuance to normal course of business;

f. Project or programme or Activities undertaken outside India;

- Holding or Subsidiary does not have to comply with Section 135 unless the Holding / Subsidiary itself fulfills the Criteria.
- Any contribution towards disaster relief would specifically quantify under any of the specific activity like:

    a. medical aid can be covered under 'promoting health care including preventive health care;

    b. food supply can be covered under eradicating hunger, poverty and malnutrition.

    c. supply of clean water can be covered under 'sanitation and making available safe drinking water'.

- Any contribution in Kind is not covered in CSR, the Company has to mandatorily spend the amount;
- Any excess amount spent cannot be carried forward and adjusted in the subsequent years;
- In case of any short expenditure, the Board of Directors are free to decide whether the unspend amount is to be carried forward to subsequent years or not. However, the carried forward amount should be over and above the next year's allocation of CSR;
- The Government is moving towards more Governance and less Government. It is aimed to device an environment enabling the corporates to conduct themselves in a socially responsible manner. The existing provisions like mandatory disclosure, accountability of the CSR Committee, provisions of Audit provide sufficient safeguard in this regard. Government has no role to play in monitoring implementation of CSR by the Companies.
- The objective of the CSR provisions are to involve innovative ideas and management skills of the corporates in their social responsibility. Therefore, CSR should not be interpreted as source of financing the resource gap in Government Schemes. In principal, CSR funds of the Company should not be used as a source of funding Government Schemes. However, the Board of Directors are competent to take decision on supplementing any Government Scheme provided the scheme permits corporate participation under section 135 of the Act and Rules thereunder.

National Productivity Council celebrated National Productivity Week all over India this year the theme was "Ease of Doing Business for higher productivity and sustainable growth." Here in Kanpur a Press Conference in association with Merchant Chambers of UP was also organized on 12th February, 2016 with the view to create awareness over various schemes being run by the NPC for the SMEs I was also present there as the Ex-Chairman Kanpur Chapter of NIRC of ICSI to address the press.

उत्पादकता परिषद के सेमिनार में निकले चौंकाने वाले तथ्य

एक-दूसरे पर भरोसा नहीं करते हैं शहर के उद्यमी

समस्या

कानपुर | प्रमुख संवाददाता

छोटे उद्योगों का विकास तभी होगा, जब वह संगठित होंगे। कारोबारी भाषा में इसे क्लस्टर कह सकते हैं। छोटे-छोटे क्लस्टर के जरिए छोटे उद्योगों की उत्पादकता बढ़ाई जाती है। कंसलटेंट की नियुक्ति कर उनकी क्षमताओं में बढ़ोतरी की जाती है। इसमें आने वाला 80 प्रतिशत खर्च केंद्र सरकार देती है, इसके बावजूद शहर के उद्यमी इसका लाभ नहीं ले रहे हैं। इसकी वजह है एक-दूसरे के प्रति भरोसे में कमी और सरकारी योजनाओं के लाभ पर अविश्वास। यह जानकारी राष्ट्रीय उत्पादकता परिषद कानपुर के क्षेत्रीय निदेशक रामेश्वर दुबे ने दी।

शुक्रवार को मर्चेन्ट चैम्बर सभागार में ईज ऑफ डूइंग बिजनेस पर राष्ट्रीय उत्पादकता परिषद (एनपीसी) ने जानकारी दी। परिषद के क्षेत्रीय निदेशक रामेश्वर दुबे ने बताया कि उच्च उत्पादकता और निरंतर विकास के लिए कामकाज के तरीकों में बदलाव बेहद जरूरी है। उन्होंने कहा कि स्टार्ट अप के साथ रनिंग अप बिजनेस को तेजी से आगे बढ़ाने में एनपीसी बेहद कारगर है। इसी का असर है कि इलाहाबाद में ट्रांसफॉर्मर क्लस्टर, आगरा में फाउंड्री क्लस्टर, गोंडा में लकड़ी के फर्नीचर का क्लस्टर और लखनऊ में ऑटो कंपोनेंट क्लस्टर अस्तित्व में आए। कानपुर में क्लस्टर बसाने में दिक्कतें आ रही हैं। एनपीसी ने देशभर में सौ क्लस्टर स्थापित किए हैं। वर्ष 2013 में प्लास्टिक मैन्यूफैक्चरिंग क्लस्टर में एनपीसी ने आठ यूनिटों को लाभ दिलाया था। तबसे अभी तक उद्यमी रुचि नहीं ले रहे हैं। इसका मुख्य कारण आपस में भरोसे में कमी, धैर्य की कमी और सरकारी योजनाओं में विश्वास की कमी है। मात्र 8-10 यूनिटें एक साथ एक प्लेटफॉर्म पर आने को तैयार नहीं हो रही हैं। जबतक न्यूनतम संख्या पूरी नहीं होगी, एनपीसी का लाभ नहीं मिलेगा। अगले चरण में पूरे देश में 350 नए क्लस्टर बसाने की जिम्मेदारी एनपीसी को दी गई है। मर्चेन्ट चैम्बर के चेयरमैन डॉ. आईएम रोहतगी ने भी विचार रखे।

मर्चेन्ट चैम्बर सभागार में ईज ऑफ डूइंग बिजनेस सेमिनार में विशेषज्ञों ने रखे विचार।

यूं मिलता है इकाई को फायदा

एनपीसी के डिप्टी डायरेक्टर राजीव गुप्ता ने बताया कि किसी छोटी इकाई को ग्लोबल चुनौतियों से प्रतिस्पर्धा के लिए तीन तरह से तैयार किया जाता है। लीन मैन्यूफैक्चरिंग पर्यावरण संबंधी प्लान और ऊर्जा संरक्षण। इन पर बर्बादी रोकने के लिए बकायदा कंसलटेंट की नियुक्ति की जाती है। उसकी फीस का 80 प्रतिशत केंद्र सरकार देती है। 20 प्रतिशत उद्यमियों को देना होता है जो लगभग 40 हजार रुपए बैठते हैं। उनकी सेवाओं को लागू करने के बाद इंडस्ट्री के कामकाज की शैली बदल जाती है। उत्पादकता व मुनाफे में 15 से 20 प्रतिशत तक वृद्धि होती है।

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रूबरू उद्यमिता के लिए प्रेरित करने को चलाएंगे जागरूकता अभियान

समझाया, शहर के उद्यमी क्यों हैं पीछे

अमर उजाला ब्यूरो

कानपुर। लीन मैन्यूफैक्चरिंग का इस्तेमाल करने में शहर के उद्यमी पीछे हैं, जबकि शहर एमएसएमई का गढ़ है। जापान, चीन, ताईवान, सिंगापुर, अमेरिका जैसे देश इसका उपयोग करके गुणवत्ता युक्त प्रतिस्पर्धी और सस्ते उत्पाद बना रहे हैं। मर्चेंट चेंबर में शुक्रवार को हुई प्रेसवार्ता में यह जानकारी राष्ट्रीय उत्पादकता परिषद के निदेशक रामेश्वर दुबे ने दी।

उन्होंने बताया कि उद्योगों में लीन मैन्यूफैक्चरिंग को बढ़ावा देने के साथ ही साथ इंजीनियरिंग व अन्य कॉलेजों के छात्रों को उद्यमिता के लिए प्रेरित करने के लिए जागरूकता अभियान चलाया जाएगा। उन्होंने बताया कि लीन मैन्यूफैक्चरिंग स्कीम को केंद्र सरकार ने पायलट प्रोजेक्ट के तौर पर 2009 से 2013 तक चलाया था। अब इसे 2017 तक बढ़ा दिया गया है।

इसके तहत 350 क्लस्टर बनाए जाने हैं। एक क्लस्टर बनाने के लिए भारत सरकार 36 लाख रुपये कंसल्टेंसी शुल्क देती है। उन्होंने बताया कि काउंसिल 18 फरवरी तक राष्ट्रीय उत्पादकता सप्ताह मनाएगा।

15 और 16 फरवरी को एलेन हाउस में निबंध प्रतियोगिता, 16 को पद्मपत सिंहानिया इंस्टीट्यूट में वाद-विवाद, 17 को एचबीटीआई में व्याख्यान होगा। इस मौके पर मर्चेंट चेंबर के अध्यक्ष डॉ. इंद्रमोहन रोहतगी, एके सिन्हा, राजेश कुमार, सीए अंकुर श्रीवास्तव, राजेश कुमार आदि मौजूद रहे।

कारोबार जगत

प्रेसवार्ता में जानकारी देते राष्ट्रीय उत्पादकता परिषद के निदेशक रामेश्वर दुबे।

जापान, चीन, ताइवान, सिंगापुर इसका इस्तेमाल करके बना रहे सस्ते उत्पाद

राष्ट्रीय उत्पादकता परिषद के निदेशक ने जताई चिंता

क्या है लीन मैन्यूफैक्चरिंग

लीन मैन्यूफैक्चरिंग एक तरह से कंसल्टेंसी है। यदि आप इसकी सेवा लेना चाहते हैं तो इसके लिए सर्वोदय नगर स्थित कबीर भवन में एमएसएमई के कार्यालय में आवेदन करना होगा। इसके बाद विभाग की ओर से छह से 10 लोगों का क्लस्टर बनेगा। इसमें आने वाले खर्च का 20 प्रतिशत उद्यमी को देना होगा, बाकी केंद्र सरकार वहन करेगी। यह पैनल आपकी इकाई में जाकर कम खर्च पर अच्छे उत्पाद बनाने की संभावना तलाशेगी। प्रशिक्षण के साथ ही सलाह भी देगी।

Make in India, ease of doing business are much wider concepts introduced by our PM Modi ji which has raised a question how it will actually going to happen.

As we all know that w.e.f. 1.4.2014 new Companies Act, 2013 was made effective. This act was made under the pressure of Satyam and Sahar scams so all efforts have been made to trap the possibilities of the money laundering and accordingly the provisions were so drafted that have restricted even the genuine activities and transactions of the promoters. Thus ease of doing business was affected. Sections 185, 186, 188 and the provisions of section 73 to 76 under chapter V of the companies act, 2013 are the example which has completely overhaul the working of the Corporates. The provisions of raising funds have been made so cumbersome that even genuine and small raising of funds have to undergo through a detailed procedure.

However, after the change of government and launch of Make in India drive of our PM the scenario was changed and the demand to change the provisions to include the ease of doing business in the provisions of the Companies Act, 2013 was started. With this concept a Committee under the chairmanship of Shri Tapan Ray, Secretary, Ministry of Corparate Affairs was formed in June, 2015 which has submitted its report on this 1st February, 2016 to the Ministry of Corporate Affairs.

Accordingly, 78 sections are proposed to be amended to provide the ease of doing business. This will affect more than 100 amendments to the Companies Act, 2013. The procedures will be relaxed and flexibility will be allowed so that the business may be done smoothly and promoters may concentrate on increasing the productivity and sustainable growth.

The concept of introducing the provisions of CSR is based on sustainable growth. Its concept was not to put up any taxation burden to the corporates but to use its innovative ideas and managements skills in the development of the region as sustainable growth can only be achieved with the development of the society.

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With this idea Ministry of Corporate Affairs has also joined its hand with the Make in India drive of the PM and make in india week is being celebrated from 13 to 18^{th} February in the Maharashtra wherein incorporation and other allied services are being provided free of cost.

This will also promote and aid the higher productivity and sustainable growth and thus leads towards Make in India.

National Productivity Council definitely offers very good and attractive schemes in order to promote SMEs but the need is to create awareness. We also congratulate National Productivity Council for its endeavor of National Productivity week which will not only create awareness but promote the SMEs to achieve higher productivity and sustainable growth.

================================ UPDATES ================================

MAKE IN INDIA WEEK
13^{TH} to 18^{TH} FEBRUARY 2O16
MUMBAI

Showcasing the potential of design, innovation and sustainability across India's manufacturing sectors in the coming decade. A week that will spark a renewed sense of pride in India's manufacturing – and take corporate and public participation to the next level.

The Government of India in association with the Ministry of Corporate Affairs organized Make in India week from 13^{th} to 18^{th} February, 2016. Although, there was a mishap in the event but the week-long Make in India event has secured investment commitments worth ₹ 15.2 lakh crore, with host state Maharashtra alone accounting for ₹ 8 lakh crore. Besides, it received investment enquiries worth ₹ 1.5 lakh crore.

"The multi-sectoral Make in India Week has been a great success. We've managed to get investment commitments to the tune of over ₹ 15.2 lakh crore from the event," DIPP Secretary Amitabh Kant told reporters at the closing press meet at the MMRDA Grounds at BKC in Central Mumbai.

Prime Minister Narendra Modi had on February 13 inaugurated the maiden Make in India Week at the MMRDA Grounds at BKC in Central Mumbai.

Over 2,500 international and 8,000 domestic companies are claimed to have participated in the week-long multi- sectoral industrial event, apart foreign government delegations from 68 countries and business teams from 72 nations.

The opening ceremony was also attended by Prime Ministers of Sweden, Finland and Deputy Premier of Poland, besides other foreign ministers.

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