Price: Rs. 5
Vol. XXXX, No. 6
July, 2011

NIRC NEWSLETTER

NEWSLETTER OF NORTHERN INDIA REGIONAL COUNCIL OF THE ICAI

There are no great limits to growth because there are no limits of human intelligence, imagination, and wonder.

- Ronald Reagan

NIRC 60+ and Growing...

NORTHERN INDIA REGIONAL COUNCIL of
The Institute of Chartered Accountants of India
"ICAI Bhawan", 5th Floor, Annexe Building,
Indraprastha Marg, New Delhi-110002

Printed and Published by CA. Amit Threja,
Deputy Secretary, on behalf of the
Northern India Regional Council of
The Institute of Chartered Accountants of India
"ICAI Bhawan", Indraprastha Marg, New Delhi-2
Phones : 30100500, 30100503
Fax : 30100509 and
Printed at Tara Art Printers Pvt. Ltd., Noida

From the Desk of the Chairman...

Dear Professional Echelons,

I would like to convey my thoughts to entire CA fraternity with the following quote "Build this day on a **foundation** of pleasant thoughts. Never fret at any imperfections that you fear may impede your progress. Remind yourself, as often as necessary, that you are a creature of God and have the power to achieve any dream by lifting up your thoughts. You can fly when you decide that you can. Never consider yourself defeated again. Let the vision in your heart be in your life's blueprint. Rejoice!" Chartered Accountants Day was time of great ceremony, pageantry and belongingness of members and students towards our glorious profession. I hope you must have enjoyed the events organized on the occasion of CA Day by your NIRC. The memories of sizzling celebration participated enthusiastically by all of us revolves afresh in my mind.

CA Day Celebration

Function at Vigyan Bhawan

Innagural Programme of CA Day was organized by your ICAI at Vigyan Bhawan in the evening of 1st July, 2011. The function was graced by auspicious presence of Hon'ble CA. Rameshwar Takur, the Governor of Madhya Pradesh, K. Rahman Khan, Deputy Chairman, Rajya Sabha, Shri R.P.N. Singh, Hon'ble Minister of State for Corporate Affairs, Shri N.K. Singh, Hon'ble Secretary, Ministry of Corporate Affairs. The function witnessed overwhelmed response from members and students leading the hall of Vigyan Bhawan as jam packed. The programme was followed by a discussion on the issue of Limited Liability Partnership and discussion on Revised Schedule-VI. The speakers were non other than our Hon'ble Past President CA. Kamlesh J. Viksemy and CA. Dolphi D'Souja.

Blood Donation at Vishwas Nagar

"The measure of life is not its duration, but its donation". We as Chartered Accountants have a huge responsibility over society. Being the wakeful citizens and professionals a Blood Donation Camp was organised at ICAI Bhawan, Vishwas Nagar on 30th June, 2011. An example of humanitarian philanthropy was set by members and students as they turned in plenty, stood for hours in que to donate blood and start the CA DAY Ceremonies. Our Vibrant Hon'ble President CA. G. Ramaswamy graced the occasion and inaugurated the Blood Donation Camp which was organized in association with Rotary Club. We express our sense of gratitude towards all who came forward for this noble cause.

Health Checkup Camp at IMA

There are Chartered Accountants and then there are Healthy Chartered Accountants. The kind of stress and sedentary lifestyle inherent to our profession makes the latter a myth. It is our Endeavour at NIRC to promote health awareness in our profession. Another initiative named Health Checkup Camp was organized at Indian Medical Association (IMA) by NIRC on 30th June, 2011 jointly with the Medanta, the Medacity, Gurgaon & Mahavira International Trust. The Medanta brought a team of almost 50 persons which include General Physician, Cardiologist, Urologist along with Nurses and Assistants. Their Camp include the facility for checkup of Blood Pressure, Sugar, ENT, Vision, ECO & ECG. They also organized separately Urology. Around 275 members went for checkup of ENT and around 180 went for Heart checkup. The Camp was followed by a talk on 'Overall well being in present stressful environment' by Senior Doctor from Medanta. The member took keen interest in the lecture and various quires regarding Modern Style of Living in present hectic environment was raised by various members. The experienced doctors offered various useful tips on the Modern Living.

Visionary Leadership Seminar and Cultural Programme

Students and members primed up by the reveting deliberation of management guru Prof. Arindam Choudhary and they absorbed the traits of leadership during the prospective professional life ahead and to live it with vision in a classic environment to develop a well rounded personality. Tone Of entertainment was set by enthralling Concert of INDIAN OCEAN, the most renowned band of the country, in which members and students had fun and enjoyed every beat of drum and chant of guitar making the environment lively with songs and music. Siri Fort Auditorium where the concert was well attended by the members and their families & students really rocked to tune and Students engrossed in the music overstepped to dancing in the Auditorium. The ceremony of the concert was graced by Hon'ble President & Vice-President of ICAI.

Flag Hosting Ceremony

Our Foundation Day Started with unfurling of our ICAI flag on CA Day i.e. 1st July, 2011, it was hosted at ICAI Bhawan at ITO in the gracious presence of Hon'ble Ms. Rajni Abbi, Mayor of Delhi along with Hon'ble President & Vice-President of ICAI. The Mayor while addressing the distinguished gathering announced that the road between ITO and ICAI be named after Accounting Legend, Prof. T.S. Grewal.

Me as 60th Chairman of your NIRC had the privilege to host the flag at ICAI Bhawan, Vishwas Nagar. The ceremony was attended by the distinguished gathering.

Chairman

Tribute to Accounting Legend Late Prof. T.S. Grewal

NIRC congratulate its members as the road between Institute building and CR building was named as 'Prof. T.S. Grewal Marg'. A function was held to celebrate the same on 6th July, 2011. The Hon'ble Mayor of Delhi Ms. Rajni Abbi graced along with Hon'ble President CA. G. Ramaswamy the road naming ceremony. It was a moment of emotion for the family of Prof. T.S. Grewal and at the same time a matter of pride for members,

This being the month of July the members are busy with preparing and filing the personal returns of salaried persons.

Students

Enthralling elocution and quiz contest was held for Delhi level and at different branches of region. Quiz with questions on professional, economic and current topics were meticulously anchored by CA. S L Deepak and organized well by NICASA Chairman CA. Pramod Maheswari and his team. Dicible participation on elocution deliberating on emerging and contemporary topics made it successful.

The Board of studies for the benefit of the students of various streams issued an announcement on 23rd June, 2011 wherein the initial period of registration for Common Proficiency Course (CPC) is made for three years. After the period of three years re-validation can be done for a nominee fee. Student who have registered for CPT Examination before 30th November, 2008 and those who have not yet qualified/taken the exam must re-validate before taking the December, 2011 CPT Examination. Similarly the student the initial period of registration for Professional Competence Course (PCC)/Integrated Professional Competence Course (IPCC) is made for four years. Similarly the student the initial period of registration for Final is made for five years.

The Board of Studies in order to give benefit to students who are registering themselves for Professional Competence Course (PCC)/Integrated Professional Competence Course (IPCC) can registered upto 16th August, 2011 in case of 31st July, 2011 for May, 2012 exam. The downloaded CPT Examination Mark sheet will accept for such registration.

The Institute has undertaken an initiative to provide/ enhance IT enabled services for our Members and Students under Project Parivartan, a test version - 'Beta' of the new ICAI website has been released. The main objective of this Beta release is to share the new perspective on how we perceive to capture your thoughts and transform the ICAI Web Portal into a truly members and students friendly one. The link to the Beta (test) website is http://myicai.org/#. We look forward to your valuable feedback on the same.

ICAI has taken a new initiative by introducing 'Online CPT Registration Form' for students who intent to register for CPT Course. The Payment for the post can be made through Debit/ Credit Card.

Launch of Web TV of ICAI

The Hon'ble President of ICAI launches the First Ever ICAI Web TV on the occasion of CA Days. The ICAI Web TV will enable the members to view live telecast of various programmes organized by the Institute.

Committee for Capacity Building CA Firms and Small & Medium Practitioners (CCBCAF & SMP), ICAI launches ICAI- ROC: MCA-21 Compliance Software ICAI- ROC : MCA-21 Compliance Software. The Committee for Capacity Building of CA Firms and Small & Medium Practitioners has launched the ICAI-ROC software on 1st July, 2011 by Hon'ble CA. K. Rahman Khan, Deputy Chairman of Rajya Sabha, Parliament of India. The software has been uploaded in the Committee website www.icai.org.in. 'ICAI-ROC' Software on MCA21 Compliance provides the facility to prepare Auto filing of e-Forms, Shares Records/Certificates, Meetings & Minutes, Resolutions/Drafting, Annual Return forms and maintenance of Registers and Reports etc.

MoU/MRA with Foreign Bodies

MoU/MRA/Joint Declarations signed with Foreign Bodies. Mutual Recognition Agreement with the Canadian Institute of Chartered Accountants (CICA). Memorandum of Understanding with Higher Colleges of Technology, Ministry Of Higher Education and Scientific Research, UAE. Mutual Recognition Agreement between ICAI and CPA Ireland. ICAI Signs Joint Declaration with the Bahrain Institute of Banking and Finance. Memorandum of Understanding (MoU) with the Institute of Chartered Accountants in Australia. Memorandum of Understanding (MoU) between ICAI and University of Djibouti on Africa Day Celebrations. Mutual Recognition Agreement (MRA) with Certified Public Accountants, Australia. License Agreement with ISACA. Memorandum of Understanding (MoU) with the Institute of Chartered Accountants in England and Wales.

Convocation for Newly Enrolled Members

The Convocation for the newly enrolled members will be held on 15th July, 2011 in Delhi and 22nd August, 2011 at Chandigarh. The Newly enrolled members will receive their Membership Certificates by the Hon'ble President, ICAI.

CPE Programme for Members

Seminar On NPO's was graced by Mr Swain DG (exemption) and Mr Rao Director and lively narration by learned speakers sharing knowledge and experience with fellow members. Budding scope of NPO sector will grow in a big tree providing shade to large no of professionals. Learning curve and dire need of peer review as well as audit working papers extensive use post audit was discussed in another seminar.

NIRC is committed to provide continuous up gradation of knowledge of members. The various seminars are organized every month to enrich the knowledge base of members. To continue with the same NIRC in the month of July & August will organize Seminar on Tax Audit & Corporate Taxation, Seminar on Capital Market, Practical Workshop on XBRL, Seminar on Survey, Search & Seizure, Seminar on Real Estate Sector. A discussion on issues in Audit under Income Tax Act will be organized by G-19 Bar Room of NIRC on 22nd July, 2011.

Weekend Batch of GMCS

NIRC is receiving good response from students who are qualified and are in service but are unable to take membership of ICAI because they have not undergone the GMCS Course. These are the students who are unable to get the leaves of 15 days at a stretch. We are going to compete the maiden Weekend Batch of GMCS and keeping in view the interest shown by the qualified students, we are launching to more Weekend Batches of GMCS today at Vishwas Nagar.

AGM of NIRC

To comply with the statutory requirement, your NIRC held its AGM on 8th July, 2011 at ICAI Bhawan, Vishwas Nagar. The Members received the Annual Report including the Audited Accounts of NIRC for the year ending 31st March, 2011.

I congratulate members on launch of Website for practicing CA's, Online CPT Forms, Project Parivartan and hope under the dynamic leadership of our Hon'ble president more such initiatives will be taken.

"JAI BHARAT JAI ICAI."

Warm Regards,

July 9, 2011
New Delhi

(CA. Rajesh Sharma)
Mob. : 9810277394

The rung of a ladder was never meant to rest upon, but only to hold a man's foot long enough to enable him to put the other somewhat higher. —Thomas Henry Huxley

From the Desk of the Secretary...

Dear Professional Colleagues,

"I think that our fundamental belief is that for us growth is a way of life and we have to grow at all times. -Mukesh Ambani"

I am starting my write-up with the famous Quote of Shri Mukesh Ambani who always belief that growth is a way of life. As we entered into our 60th year of establishment, we can vouch the principle of growth adopted by our forefathers. Keeping in view the same principle, we once again pledge that the growth of the profession will be our fundamental principle and driving force. The responsibility for the same lies on the shoulders of all our brethren.

I hope you must have enjoyed the events organized on the occasion of CA Day by your NIRC. The memories of celebration of CA Day are still fresh in my mind. I had the proud privilege to be associated with the events and celebrations held on the occasion for the members and students.

Numbers of Events were organized by your NIRC to celebrate the occasion. We started with the Blood Donation Camp at ICAI Bhawan, Vishwas Nagar. The young as well as Senior Members and Students were so enthusiastic for the noble cause that almost 180 unit of Bloods were donated, which is all time higher than in the past.

To take care of health of our members & stuments, Health Checkup Camp was organized at IMA. Almost 500 Students and Members availed this facility. In the eve of CA Day the members along with their families and students were invited for the cultural refresh.

The Customary Function of CA Day was held on 1st July, 2011 at Vigyan Bhawan which was graced by Hon'ble Governor of Madhya Pradesh, Hon'ble Deputy Chairman, Rajya Sabha, Hon'ble Minister of State for Corporate Affairs, Hon'ble Secretary, Ministry of Corporate Affairs. The event was followed by discussion on Limited Liability Partnership and discussion on Revised Schedule-VI.

For providing better service to Student of Delhi, we had the pleasure of discussing the matter with Hon'ble President, ICAI. He has given us the assurance for allotment of sufficient portion of building to be constructed at Rohini, which is expected to be completed in the current year itself, so that NIRC can utilise the same for providing various classes/Seminar/Workshop/Training Centre for the Students/Members residing in that area.

As you are aware that your NIRC is always committed to ensure that best facilities are provided to members and students. For the benefit of qualified students weekend batches for GMCS are already been started and more & more numbers of students are interested to join the same. In this series two new batches of GMCS were started at ICAI Bhawan, Vishwas Nagar on 9th July, 2011.

We congratulate Jammu & Kashmir Branch of NIRC of ICAI for successful allotment of Land in its Silver Jubilee Year. We also congratulate to members and Students of Jammu & Kashmir Branch as well as of Yamuna Nagar Branch for completing of 25 Years of its establishment.

During my regular visit at ICAI, Vishwas Nagar, I felt the need of proper conveyance facilities and accordingly I met with Senior Officials of Delhi Metro so that Metro Fedder Facilities can be arranged from Welcome/Karkarduma Court Metro Station to ICAI Bhawan, Vishwas Nagar, Delhi and they assured me that they will definability plan out with NIRC for providing such facilities.

To pay tribute to the Accounting Legend Late Prof. T.S. Grewal, MCD named the road between ICAI Bhawan, ITO and C.R. Building as 'Prof. T.S. Grewal Marg'. Prof. T.S. Grewal devoted each and every moment of his life for the benefit of the students who were eager to learn the Accountancy. The books written by him are Bible for Students of Accountancy.

NIRC is committed for upgrading the knowledge base of our members. To continue with the same, NIRC in the month of July & August will organize Seminar on Tax Audit & Corporate Taxation, Seminar on Capital Market, Practical Workshop on XBRL, Seminar on Survey, Search & Seizure, Seminar on Real Estate Sector.

To motivate my members for continuous growth of the profession I will quote a few lines written by famous poet –

गति प्रबल पैरों में भरी
फिर क्यों रहूं दर–दर खड़ा
जब आज मेरे सामने
है रास्ता इतना पड़ा
जब तक न मंजिल पा सकूं,
तब तक मुझे न विराम है,
चलना हमारा काम है।

With best wishes and warm regards

July 9, 2011
New Delhi

(CA. Sanjay Kumar Agrawal)
Mob. : 9910399944

Ambition is the germ from which all growth of nobleness proceeds.-Oscar Wilde

ISO-An Effective tool for Quality Improvement

CA. Pramod Maheshwari

ISO (International Organization for Standardization) is the world's largest developer and publisher of International Standards. ISO is a network of the national standards institutes of 162 countries, one member per country, with a Central Secretariat in Geneva, Switzerland, that coordinates the system. ISO is a non-governmental organization that forms a bridge between the public and private sectors. ISO enables a consensus to be reached on solutions that meet both the requirements of business and the broader needs of society. It has published more than 17500 published International Standards.

Standards ensure desirable characteristics of products and services such as quality, environmental friendliness, safety, reliability, efficiency and interchangeability - and at an economical cost

The widespread adoption of International Standards means that suppliers can develop and offer products and services meeting specifications that have wide international acceptance in their sectors. For consumers, conformity of products and services to International Standards provides assurance about their quality, safety and reliability. International Standards contribute to the quality of life in general by ensuring that the transport, machinery and tools we use are safe.

Most commonly use standard in this series is ISO 9001:2008 also called Quality Management System (QMS). The ISO 9001 certification aims at providing a global standard that spells out quality and trust and is applicable to all type of organizations. An ISO 9001 certificate indicates the organization's adherence to quality management practices with customer focus.

The standard is designed to look at all the important processes affecting customer satisfaction, from the initial review of requirements related to the product, to the packaging and delivery of the finished product. The intent of standard is to provide the universal and uniform baseline for quality management, which can be used by organizations around the world. The success of this idea is evident from the fact that ISO 9000 series has become the most widely used quality management system in the world.

The views expressed herein are his personal views of the authors and do not necessarily represent the views of the NIRC

BENEFITS OF QUALITY MANAGEMENT SYSTEM (QMS)

A well designed and implemented quality management system; based on ISO 9001can provide organizations with the following benefits:

- Improved corporate image.
- Competitive advantage over International Trade barriers.
- Facilitate trade between countries and make it fairer.
- Compliance with concerned statutory and regulatory requirements.
- Objective based approach to the management system.
- Better process control, flow and productivity.
- Reduction of cost, reduction of product scrap & rejections, Improvement in product reliability.
- Better documentation of the processes and greater quality awareness among employees Framework for continual improvement of each process.
- Leadership with customer focus.
- Structure of result oriented operations.
- Demonstrate the organization's commitment to quality standards to the outside world.
- Make the development, manufacturing and supply of products and services more efficient, safer and cleaner.
- Provide governments with a technical base for health, safety and environmental legislation, and conformity assessment.

QUALITY MANAGEMENT PRINCIPLES

ISO standards are based on eight Quality Management Principles, which are

1. Customer focus
2. Leadership
3. Involvement of people
4. Process approach
5. System approach to management
6. Continual improvement
7. Factual approach to decision making and
8. Mutually beneficial supplier relationships

HOW TO IMPLEMENT QUALITY MANAGEMENT SYSTEM

The documentation requirements are generally the setting of Quality Policy, Objectives, quality manual, procedures & Work Instructions to implement the system and control mechanism thereof. The organization needs to develop its quality system documents, get the quality manuals prepared, have control documents in place and ensure the maintenance of relevant records to reach to the desired objectives.

The organization needs to formulate quality policy and then the objectives for the various functions of the organization. These objectives should be measurable in line with the quality policy formulated. The organization also needs to address the Responsibility, Authority and communication and ensure appointment of Management Representative and internal communication system.

The system could be reviewed through management review meetings and action plan for improvements. Evaluation of the performance of QMS and improvements to be made could be achieved through QMS effectiveness, performance monitoring and business plan review.

The organization could improve upon the product and service quality, periodically reviewing the customer complaints, review of the internal audit findings and finally taking corrective action and also taking preventive action for the non-repeat of the complaints. QMS provides for the measurement, analysis and improvement to be monitored and measured in terms of customer satisfaction with internal audit in place, monitoring and measurement of processes and product and control of nonconforming product.

IMPLEMENTATION & CERTIFICATION PROCESS

Brief steps in the process in of QMS certification is as under:

(a) *Quality policy* - At the first place, the organization needs to define its quality policy clearly spelling out its quality objectives.

(b) *Quality Manual* - The quality manual demonstrate how the company's quality system complies with the requirements of the standards. The quality manual spelling out the design, documentation, deployment and assignment of various processes within the organization that produces the product and services.

(c) *Organization structure* - The organization chart, preferably with job description would be used for measurement of performance purposes.

(d) *Procedures* –the company wide procedures for key activities to be specified.

(e) *Plans and Controls* -Quality plans, operation controls and training plans for all departments to be spelled.

(f) *Internal audit* – Once documentation and the processes in place, internal audits are conducted in order to improve the effectiveness of QMS processes.

(g) *Offer the QMS to the certifying agency* – Once your management system is fully documented and has been operating for at least 3 months you may then offer the QMS to the certifying agency/certifying body, known as Registrars for conducting the certification audit.

(h) *Certification* – The registrars after conducting the certification audit and if convinced that QMS confirms to the selected standard, issues a certificate describing the scope of the registration. Registration is usually granted for a 3-year period. Surveillance visits are performed at least once a year but may be more frequent, depending on the size of your company to verify the effectiveness of QMS.

ROLE/BENEFIT FOR CHARTERED ACCOUNTANTS

After acquiring necessary training and skills, a Chartered Accountant can:

(a) Act as consultant for implementation of QMS.

(b) Act as auditor for certification audit.

(c) Act as Internal auditor.

(d) Act as trainer.

(e) Rely on processes and systems of client and accordingly design audit plan.

(f) Can implement in its own office.

CONCLUSION

ISO certification would help the organizations in providing assurance that good management practices are implemented by the organization. This will improve efficiency, reduction of cost, Improvement in product reliability and would help both customer and the organization in improving upon the gross margins.

Oppression and Mismanagement

ACS Sakshi Agarwal

Majority Rule is the principle by which the majority of company members have the right to control the company through voting at the company meeting. Since the majority is susceptible to abuse it may become a tyrannical ruler, company law of every country has mechanism that aims at minority protection in a variety of ways. There are several ways to protect the interest of minority. The Companies Act, 1956 prescribes for the following remedies:

1. Just and equitable winding up
2. Applying for relief on the basis of oppressive conduct of the majority
3. Bringing a derivative or representative action
4. Seeking inspection and investigation of the records of the company

However one of the effective and widely used remedy is contained in the provisions of section 397 and supplemented by section 398 to 403 of the Companies Act, 1956.

ROLE OF SECTION 397 IN PROTECTING THE MINORITY

The shareholders disputes more particularly in private companies are increasing day by day and so are the cases landing in the Company Law Board under section 397 of the Act. Section 397(1) empowers any member of the company, who is eligible under section 399 to complain that the affairs of the company are being conducted in a manner oppressive to any member or members (including any one or more of themselves) seeking an order from CLB for redressal.

The section gives the CLB very wide power to make such order as it deems fit with a view to bring an end the matter complained of if it forms the opinion that:

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1. That the affairs are being conducted in a manner prejudicial to public interest or in a manner oppressive to any member or members.
2. That to wind up the company would unfairly prejudice such member or members, but that otherwise the facts would justify the making of a winding up order on the ground that it was just and equitable that the company should be wound up.

Therefore the focus of section 397 is on oppression, but it is surprising to know that the law has not defined the word oppression for the purpose of this section, and it is left to the court decide on the facts of each case. Therefore it is not sufficient to show that there is just and equitable ground for the winding up of the company (Though it must be shown preliminary to the application of section 397), it must further be shown that the affairs of the company were being conducted in a manner oppressive to some part of the members. The conduct must be harsh burdensome and wrongful and the mere lack of confidence between the majority shareholders and the minority shareholders would not be enough unless the lack of confidence spring from oppression of a minority by a majority in the management of the company's affairs, and such oppression must involve at least an element of lack of probity or a fair dealing to a member in the matter of his proprietary rights as a shareholder.

A LAWFUL ACT MAY BE OPPRESSIVE WHILE AN UNLAWFUL ACT MAY NOT BE OPPRESSIVE

It is now well settled and beyond doubt that legality or illegality of an act has nothing to do with fairness (non oppressiveness) or unfairness (oppressiveness) of the act and therefore what the CLB has to examine the facts in order to ascertain whether the act has resulted into oppressive of the minority by the use of legal right that taints the act as an abuse of the right or the power.

For example a resolution validly passed can nevertheless amount to oppression. In the case of *Sheth Mohanlal Ganpatram V Sayaji Jubilee Cotton and Jute Mills* it was held that:

It may be that the resolution passed by the directors which is perfectly legal in the sense that it does not contravene any provision of law, and yet it may be oppressive the minority shareholders or prejudicial to the interest of the company. Such a resolution can certainly be struck down by the courts under section 397 or 398. Equally a converse case can happen. A resolution may be passed by the Board of Directors which may contravene the provisions of law, but it may be very much in the interest of the company and there is no hope or possibility of smooth and efficient continuance of the company as commercial concern, there may arise a case of winding up on the just and equitable ground. In a given case the principles of dissolution of partnership apply squarely if the apparent structure of the company is not the real structure and on piercing the veil it is found that in reality it is a partnership.

FEATURES OF THE PETITION UNDER SECTION 397/398 OF THE COMPANIES ACT, 1956

1. The petition under section 397/398 is filed before the Hon'ble Company Law Board for relief in the cases of oppression and mismanagement
2. Any member(s) having a right by virtue of section 399 may file an application to Hon'ble Company Law Board for relief in the cases of mismanagement that the affairs of the company are being conducted in a manner prejudicial to the public interest or in a manner prejudicial to public interest or in a manner prejudicial to the interest of the interest of the company or that a material change has taken place in the management of the company and

any such change will be prejudicial to public interest or in a manner prejudicial to the interest of the company.

3. The maintainability of the petition has to established at the time of filing of the petition. Once it is proved at the time of filing of the petition any further change will not alter the maintainability of the petition.

   The following are the tests for the petition under section 397/398

   a) The right to apply under section 397 and 398 are given under section 399 of the Companies Act, 1956 and accordingly:

      I) In the case of the company having share capital not less than 100 members of the company or not less than 1/10th of the total number of members, whichever is less, or in any other case not less than 1/10th of the issued share capital of the company, provided that the application or applicants have paid all calls and other sums due on shares.

      II) In case of a company not having share capital not less than 1/5th of the total number of members can make the petition.

4. For the purpose of counting the number aforesaid any joint holding shall be counted as one member only.

5. It is possible that any one or more members may make an application provided he or they obtain the written consent from the other eligible members so as to make the number of members to the extent of rights to apply as explained above.

6. There should not be any parallel proceedings. If there is one, the petition under section 397/398 is not maintainable.

7. Any petition under section 397/398 seeking relief of winding up has to satisfy the just and equitable clause test pursuant to section 433(1)(e) of the Act.

8. The act of oppression has to be one of the series of acts or continuous efforts mentioning instances and supporting documents.

9. A petition can be withdrawn where the allegations are such that if established they would be against the interest of the company or public interest.

10. A petition under section 397/398 can be maintained as long as the company is in existence. Company having already been dissolved no relief can be granted against the order passed in that behalf against a non existing company cannot be implemented.

The list of documents and enclosures:

1. Documents and other evidence in support of the statements made in the petition as are reasonably open to the petitioners

2. Documentary evidence in proof of the eligibility and status of the petitioners with the voting power held by each of them.

3. Where the petition is presented on the behalf of the members the letter of consent given by them.

4. Statement of particulars showing names, addresses, number of shares held and whether all call and other monies due on shares have been paid in respect of members, who have given consent to the petition being presented on their behalf.

5. Where any petition is being presented by any member or members authorised by the Central Government under section 399(4) the order of Central Government in this behalf authorising such member or members to present the petition shall be annexed to the petition.

6. Affidavit verifying the petition

7. Bank Draft evidencing the payment of the application fee.

8. Memorandum of appearance with the copy of Board Resolution or executed Vakalatnama as the case may be.

POWERS OF CLB ON THE PETITION FILED UNDER SECTION 397/398:

Without prejudice to the generality of the powers of the CLB under section 397/398, any order under either section may provide for:

a) The regulation of the conduct of company's affairs in future.

b) The purchase of shares or the interest of the any members of the company by other members thereof or by the company.

c) In the case of purchase of shares of the company as aforesaid the consequent reduction of its share capital

d) The termination, setting aside or modification of any agreement, howsoever arrived at, between the company on one hand any of the following persons on the other, namely:

   i) The managing director

   ii) Any other director

   iii) The manager

   Upon such terms and conditions as may be in the opinion of the Company Law Board, be just and equitable under the circumstances of the case.

e) The termination, setting aside or modification of agreement between the company and any person not referred to under clause (d), provided that no such agreement shall be terminated, set aside or modified except after due notice to the party concerned and provided further that no such agreement shall be modified except after obtaining the consent of party concerned.

f) The setting aside of any transfer, delivery of goods, payment, execution or other act relating to the property made or done by or against the company within three months before the date of application under section 397 and 398 which would if made or done by or against any individual be deemed in his insolvency to be fraudulent preference.

g) Any other matter for which in the opinion of the Company Law Board it is just and equitable that the provision should be made.

Thus section 397/398 provides an efficient remedy for the prevention of oppression of minority by the majority.

ENROLMENT FORM FOR ALL STUDY GROUP OF NIRC

(For Membership for the Year 2011-2012)

Mode of Enrolment:

(Enrolment as an Individual/ a Firm/ a Company) (Please fill in Full & Block letters)

1. As a Firm/Company ___________________ 2. As an Individual ________________________

a. Name of Individual/Firm/Company: ____

b. Address of Individual/ firm/company: ____

____

c. Telephone No(s) 1. _____________________ 2. _____________________ 3.____________________

d. E-mail ID: ___________________________________

[Members Detail:

A] 1. Membership No. :_________________

2. Name : ____

3. Mobile No. ____________________4. Email.Id____________________________

Signature of Member____

Photo

B] 1. Membership No. :_________________

2. Name : ____

3. Mobile No. ____________________4. Email.Id____________________________

Signature of Member____

Photo

C] 1. Membership No. :_________________

2. Name : ____

3. Mobile No. ____________________4. Email.Id____________________________

Signature of Member____

Photo

D] 1. Membership No. :_________________

2. Name : ____

3. Mobile No. ____________________4. Email.Id____________________________

Signature of Member____

Photo

E] 1. Membership No. :_________________

2. Name : ____

3. Mobile No. ____________________4. Email.Id____________________________

Signature of Member____

Photo

FOR OFFICE USE ONLY

FASG No/CASG No.___________________ IASG No.: _____________________________ Receipt No.: ________________________

Cheque/DD No. _______________________Date: _________________________________ Amount: (Rs.) ________________________

NEW SUBSCRIPTION RATES FOR THE MEMBERSHIP OF ALL STUDY GROUP of NIRC 2011-12

1.	Rs. 7500/-	For ACA
2.	Rs. 9,000/-	For FCA
3.	Rs. 12,000/-	For Firm with three partners (one out of upto Three partners may participate)
4.	Rs. 16,000/-	For Firm with five partners (Two out of upto Five partners may participate)
5.	Rs. 20,000/-	For Firm with eight partners (Three out of Eight Partners may participate)
6.	Rs. 25000/-	Corporate Membership (Any Two out of Five Participate)
7.	Rs. 40,000/	Corporate Membership (Any Four out of Eight Participate)

Please send duly filled and signed Enrollment Form along with photograph(s) & Subscription Fee at **NIRC of ICAI, ICAI Bhawan, 5th Floor, Annexe Building, I.P. Marg, New Delhi- 02.** Cheque/DD should be in favour of '**NIRC of the ICAI**' and Payable at New Delhi

Regional Council Activities

Date	Programme/Topics	Chief Guest/Guest Speakers	Total Participants	CPE Hrs.
11th June, 2011	Theme Address Role of Professionals in NPO Sector	CA. Charanjot Singh Nanda, Central Council Member, ICAI	251	6
	Inaugural Address	Sh. S P Swain, Director General Income Tax (Exemptions)		
	Chairman Technical Session	Sh. P.V. Rao Director income Tax (Exemption)		
	Formation of Trust Deed/Moa Rules and regulation etc., Registration with Income Tax Department u/s 12 AA Under section 80 G Under 10(23)(C)	CA. (Dr.) Akhil B S Jindal		
	Withdrawal of registration 12AAand forfeiture of exemption and annual compliance			
	Business Income of NPOs	Sh. Sambit Tripathy, Additional Commissioner of Income Tax		
	Section 25 Companies An insight and latest update	CS. Atul Mittal		
	Existing Norms for Assessment of NPOs and proposed amendments under Direct Tax Code	CA. P.S. Kohli		
	Registration and Provisions under FCRA	CA. Subhash Mittal		
24th June, 2011	Discussion on Deemed Dividend	CA. Anil Gupta	50	Nil
25th June, 2011	Seminar on Audit Working Papers, Peer Review and Seminar on Concurrent/ Stock Audit		179	6
	Peer Review	CA. Pramod Jain		
	Audit Working Papers	CA. Jaideep Bhargava		
	Concurrent Audit	CA. Lokesh Gupta		
	Stock Audit/ Concurrent Audit	Sh. V.N. Suryanarayanan G.M. Oriental Bank of Commerce		
26th June, 2011	Elocution & Quiz Contest			
30th June, 2011	CA. Day Celebrations			
	Blood Donation Camp			
	Health Check up Camp	Dr. R.R. Kasliwal Chairman Cardiology Dr. N.P. Gupta – Chairman Urology		
	Visionary Leadership Seminar & Cultural Programme	Prof. Aridum Choudhary Indian Ocean Band		
1st July, 2011	Flag Hosting			
	Seminar on Limited Liability Partnership and Revised Schedule-VI	CA. Kamlesh J. Viksemy and CA. Dollfree D'Souja	1500	2
6th July, 2011	Road Naming Ceremony in Honour of Late Prof. T.S. Grewal			
8th July, 2011	AGM of NIRC of ICAI			

ANNOUNCEMENT REGARDING WORKING HOURS OF THE ARTICLED ASSISTANTS

The Council has considered the issue regarding the working hours of the articled assistants. The Council is of the view that the article training is an important part of the CA curriculum and the same needs to be carried out in accordance with the scheme framed by the ICAI in this behalf. Accordingly, to clarify the doubts being raised by various quarters about the working hours of the articled assistants and for pursuing graduation/other course, the Council decided to issue the following directions :-

1. The articled assistants should undergo practical training in accordance with the Chartered Accountants Regulations, 1988 as explained hereinafter.

i. The working hours for the articled assistants shall be 35 hours in a week excluding the lunch break.

ii. The office hours of the Principal for providing article training to the articled assistants shall not be generally before 9.00 A.M. or after 7.00 P.M.

iii. The normal working hours for the articled assistants shall not start after 11.00 A.M. or end before 5.00 P.M.

iv. The working hours for the articled assistants should not exceed 35 hours in a week excluding the lunch break and normally an articled assistant be required to work during the normal working hours fixed for articled assistants.

v. **In case of the exigencies of work with the Principal, an articled assistant may be required to work beyond his/her normal working hours. However, under such circumstances, the aggregate number of working hours shall not exceed 45 hours per week. The requirement to work beyond 35 hours in a week should not be a practice but only in exceptional circumstances. Further, where the articled assistant is required to work beyond normal working hours, and aggregate of such hours exceed 35 hours per week, he/she shall be entitled to compensatory leave calculated with reference to number of completed working hours, over and above, 35 hours per week.**

vi. The facility of allowing flexible office hours stands withdrawn.

2. During the working hours, the articled assistant is not permitted to attend college/other institutions for pursuing any course including graduation. Accordingly, college timings of such course should not be such (after taking into account the time required to commute) which clashes with the normal working hours of the article training.

3. To ensure that the working hours do not clash with the graduation or any other course, if any pursued by the article assistant, each articled assistant registered on or after 1st April, 2008 shall now be required to obtain specific permission from the ICAI for pursuing graduation or other course as permitted under the Chartered Accountants Regulation by submitting Form No.112, within one month from the date of joining the college or course to the ICAI.

4. The Certificate in Form No. 112 indicating college timings etc. shall be counter-signed by the concerned Principal of the college with the seal and stamp of the College and also indicating the telephone number/s and full address of the College.

5. In case a student does not comply with the above requirements or violates any of the above guidelines, his/her articleship period shall not be recognised.

6. In this connection, attention is invited to the Regulations 65 and 66 read with Regulation 60 of the Chartered Accountants Regulations, 1988 which provide as under:-

Regulation 60 : Working hours of an Articled Assistant

The minimum working hours of an articled assistant shall be 35 hours per week (excluding lunch break) which shall be regulated by the Principal from time to time, subject to such directions and guidelines, as may be issued by the Council.

Regulation 65 : Articled assistant not to engage in any other occupation

"Without the previous permission of the Council, obtained on application made in the *approved form, no articled assistant shall, during the period of his service as an articled assistant, take any other course of study or training, whether academic or professional, or engage in any business or occupation."

Regulation 66 : Enquiries against articled assistant

"(1) Where a complaint or information of any misconduct or breach of Regulation 65 or breach of the Code of Conduct applicable to articled assistants or breach of any of the covenants contained in the articles is received against an articled assistant from his principal or any other person, the President or the Vice-President as the Executive Committee may decide from time to time, may cause an investigation to be made.

(2) The Executive Committee may, on a consideration of the report of the investigation and after giving the articled assistant an opportunity of being heard, make any of the following orders, namely:-

i. direct that the papers be filed and the complaint be dismissed, if the Executive Committee finds that the articled assistant is not guilty of any misconduct of breach of Regulation 65 or breach of any of the covenants contained in the articles; or

ii. if the articled assistant is found guilty, reprimand the articled assistant or cancel the registration of articles or direct that any period already served under such articles shall not be reckoned as service for the purpose of the period of practical training specified in Regulation 50.

(3) The articled assistant, the registration of whose articles has been cancelled under this regulation, shall not, except with the permission of the Executive Committee be retained or taken as an articled assistant or audit assistant by any member".

ANNOUNCEMENT

Revisionary Classes for the students pursuing and eligible to appear in the ensuing IPCC and Final Examinations to be held in **November, 2011 has been commenced.** These Revisionary Classes are being conducted in the premises of the Northern Regional Office at **"ICAI Bhawan"**, 52-53-54, Vishwas Nagar, Shahdara, Delhi-110032. Timing of these Classes and fee are as under :

Course	Timing*	Fee (Rs.)	
IPCC	7.00 AM–10.00 AM	**Group-I** **Group-II** **Group-Both**	1500/- 1500/- 2500/-
Final	6.00 PM–9.00 PM	**Group-I** **Group-II** **Group-Both**	2500/- 2500/- 4500/-

While every effort will be made to maintain these timings, the same may change in exigencies.

- The duration of the Revisionary Classes for **IPCC/ATC** & **Final** Examinations will be about three and half months.
- Revisionary Classes will be held subject to adequate number of students registering for the same.
- **Fee** by way of a **DD** drawn in favour of **"NIRC of the ICAI"** and payable at **New Delhi** only.
- As seats are limited, registration will be done on **First-Come-First-Served** basis.
- Those interested *(and eligible to appear in the ensuing captioned examinations)* may **obtain** the **application form** *(free of any charge)* from the office of the NIRC of the ICAI at **"ICAI Bhawan"**, Annexe, 4th & 5th Floor, Indraprastha Marg, New Delhi-110002, and submit the same duly filled, signed and accompanied with requisite remittance
- The **application form** can also be **downloaded** from the website : **nirc-cai.org**
- For more details, you may visit us at www.nirc-icai.org or contact us at (011) 30100500, 30100510

Features of the Programme :

- Notes & Handouts, Assignments Sheets, Power Point Presentations.
- Prominent/Eminent faculties form different Universities and Senior Chartered Accountants.
- Model Test Papers to prepare the exam.
- Frequent Mock Tests to assess the Performance.

FORTHCOMING PROGRAMMES

Seminar on Tax Audit & Corporate Taxation	
Date & Day	16th July, 2011 (Saturday)
Timing	10.00 AM–05.30 PM
CPE Hrs	6 (Six) CPE Hrs.
Venue	Hotel Le Meridien, Janpath, New Delhi
Fee	Rs. 1500/- for Members Rs. 2000/- for Non Members (Corporate Delegates) Free for All Study Group Members of NIRC (2011-12)

Discussion on issues in Audit under Income Tax Act Organized by G-19 Bar Room of NIRC	
Date & Day	22nd July, 2011 (Friday)
Timing	3.00 PM–5.00 PM
Speaker	Dr. Rakesh Gupta
Venue	G-19 Bar Room, C.R. Building, ITO
Fee	No Fee. Limited Seats. Entry on First Cum First Serve

Seminar on Capital Market	
Date & Day	6th August, 2011
Timing	10.00 AM–05.30 PM
CPE Hrs	6 (Six) CPE Hrs.
Venue	Hotel Lalit Barakhamba Road, New Delhi
Fee	Rs. 1500/- for Members Rs. 2000/- for Non Members (Corporate Delegates) Free for All Study Group Members of NIRC (2011-12)

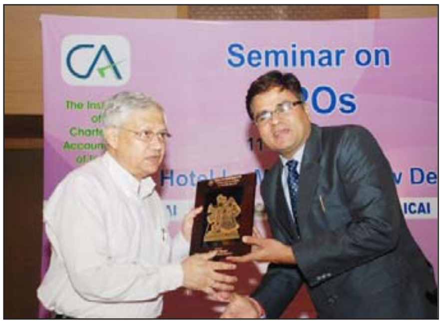
Practical Workshop on XBRL	
Date & Day	6th August, 2011
Timing	10.00 AM–05.30 PM
CPE Hrs	6 (Six) CPE Hrs.
Venue Fee	To be hosted on NIRC website

Seminar on Real Estate Sector	
Date & Day	20th August, 2011
Timing	10.00 AM–05.30 PM
CPE Hrs	6 (Six) CPE Hrs.
Venue	Silver Oak Hall, India Habitat Centre, Lodhi Road New Delhi
Fee	Rs. 1500/- for Members Rs. 2000/- for Non Members (Corporate Delegates) Free for All Study Group Members of NIRC (2011-12)

Seminar on Survey, Search & Seizure	
Date & Day	27th August, 2011
Timing	10.00 AM–05.30 PM
CPE Hrs	6 (Six) CPE Hrs.
Venue	Hotel EROS (Formaly Known as Hotel Intercontinental EROS) Nehru Place
Fee	Rs. 1500/- for Members Rs. 2000/- for Non Members (Corporate Delegates) Free for All Study Group Members of NIRC (2011-12)

GLIMPSES – REGIONAL COUNCIL ACTIVITIES

A view at the Seminar on NPO's held on 11th June 2011 at New Delhi.



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A view of the discussion on Deemed Dividend Organised by G-19 Bar Room held of NIRC of ICAI on 24th June, 2011.

A view at the seminar on Audit Working Papers, Peer Review and Seminar on Concurrent/Stock Audit held on 25th June, 2011.

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GLIMPSES – REGIONAL COUNCIL ACTIVITIES

A view at the Blood Donation Camp held on 30th June, 2011 at ICAI Bhawan, Vishwas Nagar, Delhi.

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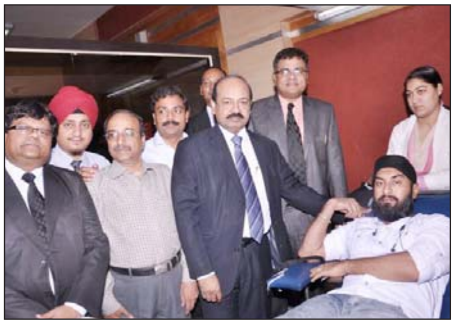

A view at the Blood Donation Camp held on 30th June, 2011 at ICAI Bhawan, Vishwas Nagar, Delhi.

A view at the Blood Donation Camp held on 30th June, 2011 at ICAI Bhawan, Vishwas Nagar, Delhi.

A view at the Health Check up Camp held on 30th June, 2011 at IMA Bhawan, New Delhi.

Chairman NIRC welcome Hon'ble President and Vice President, ICAI at Cultural Evening organised by NIRC on 30th June, 2011.

A view at the Cultural Evening held on the eve of CA Day.

A view at the Visionary Leadership Seminar held on the eve of CA Day.

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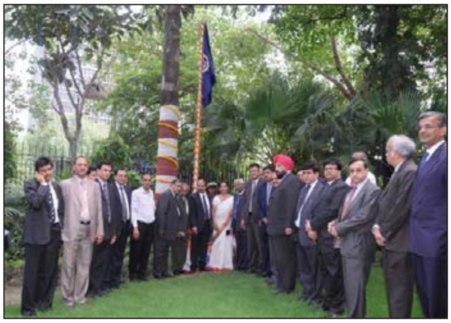
GLIMPSES – REGIONAL COUNCIL ACTIVITIES


A view at the Flag Hosting on CA Day at ICAI Bhawan, ITO, New Delhi.


A view at the Flag Hosting on CA Day at ICAI Bhawan, ITO, New Delhi.


A view at the Flag Hosting on CA Day at ICAI Bhawan, Vishwas Nagar, Delhi.


A view at the function held on CA Day on 1st July at Vigyan Bhawan.

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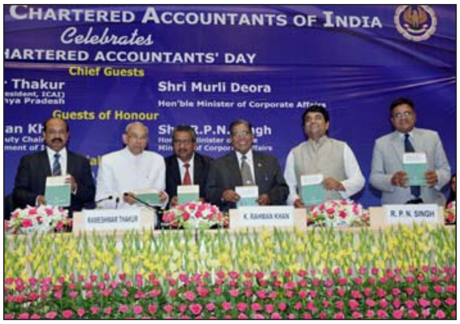
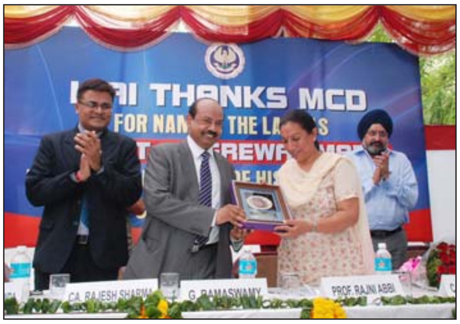


A view at the function held on CA Day on 1st July at Vigyan Bhawan.


A view at the get together at Amritsar Branch of NIRC of ICAI.


A view at the Road Naming Ceremony as 'Prof. T.S. Grewal Marg', held on 6th July, 2011.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A view at the AGM of NIRC of ICAI held on 8th July, 2011 at ICAI Bhwan, Vishawas Nagar.


A view at the AGM of NIRC of ICAI held on 8th July, 2011 at ICAI Bhwan, Vishawas Nagar.

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R. N. I. No. 21759/71 At N.D. P.S.O., New Delhi-110002, on July 11-12, 2011