Dear Professional Colleagues,

"Follow your passions, believe in karma, and you won't have to chase your dreams, they will come to you."

My journey as Chairman NIRC has been commenced with the blessings of President ICAI, Vice-President ICAI, Central Council Members, Regional Council Colleagues and with the Good wishes of Members and Students.

The highlight of the activities of NIRC of the ICAI are as under:-

**GMCS/GMCS-1/Orientation Programme**

I am glad to inform you that the rush of students for obtaining GMCS/GMCS-1/Orientation Programme batches has been successfully handled by NIRC of ICAI, today the students who are coming GMCS/GMCS-1 and OP Batches are given the batch then and there only without any waiting. There is no waiting, Now there is open registration and availability of GMCS/GMCS-1 and OP batches. Now there is a policy of अभी आओ अभी पाओ.

**Regional Council Activities**

Last Month we have organized number of seminars like Seminar on Clause by Clause Discussion of Finance Bill, Seminar on Bank Audit, Seminar on Bank Audit J/w East Delhi CPE Study Circle of NIRC and Seminar on Bank Audit J/w Nehru Place CPE Study Circle of NIRC. All the seminars were attended by large number of Members of our profession.

**All Study Group Membership**

The Registration form for All Study Group Membership has been hosted on website of NIRC and also been sent by e-mail. The Members can avail the benefits of seminars organised by NIRC of ICAI by paying one time nominal fee. For the facility of Members the online payment for All Study Group has been launched on NIRC Website. Members can pay their fee by sitting in their office online.
Forthcoming Activities

During the coming months NIRC is going to organize various CPE programmes for the benefit of Members like Workshop on Companies Act 2013 on 7th, 8th & 9th April 2015, Seminar on Companies Act and Income Tax jointly with Darya Ganj CPE Study Circle of NIRC of ICAI on 24th April, 2015, Seminar on FEMA, FDI and Foreign Trade Policy on 25th April, 2015, Training Programme on Implementation of Companies Act 2013 on 30th April and 1st May, 2015, Seminar on Empowering Women through CA Profession on 9th May, 2015 and Sub Regional Conference of NIRC hosted by Hisar Branch of NIRC of ICAI jointly with Sirsa Branch and Rohtak Branch of NIRC of ICAI on 16th May, 2015. All the Members are requested to join the programmes.

Branch Orientation Programme

NIRC has planned the Branch Orientation Programme for the Members of Managing Committee of Branches of NIRC of ICAI on 19th April, 2015 and 20th April, 2015 at Jungle Retreat, Chail, H.P. Hon'ble President, Hon'ble Vice President ICAI and Central Council Member (Northern Region) are likely to grace the occasion. The programme will be organised in such a way that the members of the Managing Committee of the Branches will be free to share their thoughts, ideas and suggestions if any which are required for the betterment of the profession. It will be an opportunity for all the concerned to have interaction among themselves for the betterment of services to members and students. I invite all the members of the Managing Committee to participate with their full strength to make the programme a grand success.

Sub Regional Conference

Sub Regional Conference of NIRC of Haryana State is also scheduled on 16th May, 2015 which will be hosted by Hisar Branch of NIRC Jointly with Sirsa and Rohtak Branch of NIRC of ICAI.

Empowering Women Through CA Profession

The whole nation as realized the strength of women today. Even the Hon'ble Parliament of our Nation is thinking for 33 percent reservation for Women Member of Parliament. More and More women are enrolling themselves for the course of Chartered Accountancy and becoming Chartered Accountant.

In order to encourage Women Chartered Accountants a programme is being planned on 9th May, 2015 on the topic “Empowering Women through CA Profession”. I invite all the Women Chartered Accountant to participate the large number and take the benefits of the experts discussion in the seminar.

Student Seminar

Seminar on How to Face CA Exams and Lecture on Stock Market was also organised for the benefits of the CA students on 5th April, 2015

Mock Tests for IPCC and Final Students

In order to prepare the students of IPCC and final examination, your NIRC along with Board of Studies is also planning to conduct second series of Mock Tests for the benefit of the students appearing in May 2014 Examination. Students who have already appeared in the first series of Mock Tests organized by NIRC were benefited a lot.

Research Group Activities

NIRC is in the process of forming research group for the year 2015-16. I invite all the members to send their preference along with their contact details at mail id nirc@icai.in. The list of proposed Research Group is hosted on website of NIRC www.nirc-icai.org.

New Office bearers of the Branch

The Branch Orientation Programme for the Managing committee members is being held on 19th & 20th April, 2015. I advice all the members to work in cohesive manner for providing better and best services to members and students. I am always available 24*7 to discuss on any issue/suggestions on the improvement of Branch Functioning in the interest of profession at large.

Regular/Revisionary Classes

NIRC has launched the IPCC Regular Classes from 1st March, 2015 at Shakarpur and Prashant Vihar Venue. The Classes for CPT will be started from 13th April, 2015 at ICAI Vishwas Nagar. The fees for the classes is very nominal. I request all the students to join the same to take the maximum benefits for the same.

Grievance cell for the Members and Students

The motto of team NIRC is to serve members and students in a better way for the purpose you can send your grievance/suggestions at mail id nirc@icai.in. We have also installed grievance/suggestion box at 4th and 5th Floor of NIRC and at G-19 and G-7 Bar room.

Chartered Accountant Benevolent Fund

The main purpose of Chartered Accountant Benevolent Fund (CABF) is to help the families of deceased Members. There is need to strengthen the fund of CABF so that maximum help can be extended to the families in need. I request Members at large to generously contribute towards the CABF fund.

"A growing seed does not make any noise, but a falling tree does. Destruction is noisy while construction is silent."
Dear Professional colleagues,

I am only one, but I am one. I can not do everything, but I can do something. And I will not let what I can not do interfere with what I can do. ~Edward Everett Hale

I deem it honour and privilege to address the august body that we comprise. As Secretary, I have the supreme duty to nourish the roots of the very tree, we perch on. I with the help of Executive Committee and under the able leadership of Chairman and with your guidance will come up to your expectations by discharging my duties from this august office.

I am on the belief the paramount duty of the Regional Council is to improve the quality of Programmes being undertaken for disseminating Professional Education. It has always been an endeavor of our profession to equip our fellow brethren with latest knowledge and update so as to enable them to carry out the assigned responsibilities with excellence. Your Team NIRC is planning to organize Seminars/ Workshops and Conferences on various topics during the year with an emphasize on maintaining the high quality. In order to avail the benefit of yearly subscription to attend the Seminars and Conferences organized by your NIRC, you are requested to register yourself Online for Annual Membership (Seminars) of NIRC of ICAI for the year 2015-16 at the link [http://www.nircseminars.org/register.php](http://www.nircseminars.org/register.php).

A Healthy Banking Industry is the Backbone of sustainable socio-economic growth of an Economy. Therefore Bank Branch Audit which is of great significance is round the corner. To help our Members carry out Statutory Audits in Banking Industry, which deals with the large amounts of Public monies and is highly sensitive to reputation risks, your Team NIRC has organized three Seminars for Members on Bank Branch Audit (one by NIRC itself and two jointly with Study Circles of NIRC) which were attended by the large gathering of Members. I am sure that these programs must have immensely benefited the participants and would go a long way in tackling the issues and finding out a viable solution during the course of undertaking the bank. It is basically the students whose knowledge plays a greater role in the effective functioning and discharge of the duties by the Chartered Accountants. Your NIRC has also organized a Seminar for students on Bank Branch Audit which was well attended and appreciated by them. Another Seminar on How to Face CA Exams and Lecture on Stock Market was also organized for the benefits of the CA students.

In the Series of Seminars to be hosted in the month of April and May, Your NIRC is planning to organize Three Days detailed practical forms based Workshop on Companies Act 2013 on 7th, 8th and 9th April 2015. Full day Seminar on FDI, FEMA and Foreign Trade Policy is also scheduled for 25th April 2015. Two Days Residential Training Programme on Implementation of Companies Act 2013 is also in Pipeline on 30th April and 1st May 2015. Seminar for Women Chartered Accountants is also going to be held on 9th May, 2015.

Study Circles and Branches are arms and lengths of NIRC. Therefore your NIRC is also planning to organize Joint Seminar with Darya Ganj CPE Study Circle of NIRC on 24th April 2015 on the topic Companies Act and Income Tax. In order to enrich the professional excellence and exchange the views/suggestions among all the Executive Members of the branches of NIRC and the Regional Council relating to administration, activities of the Members and Students, your NIRC is also going to organize BRANCH ORIENTATION PROGRAMME for ALL MEMBERS of the Managing Committee of all the Branches of the NIRC of the ICAI at Tanika Jungle Retreat, Chail Blossom, District Solan, H.P. on 19th and 20th April 2015.

Sub Regional Conference of NIRC (Haryana State) is also scheduled for 16th May, 2015 which is hosted by Hisar Branch of NIRC jointly with Sirsa and Rohtak Branch of NIRC of ICAI. All of you are requested to please join the same and make it a grand success.

Our profession is achieving new heights globally and our Institute has taken up number of initiatives to strengthen the position of the profession globally. At team NIRC, we are committed to provide better services to the members as well as students. You are requested to kindly forward your views and suggestion for the effective working of the NIRC and best services to the members and students.

"The best way to find yourself is to lose yourself in the service of others."

Date: 6th April, 2015
Place: New Delhi

CA. Rajesh K. Agrawal
Secretary, NIRC of ICAI
M: 9868156062
Recent Changes in Various Laws

Dear Professional Colleagues,

I believe in infusing my life with action without waiting for to happen, in order to succeed for the achievement in growth for the Chartered Accountants profession and for my professional colleagues as I mentioned in my first write up as Vice Chairman. It is my pleasure to present updates for the month of March 2015, which was brought into by various changes and amendments of various Acts, Notifications and Circulars etc.

I) SEBI

1) Establishment of connectivity with both the Depositories NSDL and CDSL – Companies eligible for shifting from Trade for Trade Settlement (TFTS) to Normal Rolling Settlement.

2) SEBI sets cap on application money; requires issuer to demand 25% of issue price in advance.

3) SEBI all set to expand the probe on the Insider Trading Practitioners.

4) The Securities Appellate Tribunal (SAT) quashed SEBI’s adjudicating order against Real Estate giant DLF.

II) COMPANIES ACT

Deposits

The Ministry of Corporate Affairs has issued a General Circular No. 5/2015 dated 30th March, 2015 to provide clarification on the amounts received by the private companies before the commencement of the Act which is as follows:

1) Stakeholders have sought clarifications as to whether amounts received by private companies from their members, directors or their relatives prior to 1st April, 2014 shall be considered as deposits under the Companies Act, 2013 as such amounts were not treated as ‘deposits’ under Section 58A of the Companies Act, 1956 and rules made there under.

2) The matter has been examined in consultation with RBI and it is clarified that such amounts received by private companies prior to 1st April, 2014 shall not be treated as ‘deposits’ under the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 subject to the condition that relevant private company shall disclose, in the notes to its financial statement for the financial year commencing on or after 1st April, 2014 the figure of such amounts and the accounting head in which such amounts have been shown in the financial statement.

3) Any renewal or acceptance of fresh deposits on or after 1st April, 2014 shall, however, be in accordance with the provisions of Companies Act, 2013 and rules made there under.

III) FEMA/RBI

1) In an effort to simplify the foreign direct investment regime, the department of industrial policy and promotion has moved a note to the Cabinet to do away with the distinction between different types of foreign investments through a composite cap on foreign investments.

2) Acquisition/transfer of immovable property – Prohibition on citizens of certain countries: no person being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal or Bhutan without prior permission of the Reserve Bank shall acquire or transfer immovable property in India, other than lease, not exceeding five years. It has been observed that Macau and Hong Kong are the two Special Administrative Regions of China. As they are notified separately, it has been decided, in consultation with the Government of India, that citizens of Macau and Hong Kong will also be included in the list of countries which are prohibited to acquire/transfer immovable property in India in terms of Regulation 7 of FEMA notification RBI/2014-15/49666 A.P (DIR Series) Circular No.83.

3) Non-Resident Deposits – Stat 5 and Stat 8 Returns – Discontinuation: As banks' submission of NRO-CSR data in XBRL platform has stabilised, it has been decided to discontinue the submission of Stat 5 and Stat 8 Returns from March, 2015. RBI/2014-15/5034 A.P (DIR Series) Circular No.85

4) Refund of overpayment of pension to the Government Account – Recovery of excess/ wrong pension payments made to the pensioners: where the excess payment has arisen on account of mistakes committed by the bank, the amount paid in excess should be credited back to government account in lump sum immediately, as advised in the circular RBI/2014-15/500 Ref DGBA GAD. No.H4694/45.03.001/2014-15.

IV) FOREIGN TRADE POLICY 2015-20:

On 1st April, 2015 Foreign Trade Policy 2015-20 has been notified with following major changes:

1) Merchandise Export from India Scheme (MEIS) - 5 different earlier schemes (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri, Infrastructure Incentive Scop, VKGU) have been merged into a single scheme, namely Merchandise Export from India Scheme (MEIS).

2) Service Exports from India Scheme (SEIS): Served from India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS). Now, all Service providers located in India and earning foreign exchange, regardless of the constitution or profile of the service provider, who is exporting notified services, would be eligible for this benefit at the rate of 3% or 5% of Net foreign exchange earnings.

3) Incentives under MEIS & SEIS are now available to units located in SEZs also.

4) No. of other new initiatives for the ease of the business and rewards and benefits are also been included in the New Foreign Trade Policy 2015-20.

V) SERVICE TAX

Service Specific Changes:

1) With effect from 01.04.2015, the following changes have been made in certain specific services.

   a) Service provided to the Government, a local authority or a government authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of a civil structure or any other original work meant predominantly for use other than for commerce, industry, or any other business or profession; “a structural meant predominantly for use as (i) an educational, (ii) a clinical or (iii) an art or cultural establishment;” and “a residential complex predominantly meant for self use or the use of their employees etc.” has become taxable. So, the above construction works done for making school, hospitals, residential complex for Government and above authorities will become taxable.

   b) The exemption to transportation of food stuff by rail, or vessel or road will be limited to food grains including rice and pulses, flour, milk and salt. Earlier this exemption covers all types of foodstuffs including tea, coffee, jiggery, sugar, milk products, edible oil etc.

   c) The service provided by a common effluent treatment plant for treatment of effluent is made exempted.

   d) The service provided by way of admission to museum, zoo, national park, wild life sanctuary or a tiger reserve is made exempted.

   e) In case of transportation by air, the abatement rate has been reduced from 60% to 40% for other than economy class. However, there is no change for economy class. In other words, now, the service tax will be charged on 60% value in specific cases.

VI) INCOME TAX

1) Declaration of Dividend by foreign company abroad, on shares which derive their value substantially from assets situated in India, not taxable in India. [CBIT Circular 4 of 26-03-2015]

2) Date extended for Form 3CEDA: CBDT opens window for roll back requests for another 3 months for existing APAs or pending applications.

3) Black money bill has been presented in lok sabha. Undisclosed foreign income or assets will be taxed at 30%. No exemption or set off allowed. Penalty will be 90% of undisclosed income or value of asset. Failure to furnish return in respect of foreign asset or income will attract penalty of 10 lacs.

4) The Bombay High Court, in its landmark judgments in the cases of Vodafone India and Shell India, held that issue of shares, being a capital transaction, does not attract transfer pricing (TP) provisions under the Indian income tax law.

The secret of getting ahead is getting started- Mark Twain

CA. Hans Raj Chugh

Vice-Chairman, NIRC of ICAI
First Time Adoption of Ind AS – Indianised Version of IFRS

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Rules, 2015 (the ‘Rules’) on 16 February 2015. The Rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and set out the dates of applicability. The present write up provides an overview of the roadmap to Ind AS (as notified) and a succinct guidance to First Time Adoption of Ind AS.

Voluntary adoption: Companies may voluntarily adopt Ind AS for financial statements for accounting periods beginning on or after 1 April 2015, with the comparatives for the periods ending 31 March 2015 or thereafter. Once a company opts to follow the Ind AS, it will be required to follow the same for all the subsequent financial statements.

Mandatory adoption: The following companies will have to adopt Ind AS for financial statements from the accounting periods beginning on or after 1 April 2016:

- Companies whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India (listed companies) and having net worth of Rs. 500 crores or more.
- Unlisted companies having a net worth of Rs. 500 crores or more.
- Holding, subsidiary, joint venture or associate companies of the listed and unlisted companies covered above.

Comparative for these financial statements will be periods ending 31 March 2016 or thereafter.

The following companies will have to adopt Ind AS for financial statements from the accounting periods beginning on or after 1 April 2017:

- Listed companies having net worth of less than Rs. 500 crore.
- Unlisted companies having net worth of Rs. 250 crore or more but less than Rs. 500 crore.
- Holding, subsidiary, joint venture or associate companies of the listed and unlisted companies covered above.

Comparative for these financial statements will be periods ending 31 March 2017 or thereafter.

The roadmap will not be applicable to:

- Companies whose securities are listed or in the process of listing on SME exchanges.
- Companies not covered by the roadmap in the "Mandatory adoption" categories above.
- Insurance companies, banking companies and non-banking finance companies.

These companies should continue to apply existing Accounting Standards prescribed in the Annexure to the Companies (Accounting Standards) Rules, 2006, unless they opt for voluntary adoption. Insurance companies, banking companies and non-banking finance companies cannot voluntarily adopt the Ind ASs.

Ind AS 101, First-time Adoption of Indian Accounting Standards

The objective of the Ind AS 101, First-time Adoption of Indian Accounting Standards is to:

- provide a suitable starting point for accounting in accordance with Ind AS,
- set out the procedures that an entity would follow when it adopts Ind AS for the first time as the basis for preparing its financial statements,
- transition at a cost that does not exceed the benefits, and
- ensure that the entity's first Ind AS financial statements contain high quality information that is transparent for users and comparable over all periods presented.

General requirements

An opening balance sheet is prepared at the date of transition, which is the starting point of accounting in accordance with Ind AS. The ‘date of transition’ is the beginning of the earliest comparative period presented on the basis of Ind AS. Further, at least one year of comparatives is presented on the basis of Ind AS, together with the opening balance sheet. Ind AS 101 also requires the equity and profit reconciliations to be provided by the first-time adopters.

Selection of accounting policies

Accounting policies are chosen from Ind AS effective at the first annual Ind AS reporting date. Generally, those accounting policies are applied retrospectively in preparing the opening balance sheet and in all periods presented in the first Ind AS balance sheet. Ind AS 101 prescribes mandatory exceptions and optional exemptions for first-time adopters of Ind AS thereby facilitating a smooth transition to Ind AS. In the absence of these exceptions/exemptions, all the standards forming part of Ind AS would have been required to be applied with retrospective effect, thereby posing significant challenges (such as availability of necessary information, impracticability of application of some of these requirements with retrospective effect, etc.) in the process of transition to Ind AS. Accordingly, careful consideration of these exceptions/exemptions and their impact on the first and subsequent Ind AS financial statements would be required.

The accounting policies that an entity uses in its opening Ind AS balance sheet may differ from those that it used for the same date using its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind AS. Therefore, an entity shall recognise those adjustments directly in retained earnings (or, if appropriate, another category of equity) at the date of transition to Ind AS.

Key mandatory exceptions:

- Estimates: To be consistent with estimates made under the previous GAAP unless there was an error, or the estimate and related information under
Optional exemptions:
A number of exemptions are available from the general requirement for retrospective application of Ind AS accounting policies. Some of the key optional exemptions from other Ind ASs are as follows:

- **Business combinations**: This exemption applies to all business combinations that occurred before the date of transition, or before an earlier date if so elected. It applies also to acquisitions of associates and interests in joint ventures. If a first-time adopter does not restate its previous business combinations, then the previous acquisition accounting remains unchanged. However, some adjustments - e.g. to reclassify intangibles and goodwill - may be required.

- **Deemed cost**: The deemed cost exemption permits the carrying amount of an item of property, plant and equipment to be measured at the date of transition based on a deemed cost. If it is elected, then the deemed cost exemption may be based on any of the following:
  
  (a) Fair value
  
  (b) A previous GAAP revaluation that was broadly on a basis comparable to fair value under Ind AS
  
  (c) A previous GAAP revaluation that is based on a cost or depreciated cost measure broadly comparable to Ind AS adjusted to reflect, for example, changes in a general or specific price index
  
  (d) An event-driven valuation - e.g. when an entity was privatised and at that point valued and recognised some or all of its assets and liabilities at fair value.

Ind AS 101 also includes a choice to consider previous GAAP carrying values as ‘deemed cost’ for property, plant and equipment, intangible asset, or investment property acquired prior to the transition date.

- **Long term foreign currency monetary items**: Ind AS 101 provides an option to a first-time adopter to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

- **Leases**: When a lease includes both land and building elements, a first-time adopter may assess the classification of each element as finance or an operating lease at the date of transition to Ind ASs on the basis of the facts and circumstances existing as at that date. If there is any land lease newly classified as finance lease then the first time adopter may recognise assets and liability at fair value on that date; and any difference between those fair values is recognised in retained earnings.

- **Cumulative translation differences**: If a first-time adopter uses this exemption:
  
  (a) the cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to Ind ASs; and
  
  (b) the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to Ind ASs and shall include later translation differences.

- **Compound financial instruments**: Ind AS 32 Financial Instruments: Presentation requires an entity to split a compound financial instrument at inception into separate liability and equity components. If the liability component is no longer outstanding, retrospective application of Ind AS 32 involves separating two portions of equity. The first portion is in retained earnings and represents the cumulative interest accreted on the liability component. The other portion represents the original equity component. However, in accordance with this Ind AS, a first-time adopter need not separate these two portions if the liability component is no longer outstanding at the date of transition to Ind ASs.

- **Revenue from contracts with customers**: A first-time adopter may use one or more of the following practical expedients when applying Ind AS 115 retrospectively:
  
  (a) for completed contracts, an entity need not restate contracts that begin and end within the same annual reporting period;
  
  (b) for completed contracts that have variable consideration, an entity may use the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting periods; and
  
  (c) for all reporting periods presented before the beginning of the first Ind AS reporting period, an entity need not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognise that amount as revenue.

**Tax Issues**: In order to make the transition to Ind AS smooth, the related tax issues also need to be addressed. In this regard, the Ministry of Finance had issued drafts of 12 ICDS in January 2015. These standards have been notified on 1st April, 2015, and will therefore provide an independent framework for computation of taxable income, which is delinked from the statutory financial reporting by companies. However, the basis for ‘minimum alternative tax’ (MAT) computation for companies reporting under Ind AS still remains an issue to be addressed.

**Conclusion**: The transition to Ind AS has an organisation wide impact, and not just accounting. Companies need to plan in advance and invest time. Given the pervasive nature of the impact of these new standards, in addition to the financial reporting impacts, companies will also have to assess impact on other stakeholders such as investors and analysts. Companies would also have to determine the impact of the standards on areas such as tax planning, compliance with loan covenants, incentive plans, funding, etc. This would also require changes to systems and processes including, sales and contracting processes, IT systems, internal controls, etc.
A "Non Adversarial" Tax Regime: Still a distant dream

CA. Aseem Chawla
CA. Pranshu Goel

Though a road map for India's growth has already been laid by the Finance Minister Mr. Arun Jaitley in his maiden budget, going forward, some major reforms, widely believing path breaking and setting the pace and agenda of the reform were proposed in this most crucial recent budget session.

While laying the road map for India's future growth story, Finance Minister highlighted the need of a stable, consistent and conducive environment for the investor community at large. The finance minister inter alia focussed on the necessity of the stable and a friendly tax regime to tap the undermined faith of the foreign as well as domestic investors at large.

Albeit, Finance Ministers and revenue officials in the past have made public announcements on the need of the non-adversarial tax regime, none of them were able to bring out visible and radical changes.

Several investors and government officials repeatedly highlighted their concerns over India's tax regime, which has impediments on the 'Make in India' project aspirated by the newly elected government. Prime Minister Modi in his endeavour to boost the domestic manufacturing, understood the need to change the laws and style of government functioning.

In his Budget Speech 2014-15, Finance Minister had announced the setting up of a High Level Committee (HLC) to interact with trade and industry and ascertain areas where clarity on tax laws is required. Pursuant to the said announcement, the Government has very recently set up a 3 member HLC under chairmanship of former Chief Economic Advisor Dr. Arvind Subramanian.

The board has also laid down a number of safeguards towards achieving a non-adversarial tax regime and emphasized on certain aspects towards the tax payers.

The recent guideline in spirit reiterates the several instructions issued in the past and focuses on improving the image of the income tax authorities and providing a conducive and a friendly environment to the tax payers at large. The memorandum focused on cleanliness aspect of the government departments and ordered the officials to be punctual towards the office hours. Going forward, CBDT directed the tax officials to honour the appointments and not to alter or cancel the same without any appropriate reasons. The Board addressed the need of improving the quality of assessments and highlighted the earlier instructions provided for in this regard.

The Board instructed that unreasonable assessment should not be carried out and directed the senior officials to appropriately supervise the subordinate officers to improve the quality of assessment. Furthermore the supervisory tax officials are directed to undertake quarterly reviews of orders issued by subordinate tax officials.

The board laid down more responsibility towards the senior officials to guide their subordinates towards achieving a friendly, ethical work environment. The senior officials have been directed to address the tax payer's complaints in timely manner and have also been directed to restrict the scope of scrutiny assessments on the basis of 'annual information return' or 'Central Information branch data', unless the same are not directed otherwise by Principal Chief Commissioner of Income Tax/Chief Commissioner of Income Tax.

The board has also reiterated the need to follow the instruction no. 1914 of 1993 in principal. The consistent worry of the taxpayers regarding high pitched assessments and the recovery of demands pending disposal of appeals, has been duly canvassed by the board in the said instruction.

The CBDT recognised the frivolous appeals made by the income tax authorities that add and lead to forced and avoidable litigation, thereby clogging up the system of higher judiciary. Unprecedented increase in litigation and backlog of cases has resulted in long delays in the administration of justice.

In the Budget 2014-15 speech, Finance Minister Mr. Arun Jaitley in this regard highlighted that a tax demand of more than USD 65 billion is under dispute and litigation before various Courts and Appellate authorities. Increasing backlog of cases at all levels indicates the inadequacy of legal apparatus in India, and the urgent need for reform in dispute resolution.

The board and the ministry recognised to put an end to this adversarial practice leading to inconsistent tax regime in India. Albeit, India has one of the developed tax regimes in the world, the same is criticized as the same is highly litigious.

Threshold limits have been set up for appeals to ITAT, High Courts and Supreme Court; however, the board has directed that the thresholds do not imply the necessity of filing of appeals above the aforesaid thresholds. The board has directed that the appeals should only be filed on merits of the case. Further to that, the board has also laid additional responsibilities on the Chief Commissioner of Income Tax and the Principal Commissioner of Income Tax to only file writs and special leave petitions before the High Courts and the Apex Court on the merits of the case. The board in the instant circular discussed the scenario in which the appeals were filed in the absence of any question of law or the same not being drafted properly.

The board also directed the official not to appeal the orders by first appellate authority; statutory guidelines for appeal effect; alternate dispute resolution mechanism; and perhaps chorus can rhyme “Hum Saath Saath Hain”.

As one may note, many of these safeguards have been around but have not been implemented. This indeed is the heart of the issue. The need of the hour is to recognise that the mere issue of circulars and advocating a fair and non adversarial tax regime may not serve the purpose; rather, the revenue needs to follow them in spirit and only then will we move on to new regime where a taxpayer is respected for the contribution to the society and the nation rather than being viewed as being a tax suspect.

Furthermore towards it endeavour to achieve the best international practices, board also highlighted the steps towards simplifying the compliance procedures.

These directions canvassed the much needed change in the image of the tax authorities towards the tax payers. These guidelines suggest that the tax payer should not be at the mercy of the tax officials and undue harassment by the tax officials should end. These initiatives are designed to bring about a more collaborative and solution oriented non adversarial tax regime.

As one may note, many of these safeguards have been around but have not been implemented. This indeed is the heart of the issue. The need of the hour is to recognise that the mere issue of circulars and advocating a fair and non adversarial tax regime may not serve the purpose; rather, the revenue needs to follow them in spirit and only then will we move on to new regime where a taxpayer is respected for the contribution to the society and the nation rather than being viewed as being a tax suspect.

The recent news reports which suggest that the Central Board has directed its officials not to appeal in the recent judgment of the Honourable Bombay High Court in the favour of telecom giant Vodafone, thus moving quickly towards bringing an end to the litigation embroiling other multinational corporations. The said advisory does echo the commitment of the new government towards providing a non-adversarial tax regime to the tax payers and increase the faith of the foreign investors towards the Indian tax system.

Although, the government has reflected its commitment towards the friendly regime, the fate of the high pitched assessments and the processing of refunds hinge upon the acute pressure on the income tax official to achieve the 'high revenue targets'. The government in its endeavour to change the 'image' of the tax officials have to consider that the entire system needs an overhaul.

Though the Honourable Finance Minister in his recent budget speech reiterated their government fundamental of growth by providing a fair and non adversarial tax regime to the investor community, they missed on certain crucial aspects. Clarity on transfer pricing issues; quick processing of the returns; timely issuance of the refunds; guidelines for the stay of demand; time limits of passing of orders by first appellate authority; statutory guidelines for appeal effect; alternate dispute resolution mechanism etc. are some of the challenges, clarity or guidelines on which should have been provided by the government or the board to support their drive of providing a fair tax regime.

The recent budget 2015, should have paved way for introduction of enhanced measures and conducive environment to build up the confidence between the taxpayer and the revenue department in order to attract foreign investments. Interactions with taxpayers along with alternate dispute mechanisms should be in place with the aim to resolve the disputes at the first place itself.

At the same time, it is expedient that suitable machinery is put in place to resolve disputes effectively and speedily. Such measures would provide fillip in instilling the confidence of all the stakeholders and perhaps chorus can rhyme “Hum Saath Saath Hain”.

Mr. P.Chidambaram addressed media on September 3, 2012
Dr. Sudha Sharma, the Ex-CBDT Chairperson on the occasion of her retirement pointed out the need of non-adversarial tax regime.
Several Media reports dated November 27th and 28th, 2014
Instruction No. 6/ 2009

8 The views expressed herein are personal views of the authors and do not necessarily represent the views of the NIRC's
Demanding of Interest on Wrong availing of Cenvat Credit but not utilized-Can non Utilization of Cenvat credit be proved beyond any doubt

Union Budget, 2015 has substituted Rule 14 of the Cenvat Credit Rules 2004 from 01.03.2015 which deals with recovery of Cenvat credit wrongly taken or erroneously refunded. Provisions of rule 14 stipulates the following:-

"14. Recovery of CENVAT credit wrongly taken or erroneously refunded. -

1. (i) Where the CENVAT credit has been taken wrongly but not utilised, the same shall be recovered from the manufacturer or the provider of output service, as the case may be, and the provisions of sections 11A of the Excise Act or section 73 of the Finance Act, 1994 (32 of 1994), as the case may be, shall apply mutatis mutandis for effecting such recoveries;

(ii) Where the CENVAT credit has been taken and utilised wrongly or has been erroneously refunded, the same shall be recovered along with interest from the manufacturer or the provider of output service, as the case may be, and the provisions of sections 11A and 11AA of the Excise Act sections 73 and 75 of the Finance Act, 1994, as the case may be, shall apply mutatis mutandis for effecting such recoveries.

2. For the purposes of sub-rule (1), all credits taken during a month shall be deemed to have been taken on the last day of the month and the utilisation thereof shall be deemed to have occurred in the following manner, namely: -

(i) the opening balance of the month has been utilised first;

(ii) credit admissible in terms of these rules taken during the month has been utilised next;

(iii) credit inadmissible in terms of these rules taken during the month has been utilised thereafter."

Position of Rule 14 prior to Union Budget, 2015.

Prior to April 1, 2012: Taken OR Utilized

Prior to April 1, 2012, Rule 14 of the Credit Rules provided for recovery of Cenvat credit taken or utilized wrongly or had been erroneously refunded along with interest from the manufacturer or the provider of output service. Erstwhile Rule 14 stipulates the following:

"14. Recovery of CENVAT credit wrongly taken or erroneously refunded. - Where the CENVAT credit has been taken or utilized wrongly or has been erroneously refunded, the same along with interest shall be recovered from the manufacturer or the provider of the output service and the provisions of sections 11A and 11AB of the Excise Act or sections 73 and 75 of the Finance Act, shall apply mutatis mutandis for effecting such recoveries."

There were lots of disputes in using the word "OR" in this rule. On the one hand department is maintaining that assessee is liable to pay interest on wrong taking of cenvat credit whether used by it or not and assessee on the other hand were maintaining that no interest can be charged even if the Cenvat credit is wrongly taken but the same is not utilized.

The Hon’ble Supreme Court in the case of Union of India Vs. Ind-Swift Laboratories Ltd. [2011 (2) TMI 6 – Supreme Court] has held that the word “or” used in Rule 14 of the Credit Rules should not be interpreted as “and” and thus, interest would be payable even if the Cenvat credit is wrongly taken but the same is not utilized.

Position of Rule 14 from April 1, 2012 till February 28, 2015:

An amendment was made in Rule 14 of the Credit Rules in the year 2012 vide Notification No. 18/2012-CE(NT) dated March 17, 2012 (Effective from April 1, 2012):-

"Recovery of CENVAT credit wrongly taken or erroneously refunded. 14. Where the CENVAT credit has been taken and utilised wrongly or has been erroneously refunded, the same along with interest shall be recovered from the manufacturer or the provider of the output service and the provisions of sections 11A and 11AA of the Excise Act or sections 73 and 75 of the Finance Act, shall apply mutatis mutandis for effecting such recoveries."

Finally matter was resolved and it was provided in the statute itself that interest would not be charged in cases where Cenvat credit has been taken but not utilized.

**CAN NON UTILISATION OF CENVAT CREDIT WHICH WAS AVAILED WRONGLY BE PROVED?**

There is nothing wrong on the part of department for charging interest on Cenvat credit availed wrongly because it is an undue benefit claimed by the assessee and therefore need to be refunded by assessee along with interest. Union budget, 2015 has maintained its intention of charging interest only on those cases of cenvat credit which was availed wrongly and utilized.

Provisions of Rule 14 of the Credit Rules does not end here. Sub-Rule (2) of Rule 14 of the Cenvat Credit Rules, 2004 further provides that all credits taken during a month shall be deemed to have been taken on the last day of the month and a deeming procedure shall be followed for determining utilization of Cenvat credit, which is as under:

(i) the opening balance of the month has been utilised first;

(ii) credit admissible in terms of these rules taken during the month has been utilised next;

(iii) credit inadmissible in terms of these rules taken during the month has been utilised thereafter."

Now therefore, with the introduction of Rule 14(2) it is very difficult for assessee to prove that they have not utilised the cenvat credit which was availed wrongly because of this deeming method of cenvat credit utilization. Accordingly, if amount of inadmissible Cenvat credit is not utilized in a particular month, then such inadmissible Cenvat credit will become a part of the opening balance of Cenvat credit of the Next month. In Next month, since the opening balance of Cenvat credit is deemed to be utilized first, the inadmissible amount of Cenvat credit which forms part of the opening balance can be said to have utilized first before utilization of the admissible Cenvat credit which was availed during the subsequent month.

Therefore it will be practical impossible for assessee to prove that they have not used inadmissible cenvat credit even if closing balance in Cenvat credit remain more than inadmissible credit and opening balance of cenvat credit has been utilized fully. There will again be continuous dispute in proving that inadmissible cenvat credit has not been utilized due to above deeming provisions. It is therefore suggested that at most care should be taken while taking Cenvat credit and even a minor clerical mistake in recording amount of cenvat credit need to be settled along with interest.

The views expressed herein are personal views of the authors and do not necessarily represent the views of the NIRCs
Govt. of India has unveiled new Foreign Trade Policy 2015-20 on 01.04.2015 with aims to increase India’s exports of merchandise and services from USD 465.9 billion in 2013-14 to approximately USD 900 billion by 2019-20 and raise India’s share in global trade over the five-year period of 2015-2020 to 3.5 per cent from the 2 per cent at present. The vision of the Govt. underpinning the FTP 2015-20 is very clear to make India a significant participant in the world trade by the year 2020 and to enable the country to assume a position of leadership in the International Trade.

Govt. of India, Ministry of Commerce and Industry has announced New Foreign Trade Policy 2015-20 on 01.04.2015 with an objective to provide stable and sustainable policy environment for Foreign Trade in merchandise and services, to link rules, procedures and incentives for exports and imports with various initiatives such as ‘Make in India’, ‘Digital India’, ‘Skills India’, to create an ‘Export Promotion Mission’ for India, To promote the diversification of India’s export by helping various sectors of the Indian economy to gain global competitiveness with a view to promoting exports. To create architecture for India’s global trade engagement with a view to expanding its markets and contributing to the global trade by the year 2020 and to enable the country to assume a position of leadership in the International Trade.

The new policy, which is in line with the government’s other initiatives like ‘Make in India’ and ‘Digital India’ lays down a blueprint for the Indian Inc. to enhance exports by leveraging simplified schemes and policy measures. The new policy also focuses on simplifying old schemes and procedures under one streamlined policy structure.

Highlights of the new Foreign Trade Policy 2015-2020 are as under:

1. **Merchandise Exports from India Scheme (MEIS):** Now 5 different earlier schemes (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, VKGUY) have been merged into a single scheme, namely Merchandise Export from India Scheme (MEIS). Incentives under this scheme is available on Exports of notified goods to Notified Markets at notified rates.

2. **Service Exports from India Scheme (SEIS):** Served from India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS).Now. all Service providers located in India, irrespective of the constitution or profile of the service provider, who is exporting notified services and earning foreign Exchange (having minimum net foreign exchange US$ 15000 in preceding FY and in case of Individual US $10000 in preceding FY), would be eligible for this benefits at the rate of 3% or 5% as applicable.

The reward issued as Duty Credit Scrip under this scheme and goods imported by using this scrip will be freely transferable and usable for all types of goods/services for payment of Custom Duty, Excise duty and Service tax.

3. **Chapter-3 Incentives (MEIS & SEIS):** now is available to units located in SEZs also.

4. **Status Holders:** The nomenclature of Export House, Star Export House, Trading House, Star Trading House, Premier Trading House certificate has been changed to One, Two, Three, Four, Five Star Export House. And the criteria for export performance for recognition of status holder have also been changed from Rupees to US dollar earnings.

5. **BOOST TO “MAKE IN INDIA”** Reduced Export Obligation (EO) for domestic procurement under EPCG scheme, to 75% of normal export obligation (presently normal EO is 6 times of duty saved amount ) in order to promote domestic capital goods manufacturing industry.

6. **Online filing of documents/applications:** Now, hardcopies of applications and specified documents would not be required to be submitted to RA, under Chapter 3 & 4 of FTP. In order to move towards paper less processing of reward schemes, an e-conformity procedure is being developed to upload digitally signed documents by CA/CS/CWA, such documents like annexure attached to ANF 3B which are at present signed by these signatories, can be facilitated by this procedures and exporters shall link digitally uploaded annexure with his online application after creation of such facility.

7. **Simplification of procedures/processes, digitization and e-governance**

   - **Under EPCG scheme**, obtaining and submitting a certificate from an independent Chartered Engineer, confirming the use of spares, tools, refractory and catalysts imported for final redemption of EPCG authorizations has been dispensed with.

   - **Now the EPCG Authorization Holders** shall be required to maintain records for a period of two years only after redemption of authorizations.

   - **Exporter Importer Profile:** Facility has been created to upload documents in Exporter/Importer Profile. There will be no need to submit records/documents (e.g. IEC, Manufacturing license, RCMC, PAN Etc.) repeatedly with each application, once uploaded.

   - **Communication with Exporters/Importers:** Certain information, like mobile number, e-mail address etc. has been added as mandatory fields, in IEC database. This information once provided by exporters, would help in better communication with exporters. SMS/ email would be sent to exporters to inform them about issuance of authorizations or status of their applications.

   - **Online message exchange with CBDT and MCA:** It has been decided to have on line message exchange with CBDT for PAN data and with Ministry of Corporate Affairs for CIN and DIN data. This integration would obviate the need for seeking information from IEC holders for subsequent amendments/ updation of data in IEC data base.

   - **Communication with Committees of DGFT:** For faster and paperless communication with various committees of DGFT, dedicated e-mail addresses have been provided to each Norms Committee, Import Committee and Pre-Shipment Inspection Agency for faster communication.

8. **Other new initiatives**

   - EOU, EHTP, STP has been allowed to share infrastructural facilities among themselves.

The views expressed herein are personal views of the authors and do not necessarily represent the views of the NIRCs.

<table>
<thead>
<tr>
<th>Status category</th>
<th>Export Performance FOB/FOR (as converted) Value (in US $ million) during current and previous two years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Star Export House</td>
<td>3</td>
</tr>
<tr>
<td>Two Star Export House</td>
<td>25</td>
</tr>
<tr>
<td>Three Star Export House</td>
<td>100</td>
</tr>
<tr>
<td>Four Star Export House</td>
<td>500</td>
</tr>
<tr>
<td>Five Star Export House</td>
<td>2000</td>
</tr>
</tbody>
</table>
10. E-Commerce Exports

- Inter unit transfer of goods and services have been allowed among EOUs, EHTPs, STPs, and BTPs.
- EOUs have been allowed facility to set up Warehouses near the port of export.
- STP units, EHTP units, software EOUs have been allowed the facility to use all duty free equipment/ goods for training purposes.
- 100% EOUs have been allowed facility of supply of spares/components up to 2% of the value of the manufactured articles to a buyer in domestic market for the purpose of after sale services.
- At present, in a period of 5 years EOU units have to achieve Positive Net Foreign Exchange Earning (NFE) cumulatively. Because of adverse market condition or any ground of genuine hardship, then such period of 5 years for NFE completion can be extended by one year.
- LOP for setting up a 100% EOU will have an initial validity of 2 years to enable the unit to construct the plant and install the machinery. Further extension can be granted by the Development Commissioner up to one year. Extension beyond 3 years of the validity of LOPS can be granted, in case unit has completed 2/3rd of activities, including the construction activities.
- Procedure for the deboning/exit of the STP/EHTP simplified.
- EOUs having export turnover of Rs.10 Crore or more are allowed to issue the pre authenticated procurement certificate from the Customs/Excise.
- Goods falling in the category of handloom products, books/periodicals, leather footwear, toys and customized fashion garments, having FOB value up to Rs.25000 per consignment (finalized using e-Commerce platform) shall be eligible for benefits under FTP.
- Such goods can be exported in manual mode through Foreign Post Offices at New Delhi, Mumbai and Chennai.
- Export of such goods under Courier Regulations shall be allowed manually on pilot basis through Airports at Delhi, Mumbai and Chennai as per appropriate amendments in regulations to be made by Department of Revenue. Department of Revenue shall fast track the implementation of EDI mode at courier terminals.

11. Duty Exemption
- Imports against Advance Authorization shall also be eligible for exemption from Transitional Product Specific Safeguard Duty.
- In order to encourage manufacturing of capital goods in India, import under EPCG Authorization Scheme shall not be eligible for exemption from payment of anti- dumping duty, safeguard duty and transitional product specific safeguard duty.

12. Additional Ports allowed for Export and import
- Calicut Airport, Kerala and Arakonam ICD, Tamil Nadu have been notified as registered ports for import and export.

13. Duty Free Tariff Preference (DFTP) Scheme
- India has already extended duty free tariff preference to 33 Least Developed Countries (LDCs) across the globe. This is being notified under FTP.

14. Quality complaints and Trade Disputes
- In an Endeavour to resolve quality complaints and trade disputes, between exporters and importers, a new chapter, namely, Chapter on Quality Complaints and Trade Disputes has been incorporated in the Foreign Trade Policy.
- For resolving such disputes at a faster pace, a Committee on Quality Complaints and Trade Disputes (CQCTD) is being constituted in 22 offices and would have members from EPCOs/FIEOs/APEDA/EICs.

15. Vishakhapatnam and Bhimavaram added as Towns of Export Excellence
- Government has already recognized 33 towns as export excellence towns. It has been decided to add Vishakhapatnam and Bhimavaram in Andhra Pradesh as towns of export excellence (product category seafood).

**The views expressed herein are personal views of the authors and do not necessarily represent the views of the NIRCs**

---

**ENROLMENT FOR ANNUAL MEMBERSHIP (SEMINARS) OF NIRC OF ICAI (YEAR 2015-16)**

1. Membership fee is applicable from 1st April 2015 to March 2016
2. Intimation of Seminars/Conferences and other events will be given by E-Mail
3. Registration and payment for Annual Membership of NIRC for Seminars will be through online only at the below link www.nircseminars.org/register.php

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Fee( in Rs.)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>8500/-</td>
<td>For Young Members (Enrolled After 01.04.2010)</td>
</tr>
<tr>
<td>2.</td>
<td>10000/-</td>
<td>For All Members not in category one above</td>
</tr>
<tr>
<td>3.</td>
<td>14000/-</td>
<td>For Firm with three partners- (one out of Three partners may participate)</td>
</tr>
<tr>
<td>4.</td>
<td>23000/-</td>
<td>For Firm with five partners- (Two out of Five partners may participate)</td>
</tr>
<tr>
<td>5.</td>
<td>28000/-</td>
<td>For Firm with eight partners- (Three out of Eight partners may participate)</td>
</tr>
<tr>
<td>6.</td>
<td>4000/-</td>
<td>Per Partner-for firm more than Eight Partners(40% of Total Partners may participate)</td>
</tr>
<tr>
<td>7.</td>
<td>25000/-</td>
<td>Corporate Membership (Any Two out of Five Participate)</td>
</tr>
<tr>
<td>8.</td>
<td>35000/-</td>
<td>Corporate Membership (Any Three out of Eight may Participate)</td>
</tr>
</tbody>
</table>

5. Above fee is Valid Upto 150 CPE Hours Seminars, thereafter Member may renew his membership or attend the Seminar by making payment of the individual Seminar.

6. NIRC Reserves the Right to Organize Seminar/Conferences/Works Shops/Event which can be attended on Chargeable bases Irrespective of the Membership.
Corporate Social Responsibility

Definition:
CSR is an initiative of the company's efforts to promote corporate citizenship and enhance its long-term sustainability. Corporate responsibility may require the company to support social and environmental efforts that are not directly related to its core business operations. It involves activities that are not primarily intended to generate revenue but have a positive impact on society and the environment.

Applicability:
Every company must comply with the CSR provisions in its financial statements. The requirements apply to companies that meet specific turnover or net worth criteria. The CSR policy must be formulated and approved by the board of directors and implemented through a CSR Committee.

Calculation of Net Profit:
- Average net profit shall be calculated in accordance with provisions of section 198 of the Companies Act, 2013.
- In case of foreign companies, net profit shall be calculated as per section 381(1).

Adjustments in NP as per section 198:
- Following items shall be included in the calculation of net profit:
  - Net profit of Rs 5 crore or more
  - Turnover of Rs 1000 crore or more
  - Net worth of Rs 5 crore or more
- Following items shall be deducted from the net profit:
  - Any change in carrying amount of an asset or a liability recognised in equity reserves
  - Loss on sale of undertaking

CSR Committee:
- The CSR Committee shall be constituted by the company to formulate and recommend a CSR policy to the board of directors. The Committee shall consist of three or more members, including at least one independent director.
- The chairperson of the Committee shall be an independent director.
- The Committee shall be responsible for formulating and recommending the CSR policy to the board of directors.

CSR Activities:
- CSR activities shall be undertaken by the company as per its CSR policy excluding activities undertaken in pursuance of its normal course of business.
- Board may decide to undertake the CSR activities through a registered trust/society/company registered under section 8 of the Act established by the company or its holding or subsidiary or associate company.

Note:
The views expressed herein are personal views of the authors and do not necessarily represent the views of the NIRC.
CSR Policy of the company includes:
- CSR Policy for the company to undertake CSR projects which a company plans to undertake falling within purview of Sch VII in a financial year commencing on or after 1st April, 2014 shall include any annual report on CSR containing particulars in Annexure.
- In case of a foreign company, the CSR Committee shall disclose the composition of CSR Committee along with the modalities of execution of such project and implementation schedule of the same.
- CSR policy of the company shall specify that the surplus from the CSR activity shall not be part of the business profit of the company.

Reporting & Disclosure Requirements
- The Board's report shall disclose the composition of CSR Committee.
- The Board's report of a company pertaining to a financial year commencing on or after 1st April, 2014 shall include an annual report on CSR containing particulars specified in Annexure.
- The CSR policy of the company shall specify that the surplus from the CSR activity shall not be part of the business profit of the company.
- Monitoring process of such projects or programs.

CSR Expenditure
- It shall include all expenditure including contribution to corpus, for projects but does not include any expenditure on an item not in conformity or not in line with activities which fall under Sch VII of the Act.
- Contribution to Corpus of a Trust/ society/ section 8 companies etc. will qualify as CSR expenditure as long as (a) the Trust/ society/ section 8 companies etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly related to a subject covered in Schedule VII of the Act.
- The CSR projects or programs undertaken in India shall amount to CSR expenditure.
- Preference shall be given to the local area or area around where it operates.
- It is further clarified that CSR activities should be undertaken by the companies in project mode. One-off events such as marathons/awards/charitable contribution/advertisements/ sponsors of TV programmes etc. would not be qualified as part of CSR expenditure.

Consequence of Non-Compliance
- If the company fails to spend such amount, the Board shall, in its report specify the reason for not spending the amount.
- There is no specific penalty, but as per section 450 and 451 of the Act general penalty will be applicable which impose fine up to Rs. 10,000/- and if the default is continuing one, with a further fine of Rs. 1,000 for every day.

For any query or further details please contact: CA. Trapti Gupta. Contact: 0120-3045-945/ +91-8130567979, or mail us at fxtm@icai.in

With Kind Regards,
CA. Anuj Goyal,
Chairman, CFMIP,ICAI

---

**Commencement of Certificate Course on Forex and Treasury Management**

The Committee on Financial Markets and Investors’ Protection (CFM&IP) is one of the Non-Standing Committees of the ICAI which conducts Certificate Course on Forex and Treasury Management (FXTM) for professional development of members in this field. The aim of this Course is to provide a platform to the members to interact with the experts and to understand the recent developments in the field of Forex and Treasury. Moreover the course was designed so as to enable candidates to understand and conquer the complexities of Forex and Treasury management and to develop skill sets which would be required for making sound financial decisions. It is important to know the intricacies of Forex Risk Management especially during these times when Indian rupee fluctuations causing a lot of financing strain on the importers of products and services and for organizations having foreign currency loans.

The Committee will be starting new batches of Certificate Course on Forex and Treasury Management in Kanpur on 25th May, in Chennai on 9th May, in Kolkata on 16th May, in Mumbai on 23rd May and in Delhi on 30th May, 2015 respectively. Registration for the Course has commenced and registration will be on first come first served basis in view of limited seats.

For more information and updates and for making online payment please visit: [http://www.icai.org/post.html?post_id=3552&c_id=266 and www.icai.org](http://www.icai.org/post.html?post_id=3552&c_id=266 and www.icai.org)

Course Fee: Rs. 17500 (Rs. Seventeen Thousand Fifty Hundred Only). The fee can also be paid through Cheque/D.D. drawn in the favour of “The Secretary, The Institute of Chartered Accountants of India”, payable at New Delhi. The participants of this course will be given 48 CPE Hrs after the completion of the course.

Hardcopy of Registration form should be sent at the following address after affixing photograph and signature of the participant:
The Secretary,
Certificate Course on Forex and Treasury Management Committee on Financial Markets and Investors’ Protection
ICAI Bhawan, Administrative Block, 8th Floor,
A-29, Sector 62,NOIDA – 201309

For any query or further details please contact: CA. Trapti Gupta. Contact: 0120-3045-945/ +91-8130567979, or mail us at fxtm@icai.in

With Kind Regards,
CA. Anuj Goyal,
Chairman, CFMIP,ICAI
## REGIONAL COUNCIL ACTIVITIES

<table>
<thead>
<tr>
<th>Date</th>
<th>Name of Programme/Venue</th>
<th>Chief/Guest Speakers</th>
<th>CPE Hours</th>
<th>Total Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>14th March 2015</td>
<td>Seminar for Members on Clause by Clause Discussion of Finance Bill</td>
<td>CA. Sanjay Agarwal, Central Council Member, ICAI&lt;br&gt;CA. Sanjiv Kumar Chaudhary, Central Council Member, ICAI</td>
<td>6</td>
<td>312</td>
</tr>
<tr>
<td></td>
<td>Venue: NDMC Convention Centre, CP, New Delhi.</td>
<td>Panel Discussion&lt;br&gt;CA. Sanjay Agarwal, Central Council Member, ICAI&lt;br&gt;CA. Sanjiv Kumar Chaudhary, Central Council Member, ICAI</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clause by Clause Discussion on Direct Tax Provisions of Finance Bill&lt;br&gt;CA. Sanjay Agarwal, Central Council Member, ICAI&lt;br&gt;CA. Sanjiv Kumar Chaudhary, Central Council Member, ICAI</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clause by Clause Discussion on Indirect Tax Provisions of Finance Bill&lt;br&gt;CA. Bimal Jain, CA. Puneet Agrawal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14th March 2015</td>
<td>Seminar for CA Students on Bank Audit&lt;br&gt;Venue: ICAI Bhawan Vishwas Nagar, Shahdara, Delhi.</td>
<td>CA. S. Narayanan, CA. Bhagwan Das Gupta</td>
<td>6</td>
<td>200</td>
</tr>
<tr>
<td>20th March 2015</td>
<td>Seminar for Members on Bank Audit&lt;br&gt;Venue: Hotel Le Meridien, Janpath, New Delhi.</td>
<td>CA. Amarjit Chopra, Past President, ICAI&lt;br&gt;CA. Ajay Kumar Jain, CA. Bhagwan Das Gupta, Past Chairman, NIRC of ICAI</td>
<td>6</td>
<td>290</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Overview of Bank Branch Audit&lt;br&gt;LFAR (Long Form Audit Report) and Restructuring of Advances Audit of Advances — Income Recognition and Assets Classification Norms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23rd March, 2015</td>
<td>Mock Test for IPCC &amp; Final CA. Students&lt;br&gt;Venue: Laxmi Public School, X-20, Institutional Area, Near Karkardooma Courts, Delhi</td>
<td>CA. M. M. Khanna, Past Central Council Member, ICAI&lt;br&gt;CA. (Dr.) Sunil Maggo, CA. Shashi Gupta, CA. Lokesh Gupta</td>
<td>4</td>
<td>1200</td>
</tr>
<tr>
<td>23rd March 2015</td>
<td>Seminar for Members on Bank Audit Jw East Delhi CPE&lt;br&gt;Study Circle of NIRC&lt;br&gt;Venue: Crystal Banquet, Laxmi Nagar, Delhi.</td>
<td>CA. M. M. Khanna, Past Central Council Member, ICAI&lt;br&gt;CA. (Dr.) Sunil Maggo, CA. Shashi Gupta, CA. Lokesh Gupta</td>
<td>4</td>
<td>211</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Overview of Bank Branch Audit 2015&lt;br&gt;Long Form Audit Report&lt;br&gt;Scrutiny of loans and advances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27th March 2015</td>
<td>Seminar for Members on Bank Audit Jw Nehru Place CPE&lt;br&gt;Study Circle of NIRC&lt;br&gt;Venue: 422, Elicina House, Okhla, Delhi.</td>
<td>CA. Rajesh Sethi</td>
<td>3</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Audit of Loans &amp; Advance &amp; IRAC Norms&lt;br&gt;Long Form Audit Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5th April, 2015</td>
<td>Seminar for CA Students on How to Face CA Exams &amp; Lecturer on Stock Market&lt;br&gt;Venue: E-52, Prashant Vihar, Sector-14, Rohini, New Delhi</td>
<td>CA. Vineet Jain, CA. Balvinder Singh Oberoi</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

### FOR MEMBERS

Member are requested to send their articles to be published in NIRC Newsletter. It may be noted that publication of article is subject to approval of Editorial Board of NIRC of ICAI.

### (ANNOUNCEMENT)

Team NIRC is pleased to announce about the starting of fresh batch of CPT Revisionary Classes for June attempt organized by NIRC for CPT Students from 13 April, 2015. These classes will be held at ICAI Bhawan Vishwas Nagar Delhi, CPT students can register themselves for the same. Details of the same are available at [www.nirc-icai.org](http://www.nirc-icai.org).
# Forthcoming Programmes of NIRC of ICAI

## Branch Orientation Programme of NIRC of ICAI
(For the Managing Committee Members of Branches of NIRC)

<table>
<thead>
<tr>
<th>Date &amp; Day</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>19th April 2015</td>
<td>Tarika Jungle Retreat, Chail</td>
</tr>
<tr>
<td></td>
<td>Blossom, District Solan, H.P.</td>
</tr>
</tbody>
</table>

## Seminar on Companies Act 2013 & Income Tax Jointly with Darya Ganj CPE Study Circle of NIRC

<table>
<thead>
<tr>
<th>Date &amp; Day</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>24th April 2015</td>
<td>Hotel Atithi Palace, 50, Darya Ganj, Delhi-110002</td>
</tr>
</tbody>
</table>

## Seminar on FEMA, FDI and Foreign Trade Policy

<table>
<thead>
<tr>
<th>Date &amp; Day</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>25th April 2015</td>
<td>Hotel the Suryaa, New Friends Colony, Delhi</td>
</tr>
</tbody>
</table>

## Seminar on Empowering Women through CA Profession (For Women Chartered Accountants)

<table>
<thead>
<tr>
<th>Date &amp; Day</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>09th May 2015</td>
<td>NDMC Convention Centre, Parliament Street, Opposite JantarMantar, CP, New Delhi</td>
</tr>
</tbody>
</table>

## Sub Regional Conference of NIRC (Haryana State)
Hosted by Hisar Branch of NIRC of ICAI (Jointly with Sirsa Branch & Rohtak Branch of NIRC of ICAI)

<table>
<thead>
<tr>
<th>Date &amp; Day</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>16th May 2015</td>
<td>To be hosted on NIRC Website</td>
</tr>
</tbody>
</table>

## Two Days Residential Training Programme on Companies Act 2013*

<table>
<thead>
<tr>
<th>Date &amp; Day</th>
<th>Reporting Directly at the Resort on 30th April at 8.30 AM Departure from Resort after Program on 1st May at 05.30PM</th>
</tr>
</thead>
<tbody>
<tr>
<td>30th April 2015</td>
<td>Heritage Village, Manesar, NH-8, Gurgaon (Haryana)</td>
</tr>
<tr>
<td></td>
<td>09.00 AM to 05.30 PM</td>
</tr>
<tr>
<td></td>
<td>Limited 50 Seats. Registration on First cum First Serve. Register yourself at the Website <a href="http://www.nircseminars.org">www.nircseminars.org</a></td>
</tr>
<tr>
<td></td>
<td>Rs. 5000/- Per Participant. (Accommodation on Twin Sharing Basis)</td>
</tr>
</tbody>
</table>

*This is Specialized Training Programme, Therefore it is Chargeable for all the Members. Please Register & Pay before 15th April online at the website www.nircseminars.org
With a view to mitigate the hardships being faced by members whose names stand removed as on date due to non-payment of membership fee, the Council has decided to give an opportunity by way of General Amnesty Scheme for restoration of their names retrospectively.

Continuation of membership entitles a member to designate himself as 'CA' and also other benefits alike monthly Journal of the Institute, Newsletters of Regional Councils & Branches of the Institute, participation in the conferences, seminars and other programmes organized by the Institute, Regional Councils and/or Branches; regular update on programs being organized and initiatives taken for the benefit of the profession and members; emerging professional opportunities, practice area development, publications of the Institute etc.

This is an excellent opportunity to get name restored with retrospective effect. The benefit of the scheme may be availed by submitting the prescribed application in Form 9 on or before 30th April, 2015 alongwith the outstanding fee for the intervening period of name removal and restoration fee of Rs 1200/-.

Details of General Amnesty Scheme are given below:-

(i) Retrospective restoration of membership under General Amnesty Scheme;

Category I: The names of the members whose name is removed prior to 31st March 2014 on account of non payment of fees and not restored as on date may apply for retrospective restoration of their names under General Amnesty Scheme by filling Form 9 along with the membership fees for the year during which the name was removed and for the current year to together with the fee(s) for the intervening years and the additional fee of Rs.1200/- towards restoration. To avail benefits of General Amnesty Scheme, members should submit the requisite fees and Form '9' latest by 30th April 2015.

The scale of membership fee as applicable from time to time is as given below:

<table>
<thead>
<tr>
<th>Effective from</th>
<th>Associate</th>
<th>Fellow</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st April, 2011</td>
<td>800/-</td>
<td>2200/-</td>
</tr>
<tr>
<td>1st April, 2008</td>
<td>600/-</td>
<td>1,800/-</td>
</tr>
<tr>
<td>1st April, 2000</td>
<td>500/</td>
<td>1,300/-</td>
</tr>
<tr>
<td>1st April, 1996</td>
<td>225/-</td>
<td>700/-</td>
</tr>
<tr>
<td>1st April, 1991</td>
<td>150/-</td>
<td>400/-</td>
</tr>
<tr>
<td>1st April, 1986</td>
<td>100/-</td>
<td>250/-</td>
</tr>
<tr>
<td>1st April, 1982</td>
<td>80/-</td>
<td>200/-</td>
</tr>
<tr>
<td>1st April, 1976</td>
<td>60/-</td>
<td>125/-</td>
</tr>
<tr>
<td>1st April, 1975</td>
<td>45/-</td>
<td>110/-</td>
</tr>
<tr>
<td>1st April, 1964</td>
<td>28/-</td>
<td>83/-</td>
</tr>
<tr>
<td>1st April, 1949</td>
<td>25/-</td>
<td>50/-</td>
</tr>
</tbody>
</table>

*Rs.450/- and Rs.600/- where an Associate member has attained the age of 65 years as on 1st April, 2011.
**Rs.1300/- and **Rs.1600/- where a Fellow member has attained the age of 65 years as on 1st April, 2011.

Restoration fee Rs.1200

Example: Where the name of an Associate member was removed from the Register of Members in the year 1991-92, the fees to be remitted with the Form '9' for retrospective restoration including fee for intervening years will be as under:

Summary of fee payable

| Fee for the year 1991-92 | Rs.150 |
| Fees for the intervening years (1992-93 to 2013-2014) | Rs.8100 |
| 1992-93 to 1995-96 | @ Rs.150*4 = Rs.600 |
| 1996-97 to 1999-00 | @ 225*4 = Rs.900 |
| 2000-01 to 2007-08 | @ Rs.300*8 = Rs.2400 |
| 2008-09 to 2010-2011 | @ Rs.600*2 = Rs.1200 |
| 2011-12 to 2013-2014 | @ Rs.800*3=Rs.2400 |

| Fee for the current year (2014-15) | Rs.800 |
| (where the associate/fellow concerned has not attained the age of 65 years as on 1st April, 2011) |
| (where the associate/fellow concerned has not attained the age of 60 years as on 28th March, 2013) |

| Restoration fee | Rs.1200 |
| TOTAL | Rs.10250 |

(ii) Retrospective restoration of membership under Regulation 19 of CA Regulations, 1988:

Category II: The members whose membership exists as on 01st April 2014 and continued upto 30th September 2014 but subsequently got removed as on 1st October 2014 on account of non-payment of fee are eligible for restoration of their names retrospectively under Regulation 19 of the Chartered Accountants Regulations, 1988. Such persons may apply upto 31st March 2015 in Form 9 along with the membership fees i.e Rs.800/- as an associate and Rs. 2200/- as fellow, as the case may be, for the current year and the additional fee of Rs. 1200/- towards restoration of name.

Members desirous of availing the opportunity may also apply on-line for restoration of their name by visiting www.icai.org and downloading pre-filled Form '9'. The link is given on home page “Know Your Institute - Restore your Membership”. For any clarification or more details, please contact the concerned Decentralised Office of the Institute or the Head Office over phone No. 0120-3045997/3045998 or e-mail to mss@icai.in

The above Amnesty Scheme for retrospective restoration of membership will remain in force up to 5.30 pm till 30th April, 2015 and shall stand withdrawn automatically thereafter.
A JOINT INITIATIVE OF NIRC OF ICAI AND VEDANTA FOUNDATION

YOUR DREAM OUR VISION
LEARN AND GROW WITH

VEDANTA FOUNDATION

Vedanta Foundation offers Full Scholarship (Free financial assistance), that includes registration fees, counseling exams, examination fees and books to the deserving underprivileged students willing to pursue a career in CA, CPT, CFA, IPCC & CA Final examination. Selection based on criteria: skill.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Educational Qualification</th>
<th>Entrance Criteria for Final Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Class XII</td>
<td>Mathematics &amp; Science with 60% in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>English and Commerce with 55% in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Science &amp; Commerce with 55% in</td>
</tr>
</tbody>
</table>

For Free Coaching quickly enroll at your nearest location. Batch sizes at Laxmi nagar, Delhi

www.nirc-icai.org

NIRC
Northern India Regional Council of the Institute of Chartered Accountants of India
ICAI Bhawan, 5th floor, Annex Building, L.P Marg, New Delhi - 110002,
nirc@icai.in, www.nirc-icai.org
Garima Agarwal - 011 30100500 / 510

Vedanta Foundation
Opp Nirmal Bldg. Corner of F'Road, Marine Drive, Mumbai 400002,
www.vedantafoundation.org
Taher Vohra - 022-2705665, taher.s.vohra@gmail.com,
Sudhir Jha - 01141345551/41345552,
sudhir.jha@vedantafoundation.org

ADMISSIONS OPEN FOR 2015-16

SAMRIDHI
GRAND AVENUE
YOUR OWN KINGDOM
2/3/4 BHK APARTMENTS
Techzone - IV, Greater Noida (West)

Call: +91 9015757000 sms SAM to 56677
GLIMPSES-REGIONAL COUNCIL ACTIVITIES

Regional Council Chairmen meet held on 12th March, 2015 at Conference Hall of ICAI, ITO, New Delhi

Seminar on Bank Audit for CA Students on 14 March, 2015

Seminar on Clause by Clause Discussion of Finance Bill held on 14th March 2015 at NDMC Convention Centre, CP, New Delhi
GLIMPSES - REGIONAL COUNCIL ACTIVITIES

Seminar on Bank Audit held on 20th March 2015

Seminar on Bank Audit Jw East Delhi CPE Study Circle of NIRC held on 23rd March, 2015

Seminar on Bank Audit at Hisar Branch of NIRC of ICAI

Sports Activities at Sirsa Branch of NIRC of ICAI
CHOOSE A CAUSE TO FEEL THE MAGIC

Choose to Contribute for

Chartered Accountant Benevolent Fund

A fund set up by the members for the members

Life Subscription of the fund
Rs. 2500

Ordinary/Annual Subscription of the fund
Rs. 500 per annum

Payable in favour of Chartered Accountants Benevolent fund at New Delhi

- Become life member of CABF, a fund registered under Societies Registration Act 1860.
- The Fund provides financial assistance/maintenance/medical needs of the members of the Institute and their families in distress.
- Join today as a life member and be a part of the benevolent fraternity.
- Contribute voluntarily any sum over and above life contribution for the noble and pious cause.
- Contribution are exempt from tax under section 80-G of Income Tax Act.
- The Fund thanks all members who have contributed generously for the cause.