



CIRC Newsletter

Vol. : 39 No. : 07/07

(For Members only)

1st July , 2016

Price: ₹ 5/-



Dear Respected Members,

“Heartiest Congratulations on CA. Day”

I wish all of you a very happy CA. Day. It's an honor and proud to be part of this profession. My branches are all geared up to celebrate this day with great enthusiasm in the form of flag hoisting and events that enhance and impart knowledge to the professional fraternity.

It is indeed a pride for me as steward to serve the geographically largest region of the Institute. I am sure you all are also equally proud to be a part and partial of this large region and through appropriate and reasonable direction in all the matters for the progress of the profession and the nation. We CIRC team is always with you. We do not wish to be considered as intellectual leaders, but stewards, to serve you all with full intuitive sense and feel, deal experience and care for betterment, as it is said that:

**“People do not care how much you know,
Till they know how much you care”**

The Team CIRC also had planned a series of events in regards to those social causes on the occasion of CA Day from 27th June to 3rd July 2016. I am happy to inform you that branches have supported tremendously and organized many programmes like Tree plantation, Blood donation by members and students, Go Green, Beti Bachao, Swacch Bharat run, Awareness program with trade associations on taxation, finance, Charity Program for orphans/ Old age, Talk on role of CA's, Car Rally for Members, Felicitation of Dedicated and honest workers in different streams of society, Felicitation of Past Chairman of branches and senior members, Distribution of Books to 11th/12th for Students who are in need, Donating Aaganwadi useful item, Health check up camp, Awarding Toppers of CPT/ IPCC/ Final in your branch.

We are constantly working in the best interest of our Members and Students. We have started facility of posting requirement of Qualified and Articles through our website. More than 500 Members have already registered on the portal and given the requirement. We are also sending communication to Newly Qualified Members and Students to search for such requirement on the portal. We have already circulated the Faculty database to all the branches and requested them to make use of this facility.

We have uploaded background material of seminars/ programs held at branches of guest speakers on our website which the members can make best use of it and they can get the latest updates/ changes in various Acts/ Laws and help them in quick compliance. We have also submitted a detailed representation/ suggestions received from Members at large to our Hon. President to take appropriate action. This is also hosted on our website for members. We have also created a group at our Regional Office for submission of suggestions on GST Model to ICAI through our Indirect tax committee of CIRC.

I sincerely appeal to Members for Generous Contribution to CA Benevolent Fund towards (i) deceased fellow members' families in misery and (ii) members suffering from critical illnesses.

Regional Conference is scheduled in August 2016 in Jaipur: I am delighted to convey that CIRC is all set for its Regional Conference inviting experts in the field of Accountancy, Auditing, Direct and Indirect Taxes and allied fields to share their proficiencies in the two-day at Birla Auditorium in the Pink city, Jaipur on 27th and 28th August 2016. Detail program and speakers are finalization to be shared soon with all you. I wholeheartedly extend invitation to all the members to keenly participate in large numbers and make the event a grand success, and enjoy the marvelous hospitality of the historic Jaipur, Capital city of Rajasthan.

Recently I have had the pleasure of visiting Jaipur, Bhilwara, Chittaurgarh, Varanasi and Bhopal during the month. I sincerely appreciate the welcome given to me by all the leaders of respective branches. It gives me great pleasure to welcome you to the 65th Annual General Meeting of CIRC of ICAI on 12th July, 2016 at 10.30 AM at Bhilai.

I congratulate all member of CIRC on the occasion of CA Day. As I conclude, may I, on behalf of CIRC once again thank you for your continued support and encouragement.

“It is impossible to fail completely and it is impossible to succeed perfectly. But, it is always possible to perform dedicatedly”

With warmest professional regards.

CA. Abhay Kumar Chhajer
Chairman CIRC

Email : chhajer_abhay@hotmail.com

GLIMPSES OF ACTIVITIES



Presenting Memento by CA. Abhay Kumar Chhajed to CA. A. K. Somani (Ex-Chairman and Conclave Co Director). On the dias: L-R: CA. Arun Kabra – Secretary Bhillwara Branch, CA. Naveen Kogta – Chairman CICASA Bhillwara Branch, CA. Pramod Kumar Boob – Vice Chairman – CIRC, CA. Abhay Kumar Chhajed – Chairman CIRC, CA. Pradeep Somani – Chairman Bhillwara Branch, CA. A.K.Somani – Conclave Committee Member, CA. K. C. Baheti – Ex –Chairman/Conclave Committee Member during Students on National Conclave for CA. Students 2016 at Bhillwara branch of CIRC.



CA. Abhay Kumar Chhajed - Chairman CIRC Addressing to the Students on National Conclave for CA. Students 2016 at Bhillwara branch of CIRC. On the dias from L-R: CA. Arun Kumar Kabra – Secretary Bhillwara Branch, CA. Naveen Kogta – Chairman CICASA Bhillwara Branch, CA. Pramod Kumar Boob – Vice Chairman CIRC, CA. Pradeep Somani – Chairman Bhillwara Branch



CA. Abhay Kumar Chhajed, Chairman CIRC addressing the participants. Persons on Dias: (L to R) CA. Ankit Jain – Treasurer Jaipur Branch, CA. Dinesh Kumar Jain –Chairman Jaipur Branch during welcome of Chairman CIRC CA. Abhay Kumar Chhajed by Jaipur branch.



CA. Dinesh Kumar Jain – Chairman Jaipur Branch, CA. Nikhlesh Kataria & CA. Shiv Shanker Gupta- Member Managing Committee presenting memento to CA. Abhay Kumar Chhajed, Chairman CIRC during welcome of Chairman CIRC CA. Abhay Kumar Chhajed by Jaipur branch.



On the Dias(L to R): CA. Dinesh Kumar Jain – Chairman Jaipur Branch, CA. Abhay Kumar Chhajed-Chairman CIRC, CA. Shyam Lal Agarwal-Council Member, CA. Pramod Kumar Boob-Vice Chairman CIRC, CA. Babu Abraham Kallivayalil-Chairman BOS ICAI, CA. Dhiraj Kr. Khandelwal-Vice Chairman BOS-ICAI, during National convention for CA. students on the theme CA. Profession- Enlighten, Enrich & Excel at Jaipur Branch of CIRC on 14TH & 15TH June 2016.



Garlanding on deity of Goddess Saraswati by CA. Prakash Sharma – Council Member during seminar on service tax on 04th June, 2016 held at Allahabad branch.



Presentation of memento to CA. Prakash Sharma – Council Member during seminar on service tax on 04th June, 2016 held at Allahabad branch.



CA. Nitesh Gupta
Secretary-CIRC
vinodguptafca@gmail.com
9837073938

Learn to get in touch with
the silence within yourself,
and know that everything
in life has purpose.

There are no mistakes,
no coincidences, all events
are blessings given to
us to learn from.

-Elisabeth Kubler-Ross



CA. Pramod Kumar Boob
Vice Chairman-CIRC
pkboobcirc@gmail.com
9829015993

Non permanent appearance of
happiness and distress and their
disappearance in due course
are like the appearance
and disappearance
of winter and summer seasons"

-BHAGVAD GITA

From Secretary's Desk....

Respected Members,

At the outset I take the opportunity to wish all the members a very happy 68th founders day (1st July, 2016). As was shared by me in the previous month write up, probably for the first time CIRC informed all its branches the various programs which could be celebrated on this auspicious occasion. I am happy to share that all the branches of the region took this call in a positive spirit and several events took place across all the branches of the region. It is also important to note that a schedule of program was also informed from the headquarters but team CIRC was proactive to this extent that the schedule informed by us to all the branches was even before the mail which was received from the headquarters.

My heartfelt thanks and gratitude to the entire membership of the region to make all the programs a grand success. On 1st July, 2016 the members of Haldwani branch received a gift from the headquarters, Haldwani branch has become operational from this day, this is the 46th branch of the region. My heartiest congratulations to all the members of the branch and thanks to the our top leadership to resolve the issues connected with the operation of this branch.

We have also planned to hold a mega carrier counseling program across all the branches of region on 15th July, 2016 for the benefit of students who intend to pursue chartered accountancy course. During the month I got the opportunity to visit Bhilwara in a students conference. The program was a grand success and provided a good learning platform to all the students. I also visited Chittorgarh branch and attended half day program for the members on GST and Taxation of Trusts. I along with chairman CIRC were fortunate to visit the branch premises of Chittorgarh. At Varanasi I got opportunity to attend program of ICDS and CARO. The program was well attended. As per our vision to have CPE activity at smaller cities, we had a program on ICDS for the members of Mirzapur. The program was done with the help of Varanasi branch. CA Amit Kapoor from Varanasi was faculty for this program. This activity was well appreciated by the members of Mirzapur chapter. I also attended a program on ICDS at Mathura branch during the month. My heartfelt thanks to CA Pradeep Somani, Chairman of Bhilwara branch, CA Indra Mal Sethiya, Chairman of Chittorgarh branch, CA Surendra Kumar Diwedi, Chairman of Varanasi branch and CA Nitin Agarwal, Chairman of Mathura branch and all the executive committee members of the above branches.

On Economic front, we had Brexit as a major event. As of now the same has not affected us. This proves the strength of our economy. The rain god has already started to shower his blessings across all the parts of the country. In the next parliament session it is hopeful to get the GST passed from upper house. Good monsoon and passing of GST is going to provide a major boost to our economy.

I once again thanks all the members of the region to provide us our best support, cooperation and guidance.

Warm regards,

From Editor's Desk....

Respected Esteemed Professional Colleagues,

As a community of accounting profession, it is our duty and our particular skill to help bring about accountability and transparency. These two items require a greater stress on the application of standards and a greater degree of ethicality. To what extent the community responds to the challenges of financial reforms is something that will perhaps be the first determinant of the success of reforms themselves?

We are aware that the traditional areas of practice for our profession now have only a very limited future. In fact, to put it bluntly, the traditional practice areas are shrinking. At the same time, our membership is also increasing year by year. It is our responsibility to help to expand the areas of practice as well as provide opportunities for service in industry so that our members can not only gainfully engage themselves but can also discharge their natural roles within the Indian economic scenario.

However, in order that our efforts should be fructified, it is also necessary that the members themselves come forward and participate in the various programmes for up gradation of skills and the imbibing of new skills in areas which our noble Institute tries to actively project. It is a matter of some concern that while there is no dearth of members in Industry as participants in such programmes, members in practice do not attend such programmes in large numbers.

I would, therefore, exhort all our members in practice to identify specialization areas and inculcate the necessary skills through participation in the relevant CPE programmes conducted by the branch. And I believe that our members in practice should also undergo all these specialization courses so that they can provide value addition to their own jobs.

Warm regards,



Direct Tax Dispute Resolution Scheme – Finance Act, 2016

CA. Harsha Ramnani
harsha.ramnani@sba-ca.com

Introduction:

The CBDT vide Notification No. 35/2016 dated May 26, 2016 has notified Direct Tax Dispute Resolution Scheme 2016 which is incorporated as chapter X of the Finance Act, 2016. Central government has also notified the Direct Tax Dispute Resolution Scheme Rules, 2016 (the Rules) for carrying out the provisions of the scheme. The scheme has come into effect from 01.06.2016 and provides a seven month window i.e. up to 31.12.2016 to avail the scheme.

It provides an opportunity to taxpayers to settle their past cases by making payment of the prescribed tax, interest or penalty in respect of any tax arrears or specified tax. The key objective of the Scheme is to reduce the pending direct tax litigation.

Under this scheme a taxpayer, who has an appeal pending as on date before the Commissioner (Appeals) can settle his case by paying the disputed tax and interest up to the date of assessment. No penalty for disputed tax up to Rs. 10 lakhs will be levied. Cases with disputed tax exceeding Rs. 10 lakhs will be subject to 25% of the minimum of the imposable penalty for appeal. Any pending appeal against a penalty order can also be settled by paying 25% of the minimum of the imposable penalty.

Declaration of Tax Payable:

Section 202 of the Finance Act, 2016 provides for the declaration of tax payable and Section 203 provides for the particulars to be furnished in such declaration.

The declarant under this scheme is required to pay tax at the applicable rates along with the interest upto the date of assessment. However, where the amount of disputed tax exceeds Rs. 10 Lakhs, 25% of the minimum penalty leviable shall also be required to be paid.

The declaration in respect of 'tax arrears' and 'specified tax' shall be made in duplicate in **Form-1** to the designated

authority not below the rank of commissioner and to be verified in the manner specified. The declaration shall be signed by the declarant or any person competent to verify the return of income in accordance with section 140 of the Income Tax Act, 1961. The designated authority shall issue a receipt in acknowledgement thereof.

Contents of Form 1:

a. General: Details of the declarant i.e. name, address, PAN, legal status, tax residential status, etc.

b. In case of Tax Arrear:

- Details of appeals pending before Commissioner of Income Tax (Appeals)/ Commissioner of Wealth Tax (Appeals) as on 29th February, 2016
- Details of assessment order and/or penalty order, as the case may be. (i.e. assessed total income, tax interest, penalty, etc.)

c. In case of Specified Tax:

- Details of appeal/writ filed or proceedings for arbitration/ conciliation/ mediation initiated or notice given, which are pending as on 29th February, 2016
- Details of assessment order (i.e. assessed total income, tax, interest, etc.)

Particulars to be furnished in the Declaration:

Section 203 provides the particulars to be furnished in the declaration. The declaration shall be in **Form 2** and verified in such manner as may be prescribed. It shall contain undertaking of declarant to voluntarily waive all rights in respect of specified tax, whether direct or indirect, to seek or pursue any remedy or any claim in relation to specified tax.

Section 203 (5) provides that where any material particular

furnished in the declaration is found to be false at any stage or the declarant violates any conditions of the scheme or the declarant acts in a manner which is not in accordance with the undertaking given by him, then it shall be presumed as if the declaration was never made under the scheme. The proceedings against the declarant are or were pending shall be deemed to have been revived.

Consequent to such declaration, appeal in respect of the disputed income shall be deemed to be withdrawn.

Eligibility:

A declarant can file a declaration in relation to tax arrears or specified tax in respect of which appeal is pending before the CIT(A).

Time and Manner of Payment:

➤ The designated authority shall determine the amount payable by the declarant (assessment year wise) towards full and final settlement of the tax arrear/ specified tax and grant a certificate referred to in sub-section (1) of section 204 in the **Form-3** to the declarant directing the declarant to make payment of the amount within 30 days from the date of receipt of this certificate.

*Any payment done after 30 days shall treat declaration void.

➤ The declarant shall pay the sum determined by the designated authority as per the certificate granted and intimate the fact of such payment to the designated authority along with the proof to be furnished in **Form-4**.

➤ The designated authority shall pass an order stating that the declarant has paid the sum. The order issued by designated authority under sub-section (2) of section 204 in respect of tax arrear shall be in **Form-5** and in respect of specified tax shall be in **Form-6**. These forms will certify the tax settlement and grant immunity from instituting any proceedings for prosecution for any offence or form the imposition of penalty under the Act/WT Act, in respect of the disputed tax/ disputed income.

Immunity:

a. In case of Tax Arrear:

- **Quantum Appeal:** If disputed tax is upto 10 lacs, full disputed tax and interest is to be paid and immunity

will be granted in respect of penalty. Whereas if disputed tax exceeds 10 lacs declarant has to pay full disputed tax, interest and 25% of minimum leviable penalty and immunity will be granted for rest 75% of minimum penalty.

- **Penalty Appeal:** 25% of minimum leviable penalty is to be paid and immunity will be granted for rest 75% of minimum penalty.

b. In case of Specified Tax: Only payment of disputed tax is to be done and full immunity is granted from interest and penalty.

*Immunity from prosecution is available in both the above cases. *The amount paid in pursuance of a declaration shall not be refundable under any circumstances.*

What is Tax Arrear?

As per section 201(1)(h) of Finance Act, 2016 "Tax Arrear" means amount of tax, interest or penalty determined under the Income Tax Act, 1961 or the Wealth Tax Act, 1957 in respect of which appeal is pending before the CIT(A) or CWT(A) as on 29.02.2016. The pending appeal could be against an assessment order or a penalty order

What is Specified Tax?

As per section 201(1)(g) of Finance Act, 2016 "Specified Tax" means tax determined in consequence of or is validated by an amendment made with retrospective effect in IT Act or WT Act, for a period prior to the date on which the Act amending the Income-tax Act or the Wealth-Tax Act, as the case may be, received the assent of the President and a dispute in respect of which is pending as on 29.02.2016.

Non Applicability of the Scheme:

Section 208 provides the list for which the provisions of this scheme shall not apply, as detailed below

- (i) Assessment in search or survey cases where the declaration is in respect of tax arrears.
- (ii) Cases where prosecution has been initiated before 29.02.2016.
- (iii) Cases relating to undisclosed foreign income and assets.
- (iv) Cases based on information received under Double Taxation Avoidance Agreement under Section 90 or 90A of the Income-tax Act where the declaration is in respect of tax arrears.

- (v) Person notified under Special Courts Act, 1992.
- (vi) Cases covered under Narcotic Drugs and Psychotropic Substances Act, Indian Penal Code, Prevention of Corruption Act or Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.

Some Key Point:

- a) Where the declaration is in respect of tax arrear, consequent to such declaration, appeal in respect of the disputed income, disputed wealth and tax arrear pending before the Commissioner of Income-tax (Appeals) or the Commissioner of Wealth-tax (Appeals), as the case may be, shall be deemed to have been withdrawn.
- b) Where the declaration is in respect of specified tax and the declarant has,—
 - Filed any appeal before the Commissioner of Income-tax (Appeals) or the Commissioner of Wealth-tax (Appeals) or the Appellate Tribunal or the High Court or the Supreme Court or any writ petition before the High Court or the Supreme Court against any order in respect of the specified tax, he shall withdraw such appeal or writ petition with the leave of the court wherever required and furnish proof of such withdrawal along with the declaration.
 - Initiated any proceeding for arbitration, conciliation

or mediation or has given any notice thereof under any law for the time being in force or under any agreement entered into by India with any other country or territory outside India whether for protection of investment or otherwise, he shall withdraw such notice or the claim, if any, in such proceedings prior to making the declaration and furnish proof thereof along with the declaration.

- c) Where any material particular furnished in the declaration is found to be false at any stage; or the declarant violates any of the conditions referred to in this Scheme or the declarant acts in a manner which is not in accordance with the undertaking given by him under sub-section (4), then it shall be presumed as if the declaration was never made under the Scheme and all the consequences under the Income-tax Act or the Wealth-tax Act, as the case may be, under which the proceedings against the declarant are or were pending, shall be deemed to have been revived.

Conclusion:

Any matter covered by the order of designated authority shall not be reopened in any other proceeding under the Act. This is a positive step taken by the Indian Government towards the tax reform and will give a logical conclusion to large number of cases pending due to indirect transfer. This is a beneficial move for both taxpayer and the revenue. The Challenge would be in the effective implementation of the scheme and a close monitoring of the scheme.

CA Firm at Faridabad/Delhi/Bhopal seeks

- 1) Articles preferably experienced in Tally9 ERP, E-Tax/ROC Returns for our office at Bhopal and Faridabad.
- 2) Chartered Accountants (ACA/FCA) preferably DISA having experience in accounting/auditing in Government Projects and PSUs for Office at Jabalpur, Bhopal and Faridabad.
- 3) CA Inter/Accountants qualified M Com/B Com with atleast 5 years experience preferably with CA firm for our Bhopal Office. Posing can be at Balaghat, Sheopur, Shahdol, Mandla, Jhabua, Dindori, Dhar, Barwani, Annupur, Alirajpur, Jabalpur & Bhopal. Expertise on Tally is must.
- 5) The CAs interested to work as full time partners at various cities in India i.e. Bhopal etc.

Terms & Conditions and stipend details can be had by sending the resume to ncmittalanco@yahoo.com with reference CA/02/2016/NL.

N. C. Mittal & Co.

Chartered Accountants

NCMC House, 730, Sector 30, Faridabad-121003

Ph 91-129-4013729, 4127729, 4127730 • Fax: 91-129-4013729 • Email : ncmittalanco@yahoo.com



Bird's Eye View of 'Corporate Social Responsibility'

CA. Ravi Sethi
wordsmith@caravisethi.com

Corporate Social Responsibility is not a new concept. It has been and will be an inseparable part of all the eco-systems. Corporate Social Responsibility, as the name suggests can be understood as a concept which assigns a Responsibility on the Corporates towards Society at large.

Indian corporates have been discharging their responsibility in this relation. It is just the matter of conscience that in 2013 our legislators made CSR mandatory for certain class of companies by introduction of Section 135 in The Companies Act 2013.

Sec 135, The Companies Act 2013.

135. (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a **Corporate Social Responsibility Committee** of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

- (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
- (3) The Corporate Social Responsibility Committee shall,—
 - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
 - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (4) The Board of every company referred to in sub-section (1) shall,—
 - (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

- (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

- (5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

Understanding the Provisions relating to CSR

In order to understand the essence of this section we should first understand the key concepts enumerated therein. Following are the key concepts which should be understood:

Net Worth as per clause 57 of Sec 2 of The Companies Act 2013.

(57) “net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

“Turnover” as per clause 91 of Sec 2 of The Companies Act 2013.

(91) “turnover” means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

Net Profit as per Sec 198 of The Companies Act 2013 read with Clause (f) of sub-rule 1 of Rule 2 of The Companies (Corporate Social Responsibility Policy) Rules, 2014

Net Profit of the company shall be calculated in the manner laid down in Section 198 of The Companies Act after making adjustments for Clause (f) of sub-rule 1 of Rule 2 of The Companies (Corporate Social Responsibility Policy) Rules, 2014.

Clause (f) of sub-rule 1 of Rule 2 of The Companies (Corporate Social Responsibility Policy) Rules, 2014

Net Profit” means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act but shall not include the following, namely:-

- (i) Any profit arising from any overseas branch or branches of the company whether operated as a separate company or otherwise; and
- (ii) An dividend received from other companies in India, which are covered under and complying with the provisions of sec 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of The companies Act, 1956(1 of 1956) shall not be required to be re calculated in accordance with the provisions of the Act:

Provided further that in case of a foreign company covered under these rules, Net profit means the net profit of such company as per profit & loss account prepared in terms of clause (a) of sub section (1) of section 381 read with section 198 of the Act.

CSR Committee- Rule 5 of Companies (Corporate Social Responsibilities) Rules 2014

The Companies mentioned in rule 3 shall constitute CSR Committee as under:-

- (i) An unlisted public company or a private company covered under subsection (1) of section 135 which is not required to appoint an independent director pursuant to subsection(4) of section 149 of the act, shall have it CSR committee without such director;
- (ii) A private company having only two directors on its board shall constitute its CSR committee with two such directors;
- (iii) with respect to a foreign company covered under these rules, the CSR committee shall comprise of at least two person of which one person shall be as specified under clause(d) of sub section (1) of section 380 of the act and another person shall be nominated by the foreign company
- (iv) The CSR committee shall Institute a transparent monitoring mechanism for implementation of CSR

projects or programs or activities undertaken by the company.

CSR Policy - Rule 6 of Companies (Corporate Social Responsibilities) Rules 2014

- 1) The CSR policy of the company shall inter-alia, include the following namely:-
 - (i) a list of CSR projects or programs which a company plans to undertake falling within the purview of schedule VII of the act, specifying modalities of execution of such projects or programs and implementation schedule for the same; and
 - (ii) monitoring process of such projects or programs;

Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company

Provided further that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the act

- 2) The CSR policy of the company shall specify that the surplus arising out of the CSR projects or programs on activities shall not form part of the business profit of a company.

CSR Activities- Rule 4 of Companies (Corporate Social Responsibilities) Rules 2014 read with Schedule VII to the companies Act 2013

The CSR activities shall be undertaken by the company as per its stated CRS Policy, as projects or programs or activities excluding activities undertaken in pursuance of normal course of business.

The Ministry of Corporate Affairs (MCA) vide its notification number S.O. 582E dated 27th February 2014 has come up with the Schedule VII for CSR Activities to be included in CSR Policies.

The following activities to be included by the companies in their CSR Policies:

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocational skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old-age homes, day care centres and such other

facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historic sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of Armed Forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised, Paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government;
- (x) rural development projects

Disclosure of CSR Activities and Policy

Rule 8 of Companies (Corporate Social Responsibilities) Rules 2014 read with Sec 134 (3) of The Companies Act 2013.

CSR Reporting

- 1) The Board's report of a company covered under these rules pertaining to a financial year commencing on after the 1st day of April, 2014 shall include an annual report on CSR containing particular specified in Annexure
- 2) In case of a foreign company, the balance sheet filed under sub-clause (b) of sub-section (1) of section 381 shall contain an Annexure regarding report on CSR.

Clause (o) of sub-section (3) of Section 134 of the Act requires to report on:

"The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year".

Rule 9 of Companies (Corporate Social Responsibilities)

Rules 2014

Display of CSR activities on its website-

The board of Directors of the company shall, after taking into account the recommendations of CSR committee, approve the CSR policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website, if any, as per the particulars specified in the Annexure.

Applicability

In order to check that whether CSR provisions are applicable to a particular company or not, we should follow the following steps:

Step I- Check whether company satisfies any of the conditions stipulated in Sec 135 of the Companies Act 2013 i.e.

- a) Net Worth of five hundred crores, or
- b) Turnover of One thousand crores in a financial Year, or
- c) Net profit of Five crores in a year.

Step II- If company satisfies any of the conditions in Step I then Company have to constitute a CSR Committee.

Step III- CSR Committee shall formulate CSR Policy which enumerates all the components of CSR Activities to be undertaken by the company.

It shall be responsibility of CSR Committee to monitor the CSR Activities.

Step-IV Disclosure of CSR Activities in Annual Report and Books of Accounts.

Penal Provisions

There is no penal provision regarding non-compliance of the said provisions in means of spending or in reporting part. However, there are clear penal consequences if a company fails to even set up the CSR committee or fails to create a policy etc. If a company fails to spend the money, it only has to report this along with reasons. Section 134(8) of the Act provides for such penal provision stating in case the company does not disclose the reasons in the Board's report, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

Companies may find it difficult to comply with the provisions of Sec 135 of The Companies Act 2013 relating to Corporate Social Responsibility but one should understand the essence of introduction of these provisions into the legislation making it mandatory for certain class of companies. This is a welcome provision and would be beneficial for the up-liftment of the society as whole.



37th Regional Conference of CIRC

Theme: CA Profession: Adherence, Convergence and Challenges

Organised By: Central India Regional Council of ICAI | **Hosted By:** Jaipur Branch of CIRC of ICAI
Date: Saturday 27th & Sunday 28th August, 2016 | **Venue:** B M Birla Auditorium, Statue Circle, Jaipur

Programme

Day One: Saturday, 27th August, 2016

REGISTRATION & BREAKFAST : 8.30 AM – 10.00 AM		
FIRST TECHNICAL SESSION : 10.00 AM - 12.00NOON		
Topic	Speaker	Timings
Forensic Accounting and Fraud Detection with Practical Case Studies	CA. Chetan Dalal, Mumbai	10.00 am – 12.00 noon

SPECIAL SESSION: 12.00 Noon - 1.30 PM
INTERACTION WITH PRESIDENT AND VICE PRESIDENT – ICAI

LUNCH : 1.30 PM – 2.30PM

SECOND TECHNICAL SESSION : 2.30 PM –5.30 PM		
Topic	Speaker	Timings
IFRS and Ind AS & their applicability	CA. Yagnesh Desai, Mumbai	2.30 pm – 4.00 pm
CARO & Internal Financial Control	CA. Khushroo Panthaky, Mumbai	4.00 pm - 5.30 pm

MEGA Cultural Evening followed by DINNER at Birla Auditorium, Jaipur : 7.30 PM Onwards

Day Two :Sunday, 28th August, 2016

BREAKFAST : 8.30 AM-10.00 AM

THIRD TECHNICAL SESSION : 10.00 AM-12.00 NOON		
Topic	Speaker	Timings
GST – An Overview	CA. Ashok Batra, Delhi	10.00 am – 12.00 noon

SPECIAL SESSION: 12.00 Noon – 1.30 PM

Topic	Speaker	Timings
Motivation / Professional Avenues	By Eminent Personalities	12.00 noon – 1.30 pm

LUNCH : 1.30 PM – 2.15PM

FOURTH TECHNICAL SESSION : 2.15 PM –5.15 PM		
Topic	Speaker	Timings
Assessment/Re-assessment under IT Act – Practical Issues and Case Studies	CA. Sudhindra Kumar Jain, Kanpur	2.15 pm – 3.45 pm
Under reporting and Misreporting under I T Act	Advocate Kapil Goel, New Delhi	3.45 pm - 5.15 pm

Registration Fee (including 2 breakfast, 2 Lunch, 1 Dinner, Cultural Evening & Attractive Kit)

Rs. 1400/- upto 20th August, 2016

Rs. 1600 after 20th August, 2016

Payment shall be made in favour of "Jaipur Branch of CIRC of ICAI" payable at Jaipur.

Link for Online Registration : <http://jaipur-icai.org/Payments/page>

For details contact

CA Abhay Kumar Chhajed,
Chairman-CIRC
Mobile : 9303104477, 9009044477

CA. Pramod Kumar Boob
Vice Chairman-CIRC
Mobile: 9829015993

CA. Nitesh Gupta
Secretary-CIRC
Mobile : 9837073938

CA. Rohit Ruwatia Agarwal
Regional Council Member-CIRC
Mobile: 9571799999

CA. Gautam Sharma
Regional Council Member-CIRC
Mobile: 9829032565

CA. Dinesh Kumar Jain
Chairman-Jaipur Branch
Mobile: 9414073452

CA. Sanjay Kumar Maheshwari
Secretary-Jaipur Branch
Mobile : 9414234860

Conference Secretariat

Jaipur Branch of CIRC of ICAI
ICAI Bhawan, D-1, Institutional Area, Jhalana Doongari, Jaipur-302004
Ph No- 0141-3044200 to 230, website: www.jaipur-icai.org
E. Mail: jaipur@icai.org; jaipur@icai.in
Contact Person: Shri. Manish Jain: 9667555065

Central India Regional Council of ICAI
The Institute of Chartered Accountants of India
(Set up under an Act of Parliament)
ICAI Bhawan, Post Box no 314, 16/77- B, Civil Lines Kanpur-1
Ph. No: 0512-3989398, 3011181, 3011156, 3011151
E. mail: circ@icai.in. Website: www.circ-icai.org
Contact Person: Shri. S. K. Kushwaha - Regional Head : 0512-3011152
Shri. S. K. Khan: 0512-3011156, 9026811212

GLIMPSES OF ACTIVITIES



Felicitation programme organized jointly by Dhanbad branch of CIRC of ICAI, Dhanbad Income Tax Bar Association & Union Club of Dhanbad in Honour of CA. Piyush Goyal Hon'ble Minister of State with Independent Charge for Power, Coal, New and Renewable Energy in the Government of India & Shri. Ram Shankar Katheria Minister of State in the Human Resource Development Ministry



L to R: CA. Vishwajeet Singh, CA. Arun gupta Executive member, CA. Brajesh Jaiswal, CA. Kamlesh Agrawal, CA. Nitesh Gupta- Secretary CIRC, CA.Rajeev Mehrotra, key speaker, CA. S. K. Dwivedi, Chairman Varanasi branch, CA. Manu Agrawal, Council member, CA. Ravi Singh- Secretary Varanasi branch, CA. Abhay Kumar Chhajed, Chairman CIRC, CA. Sudeshna Basu, CA. Shashi Ranjan, CA. Gyan Chandra Mishra RCM during Lighting Lamp.



On the dias: L-R: CA. S. K. Dwivedi - Chairman Varanasi branch, CA. Abhay Kumar Chhajed Chairman CIRC, CA. Rajiv Mehrotra- key speaker, CA. Nitesh gupta- Secretary CIRC, CA. Ravi Singh-Secretary Varanasi branch. Presentation of memento to CA. Abhay Kumar Chhajed - Chairman CIRC.



Inaugural by CA. Abhay Kumar Chhajed Chairman CIRC the 1154th batch of DISAPT classes at Bhopal on 18th June 2016.



CA. members of Bhopal Branch at the event "Cycling for Clean and Green Smart City Bhopal " held on 30.06.16 during celebration of CA. week at Bhopal. The event was attended by large number of members and CA. Abhay Kumar Chhajed- Chairman CIRC along with branch Managing committee members.



GMCS training session inaugurated by students. From left to right Students Manali Patni, Shruti Varjana, Yashshw Jain, Divya Vaghrewa, Ankita Jain, CA. Sandeep Moonat Guest, CA. Gopal Rathi Chairman Ratlam branch, CA. Arpit Sharma MC Member, CA. Nilesch Purshnani- Faculty.



CA. Mashendra Kumar Mashi- Vice Chairman Patna branch, CA. Raj Kishore Sah (Tech. Session Chairman), CA. Rajesh Kumar Khetan- Chairman Patna branch, CA. Prabhu Prasad- Treasurer Patna branch, CA. Manu Agrawal- Council Member, CA. Dharmendra Shrivastava (Faculty), CA. Mahtab Alam- Secretary Patna branch during seminar on Auditing Standards and Service Tax for Co-operative Societies organized by Committee of for Co-operative Societies & NPO Sectors of ICAI & hosted by Patna branch at Bihar Chamber of Commerce Patna.



L-R: CA. Rakesh Kumar Gupta, CA. Ajay Singhal - Chairman Gwalior Branch, CA. Ashok Vijaywargiya, CA. Churchill Jain- Ex-Officio Gwalior Branch. Presentation of memento to CA. Churchill Jain – Regional Council Member during Seminar at Gwalior branch on direct tax, indirect tax & bank audit held at Gwalior branch of CIRC



Flag Hoisting on the occasion of CA. Day 1st July 2016 by CA. Abhay Kumar Chhajed- Chairman CIRC. Also can be seen in the photo CA. Deep Kumar Misra- Treasurer CIRC (Left), Shri S. K. Kushwaha- Regional Head, CA. Akshay Kumar Gupta- Past Council Member.



L-R: CA. Piyush Agrawal- Past Vice Chairman CIRC, CA. Deep Kumar Misra- Treasurer CIRC, CA. Akshay Kumar Gupta- Past Council Member, CA. Abhay Kumar Chhajed- Chairman CIRC (Addressing), Shri S. K. Kushwaha- Regional Head, CA. Rajiv Mehrotra- Past Vice- Chairman CIRC, CA. M. M. Dalmia during Flag Hoisting on the occasion of CA. Day 1st July 2016 by



CA. Abhay Kumar Chhajed- Chairman CIRC Addressing. On the dias: CA. Ankur Goel- Secretary Chittorgarh branch, CA. (Dr) I.M.Sethiya - Chairman Chittorgarh branch, CA. P.H Mottiani- Speaker, CA. Nilesh Gupta- Secretary CIRC during Tax seminar organized on inaugural of CA week on 25th June 2016 at Chittorgarh branch



CA. Ashok Somani – Treasurer Chittorgarh branch, CA. Arjun Mundra - Vice Chairman Chittorgarh branch, CA.(Dr)I.M.Sethiya - Chairman Chittorgarh branch, CA. Nilesh Gupta – Secretary CIRC, CA. Ankur Goel Secretary Chittorgarh branch, CA. Abhay Kumar Chhajed - Chairman CIRC, CA. P.H Mottiani- Speaker, CA. Suresh Chandra Kabra & CA. Bhumiika Gidwani during Tax seminar organized on inaugural of CA. week on 25th June 2016 at Chittorgarh branch

Disclaimer : The views and opinions expressed or implied in this Newsletter are those of the authors and do not necessarily reflect those of CIRC of ICAI.

Address : CIRC of ICAI, ICAI BHAWAN, 16/77 B, Civil Lines, Kanpur-208 001 • **Phones :** Chairman : 3011151 • Mr. E.P. James, Dy. Secretary : 3011153 • **EPABX :** (Reliance No.) 3989398 Fax : 3011193 • **e-mail :** circ@icai.in • **Website :** www.circ-icai.org

EDITORIAL BOARD -

- CA. Abhay Kumar Chhajed : Editor-in-Chief
- CA. Pramod Kumar Boob : Editor
- CA. Mukesh Bansal : Member
- CA. Nilesh Gupta : Member
- CA. Rohit Ruwatia Agarwal : Member
- CA. Nilesh Gupta : Member
- CA. Manu Agrawal : Council Member
- CA. Anil Kumar Saxena : Co-opted Member
- CA. Amit Jain : Co-opted Member
- CA. Sanjay Jain Singhai : Co-opted Member

PUBLISHER & PRINTER :

Mr. S. K. Kushwaha, Dy. Secretary on behalf of Central India Regional Council of The Institute of Chartered Accountants of India, ICAI BHAWAN, 16/77 B, Civil Lines, Kanpur - 208001
 Phones : (0512) 3989398, 3011151, 3011181, 3011156; Fax No. : 0512 - 3011193 • Gram : CIRCA, Kanpur; E-mail : cro@icai.in; circ@icai.in; •Website: circ-icai.org
 Printed at M/s. SOLAR PRESS, 96/2, Chunniganj, Kanpur Phones : 3243038, 2534799; E-mail: solarknp@gmail.com

If undelivered please return to :
 Central India Regional Council of
The Institute of Chartered Accountants of India
 ICAI BHAWAN, Post Box No. 314
 16/77 B, Civil Lines, Kanpur - 208 001