

Corporate Secretary

Monthly Journal-Vol.: VI

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Re. 1/-

September, 2008



What people say behind your back is your standing in the community in which you live.

- E.W. Howe

Dear Professional Colleagues,

Welcome to the new Company's bill which has been recently cleared by the Cabinet and is in the process of taking the shape of amendment to the Act.

The existing Companies Act "was not in tune with the times" and wholesale refurbishments were necessary in view of the changed economic and commercial environment, both nationally and globally. The new bill will revolutionise the whole Companies Act, and we need to gear up to implement the same.

Recently concluded "Commerce Talent Test" conducted for the 12th passed and Degree Ist/Ind year students, could attract the attention of more than 500 students at Hyderabad and it is felt necessary that similar such programmes are required to be conducted in the rural areas. I request the members to come forward by giving proposals to conduct similar such tests

at their places to spread the awareness of our course.

For the first time, our Chapter is conducting Week-end SMTP from 1st November 2008 to 21st December 2008, for the final passed students who could not take up the regular SMTP immediately after their passing the examination. The only condition to make the candidate eligible is the time gap of three years from the date of passing the examination. This should facilitate the busy executives to complete the SMTP and become the proud members of the Institute.

All our members are busy in this month conducting the Annual General Meetings and I would like to greet all on the eve of Vijaya Dasami on 9th October 2008.

Sincerely yours

K. K. Rao
Chairman

kkrao2008@gmail.com

Chairman's Page



The Institute of
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

HYDERABAD CHAPTER

(AN ISO 9001 : 2000 CHAPTER)

FORTHCOMING PROGRAMMES

Day, Date & Time	Programme Details	Venue
Friday 10.10.2008 06.30 pm	Study Circle Meeting	Chapter Premises
Friday 25.10.2008 6.00 pm	Interactive Meeting	Chapter Premises

ROC's COLUMN

The improvements in the MCA-21 Software Applications is an ongoing process. One can notice several changes have already taken place for betterment. The following important changes have been brought about during the month of August, 2008, which I would like to bring to the notice of the professionals and companies for their benefit.

- (a) Registrar of Companies allows names u/s 20 with a condition that the name allowed can be withdrawn at any time before the incorporation of a company. Though, this condition is stated in the letter approving the name, the application software did not provide for exercising the power in circumstances which justify such withdrawal. The application software has been now modified and ROC can withdraw the approved name before filing of incorporation documents or the application for change of name
- (b) Now, MCA has provided the additional facility to the users to make payment using HDFC Net Banking facility.
- (c) The "New User Registration", the last name field was mandatory for professional users. The same has now been made optional.
- (d) In the company Master Data Screen for foreign companies, the correct State of incorporation is displayed.
- (e) In the "Request for Scanning" screen under Service Tab of Front Office Portal, if the correct CIN number is entered, the complete details of the corresponding company gets displayed automatically.
- (f) In the case of e-form 32, "Consent Letter" shall be enabled and mandatory only in case of public non-government company and not in case of any other

company.

- (g) In the pre correction scenario, a director whose date of appointment is before 1st July, 2007 could be notified by filing DIN-3. If company files DIN-3 and files Form 32 again for notifying appointment of that director, the system was not permitting registration of such Form 32. The present scenario after correction is that if a company files Form 32 again for notifying appointment of that director whose appointment has already been included in DIN-3, the form 32 can be registered.
- (h) MCA has corrected the irregular practice of using the credit card by a company or applicant which does not belong to the appropriate person. In other words, the applicant can use only his own credit card for making online payment. MCA wishes to discontinue the irregular practice of using unrelated persons credit card for online payment. This correction has been done with an intention to safeguard any possible misuse of credit cards for online payment.

The exercise relating to revision of e-forms is also in advanced stage of completion. All the professional institutes and Chambers of Commerce were given opportunity by MCA to offer their suggestions for revision of forms which I hope would have been utilized by the professionals with a view to improve Service Delivery and further simplify the process of filing of e-forms.

I am to glad to inform through this column that I have been nominated by Government of India for Four Weeks In-Service Training Programme to be organized by the National Institute of Financial Management (NIFM) at Faridabad from 1st September, 2008 to 26th September, 2008 with one week attachment with foreign Institute in Singapore/ United Kingdom during the 3rd week of the training programme under the Indo-UK Training Exchange Programme. I hope that the training which includes one week stay abroad Singapore/ London will give me wonderful opportunities to interact with professionals and bureaucrats of foreign country which I will be able to share with you in this column of the forthcoming issue.

HENRY RICHARD
REGISTRAR OF COMPANIES.



The Institute of Company Secretaries of India

Statutory body under an Act of Parliament

HYDERABAD CHAPTER

AN ISO 9001 : 2000 Chapter

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FIRST Weekend Secretarial Modular Training Programme

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Dates: 01.11.2008 to 21.12.2008

Venu: The ICSI – Hyderabad Chapter

Eligibility

Final passed candidates having 3 years gap are eligible for the weekend SMTP who have completed their TOP and at least 12 months Management Training or been exempted from training

Subject Eligibility & Methodology:

In addition to the subjects covered in any SMTP there will be programmes, in the evening on topics of practical and general managerial relevance. Evening lectures will be held from 7.00 pm to 8.30 pm with specialist speakers. Eminent Faculty of soft skills are involved to take sessions on various aspects including personality development, team management etc.

Fees

Rs. 4,500/- per participant

Registration:

Kindly send your Bank Draft/local cheque (permitted only for local candidates) drawn in favor of "Hyderabad Chapter of Company Secretaries" payable at Hyderabad along with the registration form.

Seats:

Due to limited seats, registration will be on first-come-first-serve basis.

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**LEGAL SCAN**

(August, 2008)

S.V. Rama Krishna

Advocate

Every member of ICSI, by virtue of rigorous passing standards and post-qualification challenges, is already equipped with the techniques of wading through plethora of legislations. To help him / her a peep into some of important judgments, a humble attempt is made to present the “essential” points held by various Courts of Law. It is sincerely recommended to read the full judgments.

Your feedback is invited by the compiler / Editor of the Newsletter to enrich this column.

<p>Companies Act, 1956 – Sec. 397, 398, 402</p>	<p>In M.S.D.C. Radharamanan vs. M.S.D. Chandrasekara Raja and Another, the Hon'ble Supreme Court held that Sections 397 and 398 of the Act empower the CLB to remove oppression and mismanagement. If the consequences of refusal to exercise jurisdiction would lead to a total chaos or mismanagement of the company, the CLB would not be powerless to pass appropriate orders. The jurisdiction of the CLB having been couched in wide terms and as diverse reliefs can be granted by it to keep the company functioning, it would be desirable to pass an order which for all intent and purport would be beneficial to the company itself and the majority of the members. It is well settled that the courts should lean in favour of such construction of statute whereby its jurisdiction is retained enabling it to mould the relief, subject of course, to the applicability of law in the factual situation obtaining in each case.</p> <p>Ref: (2008) 6 Supreme Court Cases 750</p>
<p>SICA 1985 – Ss. 32, 26, 18 & 17(3) r/w Companies Act, 1956 – Ss. 391 to 394.</p>	<p>In Tata Motors Ltd. v. Phyarmaceutical Products of India Ltd. and Another, the Hon'ble Supreme Court held that the provisions of a special Act will override the provisions of a general Act. The later Act will override an earlier Act. Sick Industrial Companies (Special Provisions) Act, 1985 (SICA, 1985) is a special statute. It is a self-contained code. The Companies Act, 1956 is a general Act. It consolidates and restates the law relating to companies and certain other associations. It is prior in point of time to SICA. Wherever any inconsistency is seen between the provisions of the two Acts, SICA would prevail.</p> <p>It was further held that SICA was enacted to secure the principles specified in Article 39 of the Constitution. It seeks to give effect to the larger public interest. It should be given primacy because of its higher public purpose.</p> <p>Also held that jurisdiction of the Company Judge in a case where reference had been made to BIFR would be subject to the provisions of SICA. Section 26 of SICA bars the jurisdiction of the civil court. The jurisdiction of the civil court is barred in respect of any matter for which AAIFR or BIFR is empowered. The High Court may not be a civil court but its jurisdiction in a case of this nature is limited. What scheme would be prepared by the operating agency for revival and rehabilitation of the sick industrial company is within the domain of BIFR. That apart, it is not possible to harmonise the provisions of Sections 391 to 394 of the Companies Act with the provisions of SICA.</p> <p>Ref: (2008) 7 Supreme Court Cases 619</p>
<p>SRFAESI Act, 2002 – Sec. 17 r/w Sec. 13</p>	<p>In Lakshmi Shankar Mills (P) Ltd. v. Authorised Officer / Chief Manager, Indian Bank, the Hon'ble Full Bench of High Court of Madras held that there is nothing in section 17 which would indicate that the Legislature intended that there would be automatic stay of proceedings under section 13 (4) on filing an application under section 17. It is further held that while considering the question of validity of the action of the bank, it is not necessary for the Tribunal to adjudicate the exact amount due to the secured creditors. In other words, the purpose of an application under section 17 is not the determination of the quantum of claim per se as the Tribunal is concerned with the issue of the validity of the measures taken by the banks/ financial institutions under section 13(4).</p> <p>Ref: [2008] 85 SCL 421 (MAD.) (FB)</p>

STATUTORY COMPLIANCES FOR STP UNITS UNDER SOFTWARE TECHNOLOGY PARK SCHEME (STP)- AN OVER VIEW

R.Venkata Ramana, Director
B5 Consulting Private Limited

The Companies which are registered as STP units shall require to comply with procedures and also required to maintain the registers and records to maintain the status of STP Units.

The following are further formalities required to be complied:

Obtain a Green card –

Green Card helps the STP unit to get preferential treatment in matters relating to implementation of the project, at the level of both Central and State Governments for allotment of steel, cement, land, finance and other clearances and also allotment of foreign exchange by RBI, telephones/telex/electricity connection etc.

The Green Card, issued by the Jurisdictional Director of STPI is valid for a period of five years from the date of issue.

Attested Plant and Machinery -

This is a list of the proposed plant and machinery that the unit projects to use over the next 5 years.

The Plant and Machinery List shall get attested by STPI for the purpose of obtaining the Custom Bonding License.

Custom Bonding of STP registered unit: -

The first step after STP registration is Custom Bonding of the premises where export activity is expected to take place.

The STP member is required to get its premises custom bonded, whether it avails of the benefits of Customs Duty (Import) / Excise Duty (Indigenous) exemption or not.

At present, it is mandatory.

The STP unit may approach the Customs Department to bond the area where it is proposed to start STP operations. Units operating under the STP scheme require a private bonded warehouse license under section 58 of the Customs Act 1962, with a bond manufacturing facility under section 65.

For this purpose, the unit may apply in the standard format in triplicate to concerned **Assistant Commissioner (AC) of Customs along with following documents.**

- Bond Application – Two copies duly signed.
- Affidavit.
- True Copy of STP Export Obligation Agreement.

- B-17 Bond (25% of the custom duty amount. This bond is executed after receiving license u/s 58 and 65 from Custom Authority).
- Bank Guarantee for 5% of the B-17 Bond amount.
- One copy of List of Proposed Plant and Machinery attested by STPI.
- Process of manufacture - On Company Letter head.
- Solvency Certificate - From the bank.
- Letter of approval issued by the Director, concerned STPI authority – Two copies.
- Copy of Green Card issued by concerned STPI authority
- Copy of Importer Exporter Code No. (IEC).
- Memorandum and Articles of Association.
- One copy of Purchase / Lease deed of building/premises.
- Ground plan of Premises - certified by Architecture.
- Insurance Certificate in original (The insurance for Fire and Burglary for the proposed plant and machinery, the policy to be taken on the name of Customs Commissioner Account of the company name).
- List of Directors.
- Declaration - on Rs. 100/- stamp paper.

The customs department through its designated officers (Assistant Commissioner) will issue a license for private custom bond warehousing and in Bond manufacturing under section 58 and 65.

After obtaining private bonded warehousing license from customs, a copy of the same may be forwarded to concerned STPI authority immediately.

Prior Permission to be obtained in the following cases:

1. Import Certification -

The import of the equipment is covered by exemption under the customs notification no. 52/2003 dated 31/03/2003. STP unit is entitled for complete customs duty exemption on import of equipment and other items as mentioned in the EXIM Policy.

To obtain Import Certificate, submit an application in standard format along with 3 copies of Shipping / Commercial Invoice of the overseas supplier.

STPI scrutinizes the application and will issue an Import Certificate within 6 days.

2. Commercial Training on bonded goods: -

As per the EXIM Policy the software units are also

allowed to use the computer systems for training purpose including commercial training subject to the condition that unit has achieved the NFE and no computer terminal shall be installed outside the bonded premises for the purpose.

THE UNIT MUST TAKE A PRIOR PERMISSION FOR SUCH TRAINING FROM STPI AND CUSTOMS & EXCISE DEPARTMENT.

3. Approval for Domestic Tariff Area (DTA) Sales -

As per the EXIM Policy, the STP units can make local sales to the extent of 50% of the FOB value of exports and/or foreign exchange earned. To avail the DTA entitlement, apply in the standard format along with Purchase Order / Contract / Agreement / MOU with domestic client. On the basis of application submitted by STP unit and DTA entitlement, STPI will issue permission to do DTA Sales.

STPI scrutinizes the application and will issue an approval for DTA Sales within 15 days.

THE UNIT MUST TAKE A PRIOR PERMISSION FOR SUCH DTA-SALES FROM STPI AND CUSTOMS & EXCISE DEPARTMENT.

4. Change of Name -

As and when unit name changes, the unit shall submit an application along with the copy of Fresh Certificate of Incorporation consequent to change of name issued by Registrar of Companies (ROC).

STPI scrutinizes the application and issues No Objection Certificate for Change of Name within 3 days.

5. Change of Location-

STPI permits Change of Location from the place mentioned in the Letter of Approval (LOP) to another location. As and when you require the approval for change of location, submit an application along with the copy of Lease agreement & floor plan.

STPI scrutinizes the application and issues No Objection Certificate for Change of Location within 3 days.

The STP unit shall also obtain the amendment to the custom bonding license directly for change of name and change of location.

The company shall apply to the Customs along with the No Objection Certificate (NOC) issued by STPI.

Immediately after you receive the amendment to the custom bonding license, kindly submit copy of the same to STPI for updating their records.

6. Expansion of STP Location –

STPI permits to include additional location to the place mentioned in the LOP. The expansion of STP location is permitted under the EXIM Policy.

As and when the unit requires the approval for expansion of STP location, it shall submit an application along with the ground plan for the expanded location and copy of the leave and license agreement for the same.

STPI scrutinizes the application and issues permission for expansion of STP location within 3 days.

After obtaining an expansion letter from STPI, STP unit has to apply for amendment in Custom bonding license for the expanded unit.

Immediately after you receive the amendment to the custom bonding license, kindly submit copy to STPI for updating their records.

7. Transfer of Imported / Indigenous Goods -

As per EXIM Policy, transfer of manufactured goods including processed / semi-finished goods from one EOU/EPZ/EHTP/STP unit to another EOU/EPZ/EHTP/STP unit is permissible.

The STP units required to submit an application along with the list of equipment's and 3 copies of invoices to enable STPI to issue the No Objection Certificate (NOC) for transfer.

STPI will issue a NOC for transfer of equipment from one EOU/EPZ/EHTP/STP unit to another EOU/EPZ/EHTP/STP unit within 6 days.

8. Re-Export of Imported Capital Goods -

STP units can re-export imported capital goods. They are allowed to re-export the capital goods imported in situations explained below:

a) Re-export of CG for Replacement :

Goods or parts thereof on being imported and found defective as otherwise unfit for use or which have been damaged after import may be exported, and goods in replacement thereof may be supplied free of cost by the foreign supplier.

b) Re-export of CG imported on Loan :

Capital Goods imported for specific project/period of time can be re-exported with the permission of the Director, STPI.

c) Re-export of CG for Repair and Return :

Capital Goods imported for a project if found defective the same may be re-exported for repair and return.

The STP unit shall submit an application along with the list of equipment and 3 copies of invoices, BoE, STPI Import

Certificate to enable STPI to issue a NOC for re-export of Imported Capital goods.

STPI scrutinizes the application and issues No Objection Certificate for re-export within 6 days.

9. Reconditioning, Repair & Re-Engineering –

As per EXIM policy, EOU/EPZ/EHTP/STP units may be permitted to import goods of any origin to carry out reconditioning, repair, testing, calibration, quality improvement, up-gradation of technology and re-engineering activities for export in freely convertible foreign currency.

STP unit may apply in standard format along with the 3 copies of invoices to enable STPI to issue a No Objection Certificate for the same.

STPI scrutinizes the application and issues No Objection Certificate within 5 days.

10. Placement of Indigenous goods –

As per EXIM policy, goods or parts thereof on being indigenously procured and found defective or otherwise unfit for use or which have been damaged or become defective after procurement may be returned for replacement thereof for the same goods after repairs, may be brought back from their authorized supplier in India / indigenous supplier.

STP unit may apply in standard format along with the 3 copies of invoices & CT3 form to enable STPI to issue a No Objection Certificate for the same.

STPI scrutinizes the application and issues No Objection Certificate within 5 days.

11. CST Reimbursement -

STP unit may get Central Sales Tax reimbursement under public notification number 50 (PN) 1997-2002 dated 27th October 1997.

Eligibility:

- Registered STP unit
- Custom Bonded u/s 58 and 65 of Customs act 1962.
- Export performance of the company for the previous year.
- Reimbursement of CST would be admissible only to STP units who have registered with the Sales Tax Authorities for ST/CST and the supplier also should be registered with Sales Tax Authorities for ST/CST.
- Reimbursement limited to the payment of CST against 'C' form only.
- Claims admissible only if the payment is made

through the Bank or by the Demand draft.

- Only one consolidated claim for a quarter will be admitted for reimbursement of CST and reimbursement will be made on quarterly basis. No supplementary claim shall be entertained.
- No claim for reimbursement will normally be entertained if not claimed within a period of 180 days of the invoice date or the date of final payment whichever is later. In exceptional cases on application, the Director may consider delayed applications after satisfying that the delay is due to genuine reasons. Claims delayed beyond one year will be rejected.
- Claim for CST reimbursement for amount below Rs. 100/- on any single invoice or multiple invoices will not be entertained.
- All claims shall be subjected to post-audit. The unit shall preserve for three years all the original documents viz. original invoice/bill, bank statement for random/sample checking and produce the same as and when called for by the office of the Director of STPI – Hyderabad.
- Supplier should be only a DTA and not a STP/EOU/EPZ unit. No claim will be entertained if both are STP/EOU/EPZ unit.
- Criteria for reimbursement – The quarter will start from the date of full payment.

STPI scrutinizes the application with in 30 days and reimburses the Central Sales Tax depends on availability of funds.

12. Enhancement of Capital Goods –

STP units, on exhaustion of the Initial approved value of capital goods should apply to STPI for the enhancement of the same. The jurisdictional Director of STPI will allow to enhance the limit of Capital Goods. The CG limit can be enhanced more than once.

Documents to be submitted for enhancement of Capital Goods limit:

- a) A request letter with Performance Report and Projected Performance
- b) Details of Capital Goods imported duty free as per bond register.
- c) Wage Bill, FE Outgo (i.e. FE expenses incurred other than capital goods imports) certified by Chartered Accountant.
- d) Copy of Private Bonded Warehouse License - On obtaining the approval for enhancement in the Capital Goods limit, the unit needs to submit a list of proposed plant and machinery as per the approved value to STPI for certification. The

certified list of proposed plant and machinery should then be submitted to the Customs for their records.

STPI scrutinizes the application and enhances the Capital Goods Limit within 7 days.

Important statutory Records and compliances for STP units are listed below:

The STP unit shall required to maintain the following records and registers

ACCOUNTS: Each of such unit is required to maintain separate accounts for its operations. Separate annual balance sheets will have to be made for each such unit which would then become a part of the main balance sheet of the company. For maintaining separate accounts the following will have to be done:

- a. Maintenance of cash book.
- b. Maintenance of Bank book.
- c. Maintenance of separate cash and bank vouchers.
- d. Maintenance of sale invoices. These should be numbered to avoid confusion. One copy of the export invoice should be got endorsed by the Banker's and kept in record.
- e. Maintenance of party-wise ledger for both debtors and creditors.
- f. Maintenance of fixed asset register.
- g. Maintenance of "Foreign Inward Remittance Certificates (FIRCs)" file where the original of the FIRC's are kept.
- h. Maintenance of "Bank Realization Certificates (BRCs)" file where the original of the BRCs are kept.
- i. Maintenance of purchase order file where copies of all purchase orders issued are kept. The purchase orders should be numbered to avoid confusion.
- j. Maintenance of contract file, where copies of contracts received from buyers are maintained.
- k. Preparation of monthly trial balance.
- l. Preparation of yearly balance sheet for the unit which would ultimately become a part of the balance sheet of the company.

BANKING: Each unit is required to maintain separate bank accounts for its operations. The unit is free to have as many bank accounts as it desires but shall have to designate a single branch of a bank through which all export documents will be submitted. In other words the work of handling of all shipping documents and realization of export proceeds will have to be entrusted to this designated bank branch.

CUSTOMS BONDING: Customs Bonding of unit should be kept upto date. The customs bonding is renewed on a yearly basis for STP units which in the normal course expires on 31st December each year. Application for renewal should be made sufficiently in advance and the unit must ensure extension of permission well in advance of expiry.

TRANSFER AND REALLOCATION OF IMPORTS MADE BY SUCH UNITS:

All imports made by such units are regulated and re-warehoused in the bonded facility of such units. Prior specific approval of STPI and Customs is required for transferring any such imported equipment/goods. A copy of the permissions granted to be maintained in a separate file.

Necessary entry to be made in Warehousing Register **APPENDIX-XXXIX** at the time of transfer. This entry is to be signed by customs/excise inspector in normal course.

RE-EXPORT OF IMPORTED GOODS FOR REPAIRS / REPLACEMENTS ABROAD:

Prior specific approval of the STPI, Customs and RBI has to be obtained before re-exporting any equipment for repairs abroad. A copy of the permission granted by various agencies as stated above to be maintained.

Necessary entry to be made in Warehousing Register **APPENDIX XXXIX** at the time of re-export. This entry is to be signed by Customs/Excise inspector in the normal course.

MANDATORY/STATUTORY OBLIGATIONS & RECORD:

The following are the details of other mandatory/statutory obligations and records that have to be kept at the unit -

- a. **RG-16 REGISTER:** Record of all items got without payment of excise duty has to be maintained in this register. Each entry in the said register is to be signed by an Authorized Officer of the company and by the custom/excise inspector.
- b. **B-16 REGISTER:** Record of all items got without payment of customs duty has to be maintained in this register. Each entry in the said register is to be signed by the Authorized Officer of the company and by the custom/excise inspector.
- c. **BILL OF ENTRY FILE:** Copies of the Bill of Entries for import of material have to be maintained in this file. This should be maintained in the same order as per entries in APPENDIX-XXXIX register.
- d. **CT3 FILE:** Copies of CT3 certificates issued to the unit have to be maintained in this file.
- e. **AR3 FILE:** Copies of AR3 certificates issued to the unit have to be maintain din this file.
- f. **TRANSIT BOND FILE:** Copies of all Transit Bonds issued to customs for transfer for goods from port office to unit to be kept in file.
- g. **CANCELLATION OF TRANSIT BONDS:** Necessary

cancellation of transit bonds on re-warehousing of goods in the unit to be done immediately. A periodic review of the same to be carried out.

- h. PERFORMANCE RETURNS:** Monthly performance reports have to be given to STPI. A copy of the return duly receipted by the authority must be maintained in the Monthly Performance Report File.
- i. ANNUAL PERFORMANCE RETURN:** Yearly performance report to be given to the Authority in the Authority in the prescribed form as sought by them. Annual performance returns to STP authorities must be promptly made by 15th April as the actual export obligation etc. for STP unit is worked out by the authority on the basis of this return. A copy of the return duly receipted by the authority must be maintained in the Annual Performance Return File.
- j. IMPORT CERTIFICATES:** A copy of the Import Certificates issued by STPI permitting imports for the unit should be maintained. This should have the full debits etc. as per the actual imports.
- k. C-FORM:** Copies of C Form for the local purchases from the Sales Tax have to be maintained in this file.

SERVICE TAX UPDATES

K. K. Rao

Practising Company Secretary
kkrao2008@gmail.com

Government of India, vide notification no. 31/2008 dated 2.9.2008 made changes to be effected to the ST-3 return which is being submitted to the department twice - by 25th April and 25th October every year. The notification provides for the details of the service tax paid in advance, details of the cenvat credit account, amount utilized and the closing balance of the cenvat credit available. This revised return is required to be complied by 25th October 2008

VOLUNTARY SERVICES EXTENDED BY THE MEMBERS DURING THE MONTH OF AUGUST, 2008

Sl.No	Name of the Members	Nature of the Support/Services Rendered
01	Mr. Dhiraj Kumar Sinha	For speaking at the One day seminar on
02	Mr. A. Kalyan Ram	"Corporate Compliance
03	Mr. D. Suresh Babu	Management –Due Diligence"
04	Mr. J. Krishna Murthy	For preparing draft speech to Vice Chancellor of NALSAR University

CHERRY ON THE CAKE

Compiled by **CS Sudheendhra Putty**

Its arguably the best part of the year to be in Hyderabad. There is a wonderful ambience all around with the Ganesh Chaturthi fervour on in full swing on the one side and the holy month of Ramzan on the other. The delectable and mouth watering Haleem – from Paradise to Bawarchi – is undoubtedly the flavour of the season. And as if all that is not enough, brace yourself for the Navarathri and Diwali approaching us over the next few weeks.

As if in answer to all those shopaholics (remember the festival season is an excuse to indulge in it!!!!), opens the newest shopping mall in Hyderabad – Coupon at Paradise Cross roads. So, what are you waiting for, piping hot Haleem at Paradise, the ever invigorating Tea and shopping at the newest mall in town. That is truly Paradise on Earth; at least on Hyderabad!!!!

Wonderful to be living and loving!!!!

As already mentioned last month, this newsletter is now also available online at www.icsi.edu/hyderabad. In addition to reaching out to our members in Hyderabad, we are now available on the world wide web – Happy reading!!!!

On the professional front, we have the Union Cabinet clearing the Companies Bill, 2008 to replace the Companies Act, 1956. Time alone will tell whether this will be a successful attempt. Lets keep our fingers crossed.

The Institute has released the Exposure Draft of the Proposed Training Structure for the students of the CS course. The same is available on the ICSI website – www.icsi.edu. Please take a few minutes to give your inputs and suggestions to groom the next generation of company secretaries. Also, exposure drafts of the next three secretarial standards have been released and suggestions and comments may be forwarded to the headquarters on the same.

Finally, I request readers and members to write in their feedback on the newsletter to hyderabad@icsi.edu.

Happy reading and Happy September!!!!!!!!!!!!!!

ACTIVITY REPORTS

To commemorate the 34th Foundation day of The ICSI – Hyderabad Chapter, the Chapter conducted several programmes for the Members and Students during the week 6 August 2008 to 10 August 2008. A summary of the same is as follows

Report on Study Circle Meeting on Healthy Soul in Healthy Body – Tips for Healthy Life

The Chapter organised a Study Circle Meeting on Healthy Soul in Healthy Body – Tips for Healthy Life on 6 August 2008 at the Chapter Premises.

Mr. KK Rao, Chairman of the Chapter welcomed the gathering. Dr. M. Nagesh Babu, Managing Director - NICD Pharmaceuticals Pvt. Ltd. was the speaker for the day. He spoke on traditional health tips and secrets to maintain a healthy body and soul. He recommended the appropriate timings to have food, morning walk and also explained the role of exercise. He gave tips on how to reduce the diet and means to control diabetes, hypertension and cholesterol.

Mr. Rajnish C Popat, Secretary of the Chapter proposed vote of thanks.

Report on 18th Academic Development Programme on Time & Stress Management.

The Chapter organised the 18th Academic Development Programme on Time & Stress Management on 7 August 2008 at Chapter Premises. Mr. K. Jayashankar, Trainer was the speaker for the programme. He spoke on disappointment, uncontrolled disappointment, likes and dislikes, worries of mind, desires, cleanliness and punctuality. The students too actively participated in the programme.

Report on Students Seminar on Personality Development.

The Chapter organised a students' seminar on Personality Development on 8 August 2008 at Chapter Premises. Mr. Gampa Nageshwar Rao, Motivational Speaker & Self Management Trainer in his address spoke on Self Confidence, High Self Esteem, High Energy levels, Winning Attitude, Assertiveness, sense of well being, Joyful Relationships, Effectiveness in Work and Living in the present. He described 3 qualities that students should have to emerge as champions i.e., learn + sharing + goal. He advised the students to never stop learning and share knowledge with others. Interactive sessions and question and answer sessions made the seminar useful to all the students.

Report on Special Interactive Programme on A Journey to Space

The Chapter organised a Special Interactive Programme on A Journey to Space on 8 August, 2008 at Chapter Premises. Mr. KK Rao, Chairman of the Chapter welcomed the gathering and informed about the importance of the topic. Mr. Raghunadhan Kumar, Founder Secretary of Planetary Society, India was the speaker the interactive programme. The speaker gave the chronological history and development of the universe, formation of earth and other satellites. He also discussed the developments that were taking place in ISRO and NASA. He indicated the date and time of various asteroids that were passing through the orbit of the earth and , consequential environmental changes related there to.

Report on one day seminar on Corporate Compliance Management-Due Diligence

The Chapter organised a one day seminar on “Corporate Compliance Management –Due Diligence” on 9 August 2008 at Hotel NKM's Grand.

Mr. KK Rao, Chairman of the Chapter welcomed the gathering and informed about the importance of the topic. Mr. Datla Hanumanta Raju, Vice President, The ICSI who was the Chief Guest and inaugurated the seminar by lighting the lamp. Mr. A.S. Durga Prasad, Vice President, the ICWAI was the guest of honour.

Mr. Datla Hanumanta Raju in his address he spoke on International Federation of Company Secretaries, role of the company secretary to the Internal and external stake holders and coordinating with the management functionaries and company polices. He also pointed out that company secretaries keep an eye on the ethics and help in maintaining mutual trust within the company. .

Mr. AS Durga Prasad in his address explained the importance of Company Secretaries in Corporate Management field and suggested to maintain cordial relations among the professionals for the prospective development of the corporate sector. He also spoke on purchase policy, terms of agreements systematic cost structure and their importance in the due diligence process

Mr. Rajnish C Popat Proposed a vote of thanks.

First Technical Session.

The First Technical session was handled by Mr. Dhiraj Kumar Sinha, Assistant General Manager & Company Secretary, PVP Ventures Pvt. Ltd. In his address on the Due Diligence, he comprehensively dealt with the requirement of Due Diligence, areas covered under Due Diligence and the purpose of Due Diligence, This session was coordinated by Mr. AV Rao, Vice Chairman of the Chapter.

Second Technical Session.

The second session was handled by Mr. M. Addani Kalyan Ram. He spoke on Compliance & Ethics, aims of financial regulators, Compliance framework, risk policy, Inside information, Insider trading, Security compliance, Money Laundering – stages, Money laundering Vs. Terrorist financing, PMLA obligations, offences, Identity of client, PMLA –offences under IPC, PMLA – Banking/NBFI and related matters. Mr. J. Krishna Murthy, Former Chairman also spoke on the importance of the Financial & Taxation aspects of due diligence. This session was coordinated by Mr. Rajnish C Popat, Secretary of the Chapter.

Third Technical Session.

The Third session was handled by Mr. D. Suresh Babu, Head Corporate Affairs , KSK Group. In his address, he explained SEBI DIP GUIDELINES, other requirements of Stock Exchanges' Listing Agreements, Companies Act, Approval & signing of Issue Documents, Date of Prospectus, eligibility for application in IPO, FEMA – 1999, Technical Rejections, various time lines, Important clauses of Listing Agreement, EDIFAR Filing, Corporate Filing and checklists related thereto , ., This session

was coordinated by Mr. Ajay Kishan, Treasurer of the chapter.

Report on 34th Foundation Day Celebrations of the Chapter.

Chapter celebrated its 34th Foundation Day Celebrations on 10 August 2008. On this occasion chapter organised a Foundation Day Lecture on Globalised Economy – Impact on Professionals at FAPCCI. Prof. Veer Singh, Vice Chancellor, NALSAR University of Law was the chief guest. He spoke on the Indian Economy – Impact on professionals and in particular Company Secretaries' profession. He suggested that Company Secretaries update their legal knowledge as well as corporate understanding. He congratulated the Chapter on the occasion of its foundation day celebrations.

The services and significant contributions for the development of Hyderabad Chapter rendered by former Presidents, Chairmen/Chairpersons and Secretaries of the Chapter were recollected and those who were present were felicitated on the occasion.

Report on Independence Day Celebrations

The Chapter celebrated the 61st Independence Day on 15

August 2008. Mr. K. K. Rao Chairman of the Chapter welcomed the gathering. Mr. Datla Hanumanta Raju, Vice President, The ICSI hoisted the National Flag and addressed the participants. It was followed by rendition of National Anthem by all the participants. Mr. C. Sudhir Babu, Council Member, Mr. P. Jagannatham, Secretary, Mr. P S Shastry, Member, SIRC and other committee members were also present.

Mr. Rajnish C Papat, Secretary of the Chapter Proposed vote of thanks.

Works Contracts under AP VAT Act, 2005.

The Chapter organised an Interactive Meeting on Works Contracts under AP VAT Act, 2005 jointly with ICWAI on 30 August 2008 at Vasavi Auditorium for the benefit of the members of both the Institutes. Mr G. Lakshmi Prasad, Addl. Commissioner (CT Audit), O/o Commissioner of Commercial Taxes, A., and Mr P.V. Subba Rao, Advocate, Retd. Jt. Commissioner, Commercial Taxes, A.P. addressed the gathering and gave detaild information to the members on the VAT ACT-2005 and the significance of works contracts thereunder.



The Institute of Company Secretaries of India

Statutory body under an Act of Parliament

HYDERABAD CHAPTER

AN ISO 9001 : 2000 Chapter

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Oral Coaching Classes Through Interactive Learning

Fresh classes for Foundation Programme , Executive Programme and Final Courses (Old Syllabus) will be conducted for June, 2009 Examination, as per the following schedule, at The ICSI- Hyderabad Chapter , # 6-3-609/5, Anandnagar Colony, Khairatabad, Hyderabad – 500 004

Course	Timings	Fees Rs.	Venue
Foundation Programme	6.30 pm to 8.30 pm	3000/-	Sujatha Degree College for Women, Chapel Road, Abids, Hyd.
Executive Programme Module – I	6.30 pm to 8.30 pm	3500/-	Sujatha Degree College for Women, Chapel Road, Abids, Hyd.
Executive Programme Module – II	7.00 am to 9.00 am	3500/-	The ICSI- Hyd. Chapter
Executive Programme Module I & II	7.00 am to 11.15 am	6000/-	The ICSI-Hyd. Chapter
Final – ALL GROUPS	7.00 am to 9.00 am	3500/- Per group	The ICSI-Hyd. Chapter

Date of Commencement of Classes: 16.10.2008

Interested Candidates are advised to deposit the fee by Challan at 'The ICSI Hyderabad Chapter' by **13.10.2008**

The Students who undergo Oral Coaching, pass the Eligibility Tests and get the Coaching Completion Certificates, need not submit the response sheets under postal tuition scheme. For further details, please contact the The-ICSI Hyderabad Chapter. **Contact No(s) :** 040-23399541, 040- 23396494, **Fax:**040- 23325458, **e-mail:** hyderabad@icsi.edu

Photo Gallery



Interactive Meeting Jointly with Hyderabad Chapter of ICWAI on Works Contracts under AP VAT Act, 2005 on Saturday, the 30th August, 2008 at Vasavi Auditorium, Hyderabad

L-R: **Shri KK Rao**, Chairman of the ICSI- Hyderabad Chapter , **Shri G. Lakshmi Prasad** Addl. Commissioner (CT Audit) , O/o. Commissioner of Commercial Taxes. **Shri P. V. Subba Rao**, Advocate, [Retd Joint Commissioner, Commercial Taxes] and **Shri M. Kameswara Rao**, Chairman – Professional Development Committee Training Courses.



34th Foundation Day Celebrations
Lighting of the Lamp by **Prof. Veer Singh**, Vice Chancellor, NALSAR University of Law on Sunday the 10th August, 2008 at Surana Auditorium, FAPCCI

PRINTED MATTER - BOOK POST

Excuse me!



Friend ! The way lakhs of **Ganesh Idols** are being taken for immersion every year, very soon Government may impose 'Service Tax' on this activity under the category of 'Service to God'

Cartoon by : **Lalit Mohan Chandna**,
Company Secretary in Practice

To.

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From :



The Institute of
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

HYDERABAD CHAPTER

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6-3-609/5, Anandnagar, Khairatabad, Hyderabad - 500 004.

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Views expressed by contributors are their own and the Institute of Company Secretaries of India - Hyderabad Chapter does not accept any responsibility.

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