

RAIPUR BRANCH OF CENTRAL INDIA REGIONAL COUNCIL OF ICAI

HAPPY
INDEPENDENCE
DAY



NEWS LETTER COMMITTEE



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Member



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CA PRANNAY JAIN
Member

हिंदी का सम्मान, देश का सम्मान
हमारी स्वतंत्रता वहां है हिंदी भाषा जहाँ है।

प्रिय साथियो

आप सभी को मेरा सादर नमस्कार।

आप सभी के अभूतपूर्व सहयोग व शुभकामनाओ से रायपुर सी ब्रांच ने इस वर्ष अपना स्थापना दिवस एतिहासिक रूप से मनाया। चार्टर्ड एकाउंटेंट्स, सी ए की पढ़ाई कर रहे छात्र छात्राओं, स्कूली बच्चों, व्यापारियों व समाज के हर वर्ग के लिए अलग अलग कार्यक्रम आयोजित किये गये।

आप सभी की मेहनत व तपस्या से ही एक दिन में लगातार 10 कार्यक्रमो को आयोजित कर सफल बनाना संभव हो पाया।

रायपुर ब्रांच के लिए पहला अवसर रहा जब माननीय मुख्यमंत्री डॉ रमन सिंह व केंद्रीय मंत्री डॉ थावरचंद गहलोत सी ए डे कर कार्यक्रम में शामिल हुए।

सदा के लिए यादगार और स्मृति में बने रहने वाले कार्यक्रमो में अपना अमूल्य योगदान देने के लिए मैं अपनी मैनेजिंग कमेटी व सभी मेंबर्स को बहुत बहुत बधाई व धन्यवाद देता हूं।

मित्रो ये समय बदलाओ का है और शंकाओ से भरे समय मे देश व जनमानस हम सभी से कई अपेक्षाएं कर रहा है और मुझे खुशी है कि हम सब इसपे खरे भी उतर रहे है। हम सभी देश के आर्थिक व सामाजिक विकास में अपनी महत्वपूर्ण भूमिका निभा सके इसके लिए हम सभी को लगातार प्रयास व परिश्रम करते रहने की अनिवार्यता है।

रायपुर ब्रांच ऐसे मौके पर लगातार आपके लिए अनेक विषयों पर वर्कशॉप व सेमिनार आयोजित करता आ रहा है व आगे भी सदैव आपके सम्पूर्ण सहयोग हेतु प्रयासरत रहेगा।

मुझे ये बताते हुए भी हर्ष हो रहा है कि सभी के अथक प्रयासों से हमारी ब्रांच बिल्डिंग में बॉउंड्री वाल का काम शुरु हो चुका व जल्द ही आगे की औपचारिकताएं पूरी कर आगे की ओर अग्रसर होंगे।

मैं एडिटर बोर्ड के अध्यक्ष सहित पूरी टीम को न्यूज लेटर के लिए किए जा रहे अथक प्रयासों हेतु बहुत बहुत बधाई व साधुवाद देता हूं आप इसी तरह अपना सहयोग प्रदान करते रहे।

सत्य के साथ चलने वालों को समर्पित

पहले वो तुम्हारी उपेक्षा करेंगे

फिर वो तुम पर हँसेंगे

फिर वो तुमसे लड़ाई करेंगे

मगर अंत मे जीत तुम्हारी होगी।



आपका

अमित चिमनानी

President



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Editor

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Respected Members ,

Greetings for all the Festivals of August Month to all members. Also a hectic month for profession also as the burden of compliance related to GST, Tax Audit is there. Thankful to Finance Department for extending the due dates of both GST Compliances and Tax audit. For GST its

For the month of July -

GSTR - 1 - 10th September, GSTR - 2 - 25th September, GSTR - 3 - 30th September

For the Month Of August

GSTR - 1 - 5th October, GSTR - 2 - 10th October , GSTR - 3 - 15th October

And For TAX AUDIT its 31 October 2017

Best Wishes for the Busy Schedule of the Profession.

NEWS LETTER
COMMITTEE

CA RAJESH GOLCHHA

(Chairman)

CA DHAWAL SHAH

(Editor)

CA BIVOR KANODIA

(Member)

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(Member)

CA SUMIT CHAWLA

(Member)

CA YOGESH AGRAWAL

(Member)

CA PRANAY JAIN

(Member)

“If it was not documented it was not done”

LEGAL DOCUMENTATION

We encounter legal documents, contracts and written agreements every day. Most people recognize some of the obvious legal documents like a Last Will and Testament, or a lease agreement, or an agreement to purchase a home. But what about cell phone contracts, contracts to purchase a vehicle, loan contracts, etc. These are all legal documents. In short a legal document is any written instrument that defines, declares, limits, or expands the legal rights or privileges of a person or entity. For example a Last Will and Testament is a written instrument in which you declare that the person or persons that you designate are entitled to receive certain property upon your death.

Every society has evolved a system of rules and regulations but their legal systems differ worldwide. Whatever system is applied, laws are a vital tool in the regulation and ordering of society. Legal trials normally involve the examination of evidence. This may be spoken evidence, given by witnesses, who are then cross-examined by lawyers. It can be written evidence, which is the most common in civil cases. The importance of legal documentation lies in knowing something about society and something about its law as well.

It is surprising how many people do business without having a formal written contract. While a handshake and a promise can go a long way, a simple written legal agreement can save your time, money and relationships. One of the most common excuses for not having a written legal agreement, is that the other party is a friend or just seems like 'a nice guy'. In the majority of situations things will go smoothly but it just takes one misunderstanding for things to go wrong. Although oral agreements can be binding and enforceable, they can be difficult to prove. That's why it's important to have an agreement in writing.

“Even a simple agreement written by yourself is better than no agreement at all.”

A written contract not only protects you if something goes wrong but it helps things from going wrong in the first place by clarifying expectations and preventing misunderstandings.

FEW TYPES OF LEGAL DOCUMENTS

LEGAL NOTICE

A legal notice is a formal communication to a person or entity informing him that you intend to undertake legal proceedings against him. It is a step taken before filing a suit, and is meant to warn the other party that legal action may be taken against him/her, if he/she fails to comply with some specified condition. For example, a legal notice served upon a tenant by a landlord for non-payment of rent usually states that if the

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tenant fails to pay the outstanding amount by a specified date, the landlord will take legal action against him. The Court looks at an "un-replied" notice like an instrument of suspicion.

NON-DISCLOSURE AGREEMENT (NDA)

A non-disclosure agreement (NDA) is a legal contract stating that certain information is confidential, and the extent to which its disclosure is restricted to third parties. It can be entered into with a person or organization.

Confidential information includes trade secrets, business plans, business methods and strategies, drawings, charts and more. Software programs and code are also confidential information.

FRANCHISE AGREEMENT

A franchise agreement is an agreement wherein the franchisor agrees to lend the trade name or business system to another person or entity (the franchisee). The contract will define the basis of the arrangement between the two parties, specifying the consideration to be paid by the franchisee (partial payment is often in the form of royalties for the use of the franchisor's trademark), how the brand name can be used, the length of the arrangement, and clauses dealing with penal provisions, ranging from fines and compensation to cancellation of the franchise.

GIFT DEED

Gift deed is an agreement that records the details of transfer of immovable property made voluntarily without any consideration from the donor (owner of property) to the donee (receiver of gift). It is signed by the donor & the donee in the presence of 2 witnesses.

The purpose of the gift deed is to ensure that the donor gives the gift to donee. It contains all the details regarding the property like address, total area of property or build up area, its exact location, etc. Gift deed can be mandatory to draft on non-judicial stamp paper and registered at the jurisdictional sub registrar office. The value of stamp paper will differ from state to state in the country as per stamp act of the respective state.

JOINT VENTURE AGREEMENT

A joint venture (JV) agreement is entered into by a group of persons or companies to do business together or to collaborate on a particular project without losing their individual legal identities. Such an agreement is legally binding and clearly lays down the areas of cooperation and divergence, and makes provisions for profit-sharing and operations. Usually, before entering into such a formal agreement, the parties sign a Memorandum of Understanding (MoU).

WILL

A will allows you to communicate how your assets are to be distributed among those close to you after your death. This document ensures that your belongings do not devolve as per the laws of inheritance (which vary for each major religion) but as per your wishes. Its creation is frequently postponed, but it's a good practice to have one in place and then keep updating it when necessary. All such a document needs to contain is a declaration that it is being made free from any pressure, the details of your property and who will inherit it. It need not be registered, but it is suggested that you do so at the office of the sub-registrar.

RENTAL AGREEMENT

A rental agreement protects the interests of both the landlord and tenant. The terms of the agreement bring clarity to the

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arrangement, such that the consideration, rights and obligations of both parties, and the rental term are established. In most Indian cities, rental agreements last only 11 months to protect against rental control laws. Agreements with a longer term need to be registered.

VENDOR AGREEMENT

A Vendor Agreement is an agreement stipulating the conditions under which the work is to be performed by the vendor. It is a comprehensive agreement covering various aspects such as the quality of goods supplied or service provided, duration of the contract, terms and mode of payment. Such an agreement would be useful to those hosting a large event (a trade exhibition, for example) where several vendors will be selling their wares.

DISCLAIMER

A disclaimer is a statement/notice informing the user of any product or service of the possible consequences of the same. The law mandates the display of a disclaimer in certain cases, such as where there is an inherent risk of harm to one's health (the warnings displayed on cigarettes are a prime example), but are used commonly in all product and service literature. A disclaimer helps to clearly establish/limit one's rights and liabilities with respect to the user of a particular product or service. It is used in situations which involve an element of risk or uncertainty.

Being prudent with legal documentation is the key to ensuring that your legacy and life's work are protected in the future. Take the time to create the aforementioned documents in order to enjoy the fruits of your labor for years to come.

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EMERGING ISSUES AND CHALLENGES IN INTERNAL AUDITING

Traditionally, the internal audit function focused on providing core assurance around business process risk and controls. But, with increasing market volatility and complexity, internal audit is being asked to deliver deeper insights and value beyond assurance, particularly in the areas of strategy execution, emerging risk, and increasing the use of analytics. Delivering on these new and increased expectations presents many challenges for internal audit departments today.

These responsibilities translate directly into an expectation that internal audit provide assurance to the Audit Committee (and more broadly to the Board of Directors) that key risks are identified and managed effectively. Without question, this independent assurance role is a basic expectation for all internal audit departments and is at the core of internal audit's mandate. Other stakeholders, including regulatory bodies for regulated entities, have similar expectations of internal audit. Management, as one key stakeholder, looks to internal audit for similar assurances; however, increasingly, management expectations extend beyond this core assurance role in search of greater value — in effect, a greater return for the organisation's internal audit investment. As context for this expanded expectation, one needs to look no further than what is transpiring in many organisations today—a laser focus on creating shareholder value in an uncertain and often challenging business climate.

Four major challenges internal audit departments must meet if they are to rise to the occasion and deliver on the increased value that board and management teams are expecting: managing talent, becoming a trusted advisor, meeting increased stakeholder expectations, and conquering technology demands and threats.

1. Developing a Workforce Strategy

The difficulties around staffing the internal audit department are well known these days: not enough qualified candidates with the unique set of skills required to be successful in the modern internal audit department. Salaries are also rising making it more expensive to find the right people. The critical skills and attributes needed in the internal audit department include analytical abilities, business knowledge, ability to communicate well, integrity, courage, conflict management skills, and many others.

Since it's difficult to find all of these attributes, not to mention IT skills, in one person, His department takes a workforce strategy approach, ensuring that the needed skills are represented across the staff.

2. Becoming a Trusted Advisor

Among the most difficult of the challenges is building trust, especially since it can take a long time to build, but can be damaged in the blink of an eye. There are a lot of steps along the way, but that trust has to be earned. A few of steps along the way to earning trust include being transparent, fair, candid, and personable. He also advised those in the audience do more listening than talking. We have to be out walking around, asking questions, and then listening.

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3. Delivering Added Value

Along with the mandate to become more of a trusted advisor, there are other increased stakeholder expectations that internal audit must meet, At the top of the list is providing more insight on risk and helping the company to be able to adapt to handle the forever changing nature of risk.

Among the risks that internal audit needs to be better equipped to provide assurance over, Some of them are regulatory compliance, third-party relationships, cyber security, emerging markets, and IT governance. To meet the challenge of providing more insight on such risks, the need to understand the business, forge strong relationships with business partners, and drive change. At the end of the day, we have to provide the insight to get them to that change.

4. Leveraging Technology

The final challenge is the need to do a better job at leveraging technology in internal audit including using data analytics. Technology back into the first challenge of finding the right people with the right skills. Indeed, many internal audit departments admit they are struggling to find good IT auditors. A solution is to hire people with technology backgrounds and then teach them how to be auditors. Half of our IT audit staff has no prior audit experience.

Data analytics is becoming an increasingly important tool for internal audit to leverage. After some early stumbles, the key is to focus more on the data. The help of some data scientists and put the focus on the data, rather than the tools.

There are a number of actions that internal auditors can take in response to the ongoing/emerging trends outlined above. The most important strategy for success is for auditors to keep their eyes and ears open and respond as quickly as possible when risks or opportunities materialize.



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Major Amendment in Secretarial Standard – 2 General Meetings

MAJOR CHANGES IN SECRETARIAL STANDARD 2 GENERAL MEETING

	SS-2	Revised SS-2
Scope of SS-2	<p>The Standard is applicable to all General Meetings of all companies incorporated under the Act except One Person Company (OPC) and any class of companies notified by the Central Government.</p>	<p>This Standard is applicable to all General Meetings of all companies incorporated under the Act except One Person Company (OPC) in which there is only one Director on its Board and a company licensed under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof. "Secretarial Auditor" means a Company Secretary in Practice or a firm of Company Secretary(ies) in Practice appointed in pursuance of the Act to conduct the secretarial audit of the company. In case of a Nidhi, Notice may be served individually only on Members who hold shares of more than one thousand rupees in face value or more than one percent of the total paid-up share capital of the company, whichever is less. For other Members, Notice may be served by a public notice in newspaper circulated in the district where the Registered Office of the company is situated and by displaying the same on the notice board of the company. In case of companies having a website, the notice shall be hosted on the website till the conclusion of the meeting. The company should have a system of sending notices and maintaining proof of sending for such period as decided by the years from the date of meeting. Notice shall specify the serial number of the meeting.</p>
Definitions	<p>"Secretarial Auditor" means a Company Secretary in Practice appointed in pursuance of the Act to conduct the secretarial audit of the company</p>	
Notice of the meeting 1.2.1	<p>1.2.3 In case of companies having a website, the notice shall be hosted on the website.</p>	
1.2.2 Proof of sending notice	<p>The company should have a system of sending notices and maintaining proof of sending.</p>	
1.2.4 Notice shall specify day, date, time and full address of venue of meeting		

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<p>1.2.5 Notice</p>	<p>In respect of items of ordinary business, resolutions are not required to be stated in the notice except where the auditors or directors to be appointed are other than the retiring auditors or directors, as the case may be.</p>	<p>It shall contain complete particulars of the venue except in case of –</p> <p>a. A company in which only its directors and their relatives are members</p> <p>b. A wholly owned subsidiary</p>
<p>1.2.4 Notice shall specify day, date, time and full address of venue of meeting</p>	<p>In respect of items of ordinary business, resolutions are not required to be stated in the notice except where the auditors or directors to be appointed are other than the retiring auditors or directors, as the case may be.</p>	<p>In case of Government company, the AGM shall be held at its registered office or any other place with the approval of the Central Government as may be required in this behalf. In respect of items of ordinary business, resolutions are not required to be stated in the notice except where the auditors or directors to be appointed are other than the retiring auditors or directors, as case may be. In case of Government company, the AGM shall be held at its registered office or any other place with the approval of the Central Government as may be required in this behalf. In respect of items of ordinary business, resolutions are not required to be stated in the notice except where the auditors or directors to be appointed are other than the retiring auditors or directors, as the case may be.</p>
<p>1.2.5 Notice</p>	<p>In respect of items of ordinary business, resolutions are not required to be stated in the notice except where the auditors or directors to be appointed are other than the retiring auditors or directors, as the case may be.</p>	<p>In case of Government company, the AGM shall be held at its registered office or any other place with the approval of the Central Government as may be required in this behalf. In respect of items of ordinary business, resolutions are not required to be stated in the notice except where the auditors or directors to be appointed are other than the retiring auditors or directors, as the case may be.</p>
<p>5.1 Chairman</p>	<p>However, a Proxy shall be a member in case of companies with charitable objects, etc. and not for profit registered under the specified provisions of the Act.</p>	<p>In case of Private company, explanatory statement shall comply with all requirements as mentioned unless provided in Articles. In case of a private company, appointment of the Chairman shall be in accordance with the clause, unless otherwise provided in the Articles. However, a Proxy shall be a member in case of companies with charitable objects, etc. and not for profit registered under the specified provisions of the Act.</p>
<p>6. Proxies</p>	<p>However, a Proxy shall be a member in case of companies with charitable objects, etc. and not for profit registered under the specified provisions of the Act.</p>	<p>In case of Private company, explanatory statement shall comply with all requirements as mentioned unless provided in Articles. In case of a private company, appointment of the Chairman shall be in accordance with the clause, unless otherwise provided in the Articles. However, a Proxy shall be a member in case of companies with charitable objects, etc. and not for profit registered under the specified provisions of the Act.</p>
<p>6.2 Form of Prox</p>	<p>However, a Proxy shall be a member in case of companies with charitable objects, etc. and not for profit registered under the specified provisions of the Act.</p>	<p>In case of a private company, the proxy shall be appointed in accordance with the clause, unless otherwise provided in the Articles. Such instrument shall not be questioned on the ground that it fails to comply with any special requirements specified by the Articles of a company. In</p>
<p>6.6 Deposit of Proxies and Authorisations</p>	<p>However, a Proxy shall be a member in case of companies with charitable objects, etc. and not for profit registered under the specified provisions of the Act.</p>	<p>In case of a private company, the proxy shall be appointed in accordance with the clause, unless otherwise provided in the Articles. Such instrument shall not be questioned on the ground that it fails to comply with any special requirements specified by the Articles of a company. In</p>

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<p>6.6.3 In case of remote e-voting</p>		<p>case of a private company, the proxy shall be deposited with the company in accordance with the clause, unless otherwise provided in the Articles.(i) the letter of appointment of representative(s) of the President of India or the Governor of a State; or</p>
<p>6.7 Revocation of Proxies</p>	<p>A Proxy need not be informed of the revocation of the Proxy issued by the Member.</p>	<p>(ii) the authorisation in respect of representative(s) of the Corporations; Shall be received by the scrutiniser/company on or before close of e-voting.</p>
<p>6.8 Inspection of proxies</p>		<p>In case of postal ballot such letter of appointment/ authorisation shall be submitted to the scrutiniser along with physical ballot form.</p>
<p>7. Voting:</p>	<p>7.1 Proposing a Resolution</p> <p>Every Resolution shall be proposed by a Member and seconded by another Member.</p> <p>7.2 E-voting</p> <p>7.3 Show of Hands</p> <p>7.4 Poll</p> <p>7.5 Voting Rights</p>	<p>If the representative attends the Meeting in person to vote thereat, the letter of appointment/ authorisation, as the case may be, shall be submitted before the commencement of Meeting.A Proxy need not be informed of the revocation of the Proxy issued by the Member.In case of a private company, inspection of Proxies shall be in accordance with the clause, unless otherwise provided in the Articles7.1 Proposing a Resolution at a Meeting</p> <p>Every Resolution, except a Resolution which has been put to vote through Remote e-Voting or on which a poll has been demanded, shall be proposed by a Member and seconded by another Member.Nidhis are not required to provide e-voting provide e-votingIn case of a private company, the voting by show of hands shall be in accordance with this para, unless otherwise provided in the Articles.In case of a private company, the poll shall be conducted in accordance with this para, unless otherwise provided in the Articles.In case of a private company, the Voting Rights shall be reckoned in accordance with this para, unless otherwise provided in the Memorandum or Articles of</p>

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7.5.2

A Member who is a related party is not entitled to vote on a Resolution relating to approval of contract or arrangement in which such Member is a related party.

8.4(d)

(d) authorise the Chairman or in his absence, any other Director to receive the scrutiniser's register, report on e-voting and other related papers with requisite details.

The scrutiniser(s) is required to submit his report within a period of three days from the date of the meeting.

The Chairman or any other director so authorized shall countersign the scrutiniser's report so received.

8.5 Notice

Advertisement shall also be placed on the website of the company, in case of companies having a website and of the Agency.

8.5.2

Notice shall also be placed on the website of the company, in case of companies having a website, and of the Agency.

8.6 Declaration of results

8.6.1 Based on the scrutiniser's report received on Remote e-voting and voting at the Meeting, the Chairman or any other Director so authorised shall countersign the scrutiniser's report and declare the

the company.

In case of a Nidhi, no Member shall exercise Voting Rights on poll in excess of five percent of total Voting Rights of equity shareholders. A Member who is a related party is not entitled to vote on a Resolution relating to approval of any contract or arrangement in which such Member is a related party.

In case of a private company, a member who is a related party is entitled to vote on such Resolution.

A member who is a related party is entitled to vote on a Resolution pertaining to approval of any contract or arrangement to be entered into by: (a) A Government company with any other Government company; or

(b) An unlisted Government company with the prior approval of competent authority, other than those contract or arrangements referred in clause (a). This Provision has been Omitted. Advertisement shall simultaneously be placed on the website of the company till the conclusion of Meeting, in case of companies having a website and of the Agency. Notice shall simultaneously be placed on the website of the company, in case of companies having a website, and of the Agency. 8.6.1 The scrutiniser(s) shall submit his report within three days from the date of the Meeting to the Chairman or a person authorised by him, who shall countersign the same and declare the result of the voting forthwith with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not. Change made in Clause 8.6.1 and 16.6.2

The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall be

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result of the voting forthwith with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not.

8.6.2

The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall be displayed on the Notice Board of the company at its Registered Office and its Head Office as well as Corporate Office, if any, if such office is situated elsewhere. Further, the results of voting along with the scrutiniser's report shall also be placed on the website of the company, in case of companies having a website and of the Agency, immediately after the results are

9.2

9. Conduct of Poll:

9.4 Appointment of scrutinisers

At least one of the scrutinisers shall be a Member who is present at the Meeting, provided such a Member is available and willing to be appointed.

9.5 Declaration of results

9.5.1 Based on the scrutiniser's report, the Chairman shall declare the result of the poll within two days of the submission of report by the scrutiniser, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not.

displayed for at least three days on the Notice Board of the company at its Registered Office and its Head Office as well as Corporate Office, if any, if such office is situated elsewhere. Further, the results of voting along with the scrutiniser's report shall also be placed on the website of the company, in case of companies having a website and of the Agency, immediately after the results are declared. In case of a private company, the demand and conduct of poll shall be as stated above, unless otherwise provided in the Articles. In case of a private company, the appointment of scrutiniser(s) shall be in accordance with this para, unless otherwise provided in the Articles. 9.5.1 The scrutiniser(s) shall submit his report within seven days from the last date of the poll to the Chairman who shall countersign the same and declare the result countersign the same and declare the result of the poll within two days of the submission of report by the scrutiniser, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not. However, if a Meeting is adjourned for a

period not exceeding three days and where an announcement of adjournment has been made at the Meeting itself, giving in the details of day, date, time, venue and business to be transacted at the adjourned Meeting, the company may also opt to give Notice of such adjourned Meeting either individually or by publishing an advertisement, as stated above. An adjourned Annual General Meeting, adjourned for want of quorum or otherwise, shall not be held on a National Holiday, only if any item relating to filling up of vacancy of a director retiring by rotation is included in the agenda of such adjourned Meeting.

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<p>15. Adjournment of Meetings:</p> <p>16. Passing of Resolutions by postal ballot:</p>	<p>15.3</p> <p>16.6.1</p> <p>Based on the scrutiniser's report, the Chairman or any other Director authorised by him shall declare the result of the postal ballot on the date, time and venue specified in the Notice, with details of the number of votes cast for and against the Resolution, invalid votes and the final result as to whether the Resolution has been carried or not.</p> <p>The scrutiniser shall submit his report to the Chairman who shall countersign the same. In case Chairman is not available, for such purpose, the report by the scrutiniser shall be submitted to any other Director who is authorised by the Board to receive such report, who shall countersign the scrutiniser's report on behalf of the Chairman.</p> <p>16.2</p> <p>16.3 Board Approval</p> <p>The Board shall:</p> <p>(f) decide the record date for reckoning Voting Rights and ascertaining those Members to whom the Notice and postal ballot forms shall be sent.</p> <p>Only Members as of the record date shall be entitled to vote on the proposed Resolution by postal ballot.</p>	<p>The company shall ensure compliance of the provisions of holding the Annual General Meeting every year, including adjournment thereof within a gap of not exceeding 15 months from the date of the previous Annual General Meeting or within such extended period permitted by the Registrar of Companies.</p> <p>In case of a private company, the adjournment of Meeting for want of quorum shall be in accordance with this para, unless otherwise provided in the Articles 16.6.1.</p> <p>The scrutiniser shall submit his report within seven days from the last date of receipt of postal ballot forms to the Chairman or a person authorised by him, who shall countersign the same and declare the result of the number of votes cast for and against the Resolution, invalid votes and the final result as to whether the Resolution has been carried or not. Nidhis are not required to provide e-voting facility to their Members.</p> <p>Change from record date to Cut off date made in 16.3 and 16.4</p> <p>f) decide the cut-off date for reckoning Voting Rights and ascertaining those Members to whom the Notice and postal ballot forms shall be sent.</p> <p>Only Members as on the cut-off date shall be entitled to vote on the proposed Resolution by postal ballot.</p> <p>Omitted</p> <p>Omitted 17.1.3 A company may maintain its Minutes in physical or in electronic form with Timestamp. 17.1.6 Minutes of Meetings, if maintained in loose-leaf form, shall be bound periodically at least once in every three years. 17.1.7 Minutes Books shall be kept at the Registered Office of the company. 17.2</p>
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<p>17. Minutes:</p>	<p>(g) decide on the calendar of events.</p> <p>(h) authorise the absence, any other Chairman or in his scrutiniser's register, report on postal ballot and other related papers with requisite details.</p> <p>The scrutiniser is required to submit his report within seven days from the last date of receipt of postal ballot Forms.</p> <p>17.1.3 Minutes may be maintained in electronic form in such manner as prescribed under the Act and as may be decided by the Board. Minutes in electronic form shall be maintained with Timestamp.</p> <p>17.1.6 Minutes of Meetings, if maintained in loose-leaf form, shall be bound periodically depending on the size and volume at least once in every three years.17.1.7 Minutes Books shall be kept at the Registered Office of the company or at such other place, as may be approved by the Board.</p> <p>17.2 Contents of Minutes 17.2.1 General Contents 17.2.1.1</p>	<p>Contents of Minutes 17.2.1 General Contents 17.2.1.1 Minutes of Annual General Meeting shall also state the serial number of the Meeting. Every listed public company shall prepare a report on Annual General Meeting in the prescribed form, including a confirmation that the Meeting was convened, held and conducted as per the provisions of the Act.</p>
<p>19. Report on Annual General Meeting:</p>	<p>19.1 Every listed company shall prepare a report on Annual General Meeting in the prescribed form, including a confirmation that the Meeting was convened, held and conducted as per the provisions of the Act.</p> <p>Para: It shall be signed and dated by the Chairman of the Meeting or in case of his inability to sign, by any two Directors of the company, one of whom shall be the Managing Director, if there is one and Company Secretary.</p>	



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REPORTING OF FRAUD BY AUDITOR: ISSUES & SUGGESTIONS

- If an auditor of a company, in the course of the performance of his duties as auditor, has sufficient reason to believe that an offence involving fraud, is being or has been committed against/in the company by officers or employees of the company, he shall report the matter in the manner stated hereinafter.
- **Fraud, which involves or is expected to involve individually an amount of Rs. 1 Crore or above – To be reported to Central Government**
- **Fraud, which involves or is expected to involve individually an amount of less than Rs. 1 Crore – To be reported to Audit Committee/Board of Director**

But reporting of fraud by auditor comes with **many issues** which are covered here-

Issue

How does an auditor assert fraud, when traditionally his/ her duties are confined to performing enhanced audit procedures to ensure financial statements are not misstated?

What if the company is unable to investigate into suspected fraud within 45 days and send a report to the auditor?

Suggestions

While the auditor may suspect, or in rare cases, identify the occurrence of fraud, he/ she does not legally determine whether fraud has actually occurred. The definition of “fraud” as per Section 447 of the [Companies Act, 2013](#) is very wide. [Significant judgments may be needed in determination of the occurrence of fraud, as fraud connotations are very wide. Since, fraud is a criminal offence under the Indian Penal Code, 1860, wherein the intention is to be established, the auditor will not be in a position to assert fraud. Therefore, when a suspicion of fraud is reported by the auditor, the Board or Audit Committee is required to evaluate the matter and take appropriate action including, conducting an investigation or a forensic audit \(either using qualified internal teams or seeking assistance from external specialists/ experts\). Further the Board or Audit Committee is expected to respond to the auditor within 45 days of the suspected fraud being highlighted.](#)

Depending on the nature of fraud suspected and the robustness of the organization's fraud response framework, the investigation time frame can vary and it may not always be possible to conclude investigations in 45 days and communicate outcomes to the auditor. In such cases, the MCA notification suggests that the company respond by providing information on the steps taken – such as commencement of the investigation and the case status – and any other observations by the Board or Audit Committee on the matter, within 45 days to the auditor.

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What if a company discovers multiple small value frauds in the course of an investigation that may add up to less than rupees one crore? What is the reporting process to be followed?

The reporting of fraud is done only if it is detected during the course of the audit by the auditor and not already known to the management as per the ICAI Guidance Note on Reporting on Fraud under Section 143(12) of the Companies Act, 2013 (Revised 2016) (the "Rules"). But, the same has not been endorsed by MCA in the Rules relating to fraud reporting. In case of a fraud involving less than rupees one crore (individually), the auditor needs to report the matter to the Audit Committee or the Board, instead of the Central Government, immediately or within 2 days of becoming aware/ suspecting such a fraud. Only fraud above rupees one crore is to be reported to the Central Government, to be considered on an individual basis and not the sum total of all frauds in a year put together.

How does one determine the quantum of fraud?

Depending on the complexity and duration of fraud it may become difficult to determine the quantum of fraud loss. In such cases, the MCA notification allows companies to use a management estimate or reasonable range of estimate made by the auditor for the purposes of reporting the fraud. However, estimation of the amount involved is not always feasible and if the estimation goes wrong, despite taking reasonable care, then one can end up reporting a less than rupees one crore fraud or not report a fraud above rupees one crore to appropriate authorities. Subsequent reporting may be required, if the amount initially estimated was lower than the rupees one crore limit, but eventually determined to exceed this limit, resulting in the need to report the same to the government within 45 days of the determination of the revised fraud loss.

Can non-compliance be considered fraud and does it have to be reported, especially if there is a significant financial repercussion involved?

Fraud can also encompass regulatory non-compliance and its determination and quantification could pose challenges. The MCA notification does not appear to make a distinction between fraud and regulatory non-compliance, as long as the quantum of fraud loss can be reasonably quantified. Therefore, if the auditor comes across instances of corruption, bribery, money laundering and other regulatory non-compliances committed by the employees of the company, he/ she will then need to communicate the same to the Audit Committee or the Board and/ or also report to the matter to the Central Government (depending on the value of fraud loss)



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EVENT PHOTOS



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MEDIA TIME

Happy Ganesh
Chaturthi!



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