



The Institute of Chartered  
Accountants of India  
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# NEWSLETTER

PUNE BRANCH  
OF WIRC OF ICAI

(Subscribers copy not for sale)

## PUNE BRANCH OF WIRC OF ICAI

### Forthcoming Programmes

SR. NO.	DATE	SEMINAR NAME	ANALYSIS	VENUE	TIME	FEES	CPE HRS.
1.	3rd May, 2019	Lecture Meet on "GST on Real Estate Sector"	Basic	ICAI Bhawan, Bibwewadi, Pune	5.00 pm To 7.00 pm	Rs. 100/- Plus GST	2 Hrs.
2.	4th May, 2019	Seminar on "Use of Tally in GST Reporting & Tips and Tricks in Tally"	Basic Plus Practical (Bring laptops with tally)	ICAI Bhawan, Bibwewadi, Pune	11.00 am To 2.30 pm	Rs. 300/- Plus GST	3 Hrs.
3.	4th, 11th, 12th, 18th, 25th & 26th May, 2019	Direct & Indirect Tax Refresher Course 2019		Bal Shikshan, Mayur Colony, Kothrud, Pune	9.00 am To 1.30 pm	Rs. 2400/- Plus GST for all 6 Days Rs. 500/- Plus GST for Per Day	24 Hrs.
4.	10th & 17th May, 2019	Company Law Refresher Course 2019	Basic	ICAI Bhawan, Bibwewadi, Pune	8.00 am To 3.30 pm	Rs. 1200/- Plus GST	12 Hrs.

**Notes:-**

- 1) Registrations half an hour before program timings mentioned above.
- 2) For online registrations & detailed programme structure visit [www.puneicai.org](http://www.puneicai.org)
- 3) Spot Registration Fees will be charge 25% extra

## "Audit of Banks Conclave"



**Inauguration**



**Participants**



**CA. C. V. Chitale**  
CCM - ICAI



**CA. Milind Kale**  
Speaker



**CA. I. B. Sonawalla**  
Speaker



**CA. Dhananjay Gokhale**  
Speaker



**CA. Nitant Trilokekar**  
Speaker



**CA. Suhas Deshpande**  
Speaker



**CA. Uday Kulkarni**  
Speaker



**Mr. V. Somasekhar**  
Speaker



**CA. Gokul Rathi**  
Speaker



**CA. Niranjnan Joshi**  
Speaker

## Chairperson's Communique

Respected Members,

Happy New Financial Year!!! Wishing you that this new year is prosperous and healthy. If we are to be prosperous and wealthy – Health is one of the prime factors that we need to take care of. Especially we professionals do need to make our Health as our priority since these changing times do build up stress and pressure on us.



CA. Ruta Chitale  
Chairperson  
Pune Branch of WIRC of ICAI

- 22nd April was adopted by UN as International Mother Earth Day and the theme for 2019 is 'Protecting our Species and raising awareness of accelerating rate of extinction'. To my mind, plastic items are often ill-used and may perhaps be a major trouble maker in the years to come. As a part of Green initiative we had earlier shifted from printed newsletter to e-newsletter. One such initiative this year we have taken up is to stop the printing of program banner that is displayed on the dias which states the details of the session/ seminar in progress. Let me acknowledge that this particular suggestion of using e-display instead of printed banner was made by CA Huzefa Ginwala and I'm personally grateful for it. Please be assured that your all suggestions and ideas shall be definitely considered. I request and invite your suggestions on the steps/initiatives that can be taken up as a part of Green initiative.
- Study groups are one of the important tools to carry out research and build up resources. Currently two study groups are actively engaged in the branch under the leadership of Ca C V Chitale, CCM. Two more study groups shall be commenced in near future.
- During the month we have launched a program titled 'New Speakers Forum – Mind Meet'. This program invites members who wish to share their approach/ research/ study on any subject of professional interest. It shall provide a platform to new speakers for their presentations which shall ultimately go on to build a resource base.
- As fraternity building initiative, we shall soon be announcing the details of One Act Drama Competition (Non-CPE self-sufficient event).

In April 2019 one of the innovative ideas was implemented at Australia by Alphabet (Google) in fact a 'World-first' - Delivery of goods such as food, coffee and even medicines was carried out by Drones under 'Project Wing'. The point being the 'application' of 'the machine'. I feel we need to similarly try to 'apply' the 'machines' for optimum utilization of our time. Let us develop various 'applications' for our use- which shall make our already complicated work (audit and taxation) simpler and easier with new innovations and new techniques. It would also go on to make all of us stress free- healthy and of course wealthy!!

"Exploration is the engine that drives Innovation. Innovation drives Economic growth"  
- Edith Widder

Many best wishes and regards,  
CA. Ruta Chitale

## Foreign Contribution and Regulation Act, 2010 - Registration, Prior Permission, Eligibility and Compliance Requirements

Contributed by :- CS Dhaval Gusani

Email :- [dvg.pcs@gmail.com](mailto:dvg.pcs@gmail.com)

The FCRA was enacted with the primary purpose of regulating the inflow of foreign contributions and ensuring that the received foreign contributions are not utilized for illegal purposes. All charitable organizations in India receiving foreign contributions come under the purview of this Act. Over the last few years, the Home Ministry has been scrutinizing the flow of foreign funds to all charitable organizations in India and the Ministry has also cancelled the licenses of over 8000 charitable organizations due to non-compliance with the reporting requirements stipulated under the Act.

### Object of the Act

Foreign Contribution and Regulation Act 2010 (FCRA) is enacted with the following objects:

- To regulate the acceptance and utilization of foreign contribution or foreign hospitality by certain individuals or associations or companies and
- To prohibit acceptance and utilization of foreign contribution or foreign hospitality for any activities detrimental to national interest and for matters connected therewith or incidental thereto.

### Key Definitions

#### • Foreign Contribution

As defined in Section 2(1) (h) of FCRA, 2010, "foreign contribution" means the donation, delivery or transfer made by any foreign source –

- of any article;

**Exemption:** An article given to a person (includes Individual, HUF, Company, Association) as a gift for his personal use and the market value of such article in India, on the date of such gift is not exceeding Rs. 25,000/-.

- of any currency, whether Indian or foreign;
- of any security as defined in Section 2(h) of the Securities Contracts (Regulation) Act, 1956 and includes any foreign security as defined in clause (o) of Section 2 of the Foreign Exchange Management Act, 1999.

### Specific inclusion

A donation, delivery or transfer or any article, currency or foreign security by any person who has received it from any foreign source, either directly or through one or more persons, shall also be deemed to be foreign contribution within the meaning of this clause.

The interest accrued on the foreign contribution deposited in any bank or any other income derived from the foreign contribution or interest thereon shall also be deemed to be foreign contribution within the meaning of this clause.

## **Specific exclusion**

Any amount received from any foreign source in India, by way of fee (including fees charged by an educational institution in India from foreign student) or towards cost in lieu of goods or services rendered by such person in the ordinary course of his business, trade or commerce whether within India or outside India or any contribution received from an agent or a foreign source towards such fee or cost shall be excluded from the definition of foreign contribution within the meaning of this clause.

### **• Who can receive foreign contribution?**

- Individual;
- HUF;
- Association like Trust, Society and Section 8 Company;

### **• Can Private Companies receive foreign contribution?**

Yes. Any Private Company can receive foreign contribution if they wish to do charitable work at some point of time subject to following conditions:-

- It must have a definite cultural, economic, educational, religious or social program.
- It must obtain the FCRA registration / prior permission from the Central Government.
- It must not be prohibited under Section 3 of FCRA, 2010.

### **• Who cannot receive foreign contribution?**

As defined in Section 3(1) of FCRA, 2010, the following are prohibited to receive foreign contribution:

- A candidate for election;
- Correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper;
- Judge, government servant or employee of any Corporation or any other body controlled or owned by the Government;
- Member of any legislature;
- Political party or office bearer thereof;
- Organization of a political nature as may be specified under sub-section (1) of Section 5 by the Central Government.
- Association or company engaged in the production or broadcast of audio news or audio visual news or current affairs program through any electronic mode, or any other electronic form as defined in of Section 2(i)(r) of the Information Technology Act, 2000 or any other mode of mass communication;
- Correspondent or columnist, cartoonist, editor, owner of the association or company referred to above point.
- Individuals or associations who have been prohibited from receiving foreign contribution.

## **FCRA Registration**

### **Eligibility criteria**

- An association should be registered either under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or under Section 8 (erstwhile Section 25) of the Companies Act, 2013;
- An association normally be in existence for at least 3 years and has undertaken reasonable activity in its chosen field for the benefit of the society for which the foreign contribution is proposed to be utilized.
- An association should have spent at least Rs.10,00,000/- over the last 3 years on its aims and objects, excluding administrative expenditure.
- Statements of Income & Expenditure, duly audited by CA, for the last 3 years are to be submitted to substantiate that it meets the financial parameter.

### **Prior Permission - if an Association is not 3 years old?**

#### **Eligibility criteria**

An organization with less than 3 years of existence is not eligible for registration. Such organization may apply for grant of prior permission under FCRA, 2010. Prior permission is granted for receipt of a specific amount from a specific donor for carrying out specific activities/projects. For this purpose, the association should meet following criteria:

- Should be registered either under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or under Section 8 (erstwhile Section 25) of the Companies Act, 2013;
- Submit a specific commitment letter from the donor indicating the amount of foreign contribution and the purpose for which it is proposed to be given.
- For Indian recipient organizations and foreign donor organizations having common members, FCRA Prior Permission shall be granted to the Indian recipient organizations subject to its satisfying the following:
  - The Chief Functionary of the recipient Indian organization should not be a part of the donor organization.
  - At least 51% of the office-bearers/ members of the Governing body of the Indian recipient organization should not be members/employees of the foreign donor organization.
  - In case of foreign donor organization being a single person/individual that person should not be the Chief Functionary of the recipient Indian organization.
  - In case of a single foreign donor, at least 51% office bearers/members of the governing body of the recipient organization should not be the family members and close relatives of the donor.

### **General conditions for grant of registration and prior permission**

The 'person' making an application for registration or grant of prior permission-

- is not fictitious or benami;
- has not been prosecuted or convicted for indulging in activities aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another;

- has not been prosecuted or convicted for creating communal tension or disharmony in any specified district or any other part of the country;
- has not been found guilty of diversion or mis-utilisation of its funds;
- is not engaged or likely to engage in propagation of sedition or advocate violent methods to achieve its ends;
- is not likely to use the foreign contribution for personal gains or divert it for undesirable purposes;
- has not contravened any of the provisions of this Act;
- has not been prohibited from accepting foreign contribution;
- the person being an individual, such individual has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him.
- the person being other than an individual, any of its directors or office bearers has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him.

The acceptance of foreign contribution by the association / person is not likely to affect prejudicially –

- the sovereignty and integrity of India;
- the security, strategic, scientific or economic interest of the State;
- the public interest;
- freedom or fairness of election to any Legislature;
- friendly relation with any foreign State;
- harmony between religious, racial, social, linguistic, regional groups, castes or communities.

The acceptance of foreign contribution shall not lead to incitement of an offence and shall not endanger the life or physical safety of any person.

### **Separate Bank Account for receiving Foreign Contribution**

The foreign contribution should be received only in the exclusive single FC account of a Bank (also called designated FC account), as mentioned in the order for registration or prior permission granted and should be separately maintained by the association. However, one or more accounts (called Utilization Account) in one or more banks may be opened by the association for utilizing the foreign contribution after it has been received in the designated FCRA bank account, provided that no funds other than that foreign contribution shall be received or deposited in such account or accounts and in all such cases, intimation in FC-6 is to be given online within 15 days of opening of such account.

### **Procedure for making application for registration / prior permission**

Application for grant of registration / prior permission is to be submitted online in form FC-3 at the website [fcraonline.nic.in](http://fcraonline.nic.in).

## **Documents required**

### **For Registration**

- Jpg file of signature of the chief functionary.
- Self-certified copy of registration certificate/Trust deed etc. of the association.
- Self-certified copy of relevant pages of Memorandum of Association/ Article of Association showing aim and objects of the association.
- Activity Report indicating details of activities during the last three years; and
- Copies of relevant audited statements of accounts for the past three years (Assets and Liabilities, Receipt and Payment, Income and Expenditure) clearly reflecting expenditure incurred on aims and objects of the association and on administrative expenditure;

### **For Prior Permission**

- Jpg file of signature of the chief functionary
- Self-certified copy of registration certificate/Trust deed etc., of the association
- Duly signed Commitment Letter from Donor.
- If functioning as editor, owner, printer or publisher of a publication registered under the Press and Registration of Books Act, 1867, a certificate from the Registrar of Newspapers for India, that the publication is not a newspaper in terms of section 1(1) of the said Act.

### **Fees**

- Rs. 2000/- for registration and 1000/- for prior permission (to be paid online)

### **Validity & renewal**

Registration shall be valid for a period of 5 years and thereafter application for renewal of registration may be made before 6 months from the expiry of their existing registration.

### **Exemption from registration/prior permission**

#### **• Donation by NRI**

Contributions made by a citizen of India living in another country (Non-Resident Indian), from his personal savings, through the normal banking channels are not treated as foreign contribution.

#### **• Foreign remittances from relative**

Foreign remittances from relatives are not treated as foreign contribution. However, any person receiving foreign contribution in excess of Rs. 1 lakh or equivalent thereto in a financial year from any of his relatives shall inform the Central Government in Form FC-1 within 30 days from the date of receipt of such contribution.

#### **• Govt. Department**

All bodies constituted or established by or under a Central Act or a State act requiring to have their accounts compulsorily audited by Comptroller & Auditor General of India are exempted from the operations of all the provisions of FCRA, 2010.



**"Be such a person to always spread your aura of smile and happiness that people enjoy the happiness in your presence and smile with your memories in your absence."**

### **Annual Filing**

An association permitted to accept foreign contribution is required to maintain separate set of accounts and records exclusively for the foreign contribution received and submit an annual return, duly certified by a CA, giving details of the receipt and purpose-wise utilization of the foreign contribution. Annual returns of association are required to be filed in form FC-4 accompanied with scanned copies of income and expenditure statement, balance sheet and statement of receipt and payment, online at [fcrasonlineservice.nic.in](http://fcrasonlineservice.nic.in) within a period of 9 months from the closure of the year i.e. by 31st December each year.

Submission of a 'NIL' return, even if there is no receipt/utilization of foreign contribution during the year, is mandatory. However, in such case, certificate from Chartered Accountant, audited statement of accounts is not required to be uploaded.

An association not filing annual return on time may face penalty for of late submission of return and even cancellation of registration.

### **Mapping of various e-forms required to be filled under FCRA, 2010**

<b>Form</b>	<b>Purpose</b>
<b>FC-1</b>	Intimation of receipt of foreign contribution by way of gift from relative by an individual; Intimation about Foreign Contribution by way of articles from relative by an individual; Intimation about Foreign Contribution by way of Securities; Intimation of receipt of Foreign Contribution by a candidate for Election;
<b>FC-2</b>	Application for seeking prior permission to accept foreign Hospitality;
<b>FC-3</b>	Application for FCRA registration; Application for prior permission; Application for renewal of FCRA registration;
<b>FC-4</b>	Annual Return
<b>FC-5</b>	Application for seeking permission for transfer of foreign contribution to other unregistered person;
<b>FC-6</b>	Intimation of change of Name, Address, Bank details, Key members; Intimation of quarterly receipt of foreign contribution; Filing of annual returns of assets and liabilities by association ;

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## **Lecture Meet on "Recent Developments in GST for Real Estate Sector"**



**CA. Yashwant Kasar  
Speaker**



**Participants**

## Rise and Fall of MSMEs

**Contributed by :- CA. Vijay Ashtekar**

**Email :- [ashtekar@ashtekarca.com](mailto:ashtekar@ashtekarca.com)**

Micro, small and medium enterprises (MSMEs) have emerged as a highly vibrant and dynamic sector of the Indian economy over the years. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries, but also help in industrialization of rural and backward areas, thereby reducing regional imbalances and assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and contribute enormously to the socio-economic development of the country. The sector contributes significantly to manufacturing output, employment and exports of the country. MSMEs, though important, face a number of problems which have resulted in their retarded growth. Inadequate working capital, lack of information to access national and international markets, shortage of trained personnel and obsolete technology are the major barriers to the growth of MSMEs in India. In the post-WTO agenda, domestic markets have been opened up for imports, creating severe competition for the local industries. At the same time, it has created opportunities for small industries to tap global markets. Globalization of the economies across the world has changed the notions of manufacturing, productivity and competitiveness. Flexible production processes and structures are being increasingly put in place to compete in highly dynamic markets where product life is short. Moreover, discerning customers -- with higher purchasing power and more differentiated and international tastes -- are demanding much more product variety, higher quality and greater value for money. The present volume provides an exhaustive analytical account of the functioning of MSMEs in India. It discusses at length their role in the Indian economy, policies and programs of the Government to promote them, and the problems faced by them in the context of globalization and liberalization of world economies.

According to me MSMEs i.e. Micro, Small and Medium Enterprises are those with investments in fixed assets up to Rs. 100 crores and turnover up to Rs. 1000 crores p.a. Some legislations have defined MSMEs with different values. Usually first generation enterprises are small enterprises which eventually become or grow to medium level. Micro, Small and Medium enterprises are being treated as the backbone of industrial economy of our country and to certain extent of the world also.

Majority of the MSMEs are owned by and also managed by families. However the picture is changing slowly in a way that few medium size companies are taking steps which may be due to legal compliances and also after realization of the importance to dilute the management by adopting independent professionally qualified persons as directors.

Apart from the legal compliances, the need of the time and to sustain in the global competition, the professional management of the company has no alternative.

The MSMEs, large at number are somewhat disorganized as well as have weak strength or capacity to sustain and stand in competition. Very few of them succeed to transform from small to medium and medium to large level enterprises.

Many reasons or causes can be illustrated to justify the failure or downfall of MSMEs.

***"Health does not always come from medicine. Sometimes it comes from peace of mind, peace in the heart, peace in the soul. It comes from laughter and love."***

One of the major causes can be described for such failure or down fall is that the owners / managers being technical, found to be having more focus on technology, product, business development which is but natural. However the commercial aspects get lesser attention and hence the systems, finance issues, taxation get affected resulting in interest, penalties and sometimes legal issues too.

Being family owned and managed status, the preference is always given to family members, relatives to occupy the key positions in the business, which is obvious. To some extent it is certainly beneficial and convenient from ownership and control point of view. However sometimes it is observed that the persons so appointed lack proper or sufficient knowledge of the position they hold resulting into economical losses as well as human relations get disturbed. Sometimes the internal issues among the members of the family cause the down fall of the performance of the business, separation, division of the business are the results of such issues.

The history has shown that the first generation of the business ends in establishing and stabilizing the business. The second and further generations have more tough tasks to maintain and grow. With the study of the failed cases of MSMEs, it is observed that the further generations found to be casual about the business or least interested due to careers in different streams.

A very true and meaningful sentence was scripted in a Hindi Serial few years before which I still remember - if your business is not growing, be sure that it is reducing.

If we take cases of shut down or transferred businesses, the only reason which we could derive from those is that the next generation lacks interest in the business or the entrepreneur has no confidence in the legal heirs.

Another major cause for fall of MSMEs is the stringent laws of the land. Following the provisions of so many laws discourage the people to start the business or even if some how they start, they get fade up with the compliances and adherence to legal provisions.

Siphon off of funds, mismanagement of funds, over confidence are few more causes for failure of the business.

Lack of vision, forecasting, and overtrading, sole dependency are also few reasons for down fall of MSMEs. Sometimes it is been experienced that the entrepreneurs don't get proper family support and they found to be reluctant to get outside support due to threat of confidentiality and dilution of control.

Another observation about few MSMEs can be described as they don't have mission and vision beyond five-years, ten years or beyond that. The owners and/or managers enter into or do the diversifications which found to be irrational or totally unrelated with the existing business. Such ventures where the core knowledge is absent or there is dependency for the technology or expertise then probability of failure is much more.

To summarize all the causes or reasons of failure or downfall of the MSMEs, the majority of them will be the internal factors than the external like competition, rules, regulations etc. The statement becomes valid because there are few MSMEs which are properly taken care of.

The absence of plan of continuity is one of the major causes of downfall as the interests of the owners, entrepreneurs get exhausted.

The very basic requisite of an MSME is that it should have clear vision and mission and definite plan for continuity of the business beyond generations.

Critical self-appraisal of managers and audit of their decisions will certainly help the MSMEs to refrain from failing.

A disciplinary approach and broad outlook will help a lot to stop the down fall of MSMEs.

**"As cold water and warm iron take away the wrinkles of clothes, a cool mind and warm heart takes out the worries of life."**

MSMEs though owned and managed by families could not be run efficiently without the assistance of other factors i.e. it's a team work and no one can singly handle the entire show. The understanding and realization of the importance and necessity of other members of the team i.e. employees, suppliers, customers, society and Government agencies is the first task of the owners / managers. One should always treat himself as the trustee of the business and every team member is the owner.

The owners and/or managers should have long term vision or forecasting for their business to avoid unwarranted and wrong time failure or shut off.

Last but not the least, to have a health in good condition and to live long life, one has to follow the diet and do regular exercise. Likewise, the requisites and essentials of the business have to be followed strictly. By law, the company has a perpetual existence at least on the paper. To make it true, frame a law ourselves and follow it to have existence.

With the intention to give strength to MSMEs, the Government has come forward by establishing a SME Stock Exchange to give platform to SMEs to build the image, brand and encash the hidden value of their businesses.

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### Womens Day Special Programme



**Dr. Prajakta Kolapkar**  
Speaker



**CA. Shobhana Gado**  
Speaker



**Ms. Mridul Patwardhan**  
Speaker



**Song by CA. Neha Phadke & CA. Rutuja Ghatnekar**



**Skit by NGO on "Beti Bachao, Beti Padhao"**



**Participants**

## Innovators Growth Platform – Good Opportunity for Startup Listing

Contributed by :- CS Dhaval Gusani

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Any issuer company which is intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition, shall be eligible for listing on the innovators growth platform, **provided that** as on the date of filing of draft information document or draft offer document with the Board, **25 % of the pre-issue capital of the Issuer Company for at least a period of 2 years**, should have been held by:

I. Qualified Institutional Buyers (**QIB**); OR

II. **Family trust** with net-worth of more than **Rs. 500 Cr.** as per the last audited B/S Balance-sheet; OR

III. **Accredited Investors** for the purpose of Innovators Growth Platform; OR

The following individuals or entities shall be eligible to be considered as accredited investors:

Any individual with total gross income of Rs. 50 lakhs annually and who has minimum liquid net worth of Rs. 5 crores or any Body Corporate with net worth of Rs. 25 crores, however, not more than 10 % of the pre-issue capital may be held by Accredited Investors.

IV. The following **regulated entities**:

- Category III Foreign Portfolio Investor;
  - An entity meeting all the following criteria:
    - It is a pooled investment fund with minimum assets under management of 150 million USD;
    - It is registered with a financial sector regulator in the jurisdiction of which it is a resident;
- It is resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding SEBI notified Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2019 on 5th April, 2019. SEBI earlier launched 'Institutional Trading Platform' for listing of shares of startups which has failed to gain much traction. So, now SEBI has come up with revised version along with relax norms for listing of new-age venture start-ups operating in e-commerce, data analytics, bio-technology and nano-technology sectors to raise funds and get their shares traded on stock exchanges. The name of platform is changed from 'Institutional Trading Platform' to '**Innovators Growth Platform**'. This platform shall be accessible by institutional investors, non-institutional investors and retail individual investors. Earlier, retail individual investors were not allowed to access.

### Eligibility for Issue of Securities

- (Appendix A Signatories) or a signatory to Bilateral Memorandum of Understanding with the Board;
- It is not resident in a country identified in the public statement of Financial Action Task Force as:

- a) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
- b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.

### **LISTING WITHOUT IPO**

An issuer seeking listing of its specified securities without making a public offer, shall file a draft information document along with the necessary documents with the Board in accordance with these regulations along with the fee as specified in Schedule III of ICDR regulations. The draft information document shall contain disclosures as specified for the draft offer documents in ICDR regulations as specified in Part A of Schedule VI.

#### **One time fees**

<b>Paid up Share Capital</b>	<b>Fees</b>
Less than or equal to Rs. 10 Crore	Rs. 1,00,000/-
Between Rs. 10 Crore to Rs. 5000 Crore	0.1 % of the issue size
More than Rs. 5000 Crore	Rs. 5 Crore + 0.025 of the issue size in excess of Rs. 5000 Crore

#### **Non-applicability of certain regulations**

The regulations relating to the following as stated under the Chapter of Initial Public Offer on

Main Board shall not be applicable:

- a) Allotment;
- b) Issue opening or closing;
- c) Advertisements;
- d) Underwriting;
- e) Sub-regulation (2) of regulation 5;
- f) Pricing;
- g) Dispatch of issue material; and
- h) Other such provisions related to offer of specified securities to the public.

#### **In-principle approval from Stock Exchange**

The issuer shall obtain in-principle approval from the stock exchanges on which it proposes to get its specified securities listed.

#### **Minimum Public Shareholding**

The issuer which has received an in-principle approval from the stock exchange for listing of its specified securities, shall be deemed to have been waived by the Board from the requirement of minimum offer to the public as per the provisions of clause (b) of sub-rule (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 for the limited purpose of listing on the innovators growth platform.

## **Information Document**

The draft and final information document shall be approved by the board of directors of the issuer and shall be signed by all directors, the Chief Executive Officer, the Managing Director or Manager within the meaning of the Companies Act, 2013 and the Chief Financial Officer, i.e., the Wholetime Finance Director or any other person heading the finance function and discharging that function.

The signatories shall also certify that all disclosures made in the information document are true and correct.

In case of mis-statement in the information document or any omission therein, any person who has authorized the issue of information document shall be liable in accordance with the provisions of the Act and regulations made thereunder.

## **Time line for listing**

The issuer shall list its specified securities on the recognized stock exchanges within 30 days from the date of issuance of observations by the Board; or from the expiry of the period stipulated in sub-regulation (4) of regulation 25, if the Board has not issued any such observations.

## **LISTING WITH IPO**

An issuer seeking to issue and list its specified securities shall file a draft offer document along with necessary documents with the Board in accordance with ICDR regulations along with the fees as specified in Schedule III of these regulations.

The draft offer document shall disclose the broad objects of the issue, the basis of issue price which shall include disclosures, except projections, as deemed fit by the issuer in order to enable the investors to take informed decisions and the disclosures shall suitably contain the basis of valuation.

## **One time fees**

<b>Size of the issue</b>	<b>Fees</b>
Less than or equal to Rs. 10 Crore	Rs. 1,00,000/-
Between Rs. 10 Crore to Rs. 5000 Crore	0.1 % of the issue size
More than Rs. 5000 Crore	Rs. 5 Crore + 0.025 of the issue size in excess of Rs. 5000 Crore

## **Minimum Offer Size**

The minimum offer size shall be **Rs. 10 Crore.**

## **Minimum Application Size**

The minimum application size is **Rs. 2 lakhs** and in multiples thereof.

## **Minimum Number of Allottees**

The minimum number of allottees shall be at least **50.**

**"Give respect to people whether they deserve it or not, Not as a reflection of their character; But as a Reflection of your own personality."**

### **Allotment on proportionate basis**

The allotment to institutional investors as well as non-institutional investors shall be on a proportionate basis.

### **Lock-in period**

The entire pre-issue capital of the shareholders shall be locked-in for a period of 6 months from the date of allotment in case of listing pursuant to a public issue or date of listing in case of listing without a public issue.

### **Trading lot**

The minimum trading lot on the stock exchange shall be **Rs. 2 lakh**.

### **Migration to the main board**

An issuer that has listed its specified securities on a recognized stock exchange may at its option migrate to the main board of that recognized stock exchange after expiry of three years from the date of listing subject to compliance with the eligibility requirements of the stock exchange.

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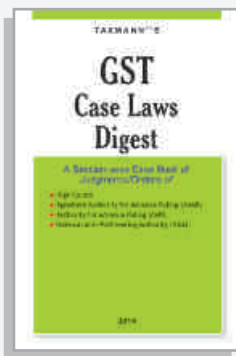
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