

eMagazine

Cherishing 71 Glorious Years of Freedom



Articles:

SEBI's informal guidance on fetters on the Power of the compliance officer	04
Cross border merger under companies Act 2013	06

Columns:

From Chairman's Desk	02
Chapter Activities	03
Living Room	09
Web Reading	10
Words Worth Millions	10
Brainy Bits	11
GST Suite	12
I & E Law Café	14
Newsroom	18

For Private Circulation Only



CS VJ Balakrishnan

Chairman,
Mysore Chapter

-: Editorial Team:-

CS Vijaya Rao

CS Sherene

CS Pracheta M

CS Phani Datta

CS Ajay Madhaih

CS Veerash

CS Madhur N Agrawal

**Join
5600+ members'
strong**

"CSMysore" eParivaar

<http://www.groups.google.com/group/csmysore>

Dear Professional Colleagues,

Wish you all a very happy Independence day!!

Today, the nation is celebrating its 71st year of independence and it is a golden day in our history. As we pay tribute to our heroes who have laid their life in freedom struggle, it is also time for us to look at our journey since then as what we have achieved and what is left to achieve as country.

During the month of July, the Chapter witnessed series of events. The Chapter conducted 8 Career Awareness programs, Van Mahotsav jointly with MICA College, felicitation for Foundation exams passed students & Chapter level company law quiz competition. The results of the CS Executive and Professional examinations are going to be out on 25th August 2017 & I wish all the students the best of luck. We have another festival which is awaited during the month, wish you all a happy Ganesh festival.

Thank you

Now it's easy to receive the eMagazine directly into your personal mail id.

Click <http://goo.gl/PV90lr> and fill-in simple info.

You may send this link to your friends too!

Please write your comments and feedback to us:

newsletter.icsimysore@gmail.com

Disclaimer

Views and other contents expressed or provided by the contributors are their own and the Chapter does not accept any responsibility. The Chapter is not in any way responsible for the result of any action taken on the basis of the contents published in this newsletter. All rights are reserved.

Chapter Activities

1. Career Awareness Program

Chapter has conducted eight career awareness programs during the month. The details are as follows.

S No.	Date	College Name	Addressed By	No. of Participants
1	10.07.2017	St. Joseph's Degree College – First Year	CSManjunath S	70
2	11.07.2017	St. Joseph's Degree College – Second Year	CSManjunath S	75
3	11.07.2017	Depaul First Grade College	CSManjunath S	75
4	12.07.2017	St. Joseph's Degree College – Final Year	CSManjunath S	76
5	21.07.2017	JSS College for Women	CSManjunath S	201
6	21.07.2017	MMK & SDM College for Women	CSManjunath S	170
7	25.07.2017	Christ Degree College	N. Dhanabal	61
8	29.07.2017	Sree Nataraja Res. First Grade College for Women	CSVeerash M.	120

2. Vana Mahotsava



As a part of student's month, Chapter in association with Mysore Institute of Commerce and Arts College observed Vana Mahotsava on 1st July, 2017 by planting saplings, keeping abreast with the traditions initiated by Kulapati Dr. K M Munshi, creating awareness and importance of planting trees. CS Manjunath S Secretary, CS Veerash M J Treasurer, Members & Students of the Chapter were participated in the event. Also the Lecturers and students of MICA College were presented during the occasion.

3. Felicitation & Guidance Program For Foundation Passed Students



In order to motivate the students, a felicitation program was arranged by the Chapter on 08.07.2017, in chapter premises for the Foundation Examination (June 2017) passed students. 51 students from Mysore Centre cleared the Foundation level examinations. CS Sarina Chouta Harish, Past Chairperson of ICSI-Mysore Chapter was the Chief Guest for the program. CS Pracheta M. Vice-Chairperson welcomed the students, parents & members. CS Manjunath S Secretary, delivered the thanking notes to the participants.

4. Chapter Level Company Law Quiz Competition

On 31.07.2017 Chapter conducted the Chapter level Company Law quiz competition. Two students Mr. Karthik Bharadwaj & Ms. Harshitha were adjudged as winner and runner-up respectively. Both the students will be representing the Chapter in the Regional Level competition scheduled at SRO on 11th August, 2017. CS Phani Datta D.N. Member of the Chapter acted as quiz master.



SEBI's informal guidance on fetters on the powers of compliance officer

In its interpretive letter dated February 3, 2017¹, SEBI issued an informal guidance laying down fetters on the powers of a compliance officer under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). Although in this informal guidance SEBI has actually re-iterated the provisions of the PIT Regulations, but it is this innocuous re-iteration which makes it clear that the powers of the compliance officer is subject to the overall supervision of the board of directors.

Background

Kirloskar Chillers Pvt Ltd (KCPL) as a part of the promoter group of Kirloskar Brothers Limited (KBL) had applied to the compliance officer of KBL for pre-clearance for acquiring 50,000 equity shares of KBL. The request for the proposed acquisition was refused and rejected by the compliance officer on the ground that KBL had already approved pre-clearance of trading by its promoters and consequent to such approval, no balance shares were available for trade by KCPL.

Being aggrieved by the rejection, KCPL approached SEBI to seek guidance on legal provisions relating to, *inter alia*:

1. Requirement of seeking pre-clearance from compliance officer by the promoter of a company who has no role in its management and does not have any access to Unpublished Price Sensitive Information (UPS) and
2. Whether the compliance officer has discretionary powers to reject pre-clearance?

¹

http://www.sebi.gov.in/cms/sebi_data/commondocs/KirloskarSEBIReply_p.pdf

eMagazine from ICSI Mysore Chapter | Edition – 160 August 2017

SEBI's interpretation

Although, SEBI's interpretive letter has largely reworded the PIT Regulations, the important takeaways from the same have been broken down and elucidated below:

Defining 'designated person' is the discretion of the company

Clause 3 of Schedule B of PIT Regulations defines 'designated person' as follows:

*Employees and connected persons designated on the basis of their functional role (designated persons) in the organisation shall be governed by an internal code of conduct governing dealing in securities. **The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation.** Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation. (Emphasis supplied)*

It is clear from the highlighted text above that the PIT Regulations do not provide an exclusive definition of designated persons. The larger contours of the definition have been provided by the PIT Regulations leaving it entirely on the company to define 'designated persons'. Additionally, such an exercise by the company cannot just be a superficial attempt of defining on the basis of functional roles - the company also has to consider accessibility to UPS provided in the functional role.

In this case, KBL has admitted that as a promoter it has no role to play in the management of the company and has no access to UPSI. SEBI, having not delved into whether at all a promoter who has no role to play in the management of the company requires a pre-clearance or not, has simply stated that so long as a 'promoter' is defined as a designated person by the board of directors in consultation with the compliance officer, it will have to obtain pre-clearance for trading.

It is clear from this interpretation of SEBI that it is completely at the discretion of the board of directors and the compliance officer to analyse the role played by various stakeholders in the company and then define 'designated persons'. Since the involvement of promoters in a company cannot be generalised, SEBI has not explicitly stated if a promoter can be a designated person. Instead it has placed complete reliance on the definition of designated persons by the board of directors and compliance officer and in this case, has asked KCPL to act accordingly.

Role and extent of powers of compliance officer

KCPL had approached SEBI for an interpretive letter since it was aggrieved by the refusal of the compliance officer to grant approval for acquisition. KCPL alleged that the ground on which the compliance officer had refused to grant approval was extraneous since KBL had no pre-clearance for trading by its members and its Code of Conduct did not mention any threshold beyond which pre-clearance had to be sought.

Before discussing SEBI's interpretation, we first look at the definition of compliance officer:

*compliance officer means any senior officer, designated so and **reporting to the board of directors** or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and **the implementation of the codes specified in these regulations under the overall supervision of the board of directors** of the listed company or the head of an organization, as the case may be; (emphasis supplied)*

Further, Clause 1 of Schedule B reads as follows:

The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors. (emphasis supplied)

On a joint reading of the above, the following can be inferred regarding compliance officer:

1. That the compliance officer is under the direct authority of the board of directors;
2. That the PIT Regulations entrusts the compliance officer to ensure proper implementation of codes under the PIT Regulations. Neither do the PIT Regulations set any limit nor does it provide any guidance on the manner of implementation of the codes. It simply lays the responsibility of implementation on the compliance officer under the tutelage of the board of directors. However, even if the PIT Regulations do not provide any specific guidance on the manner of implementation, it nevertheless places the ultimate responsibility with the Board of Directors.

In this case, SEBI has clearly not delved into whether refusal by the compliance officer of KBL to grant approval for acquisition of its equity shares by KCPL is extraneous or not, but it has re-iterated that any such action has to be taken by the compliance officer after ensuring compliance with the PIT Regulations and Code of Conduct of the company. Having said so, SEBI does not imply that the powers of the compliance officer are absolute and unchallengeable. The over-arching authority over the compliance officer lies with the board of directors or the audit committee. Hence, any question regarding an alleged act of exercise of extraneous powers by the compliance officer may be referred to the board of directors and the audit committee of the company, as the case may be. Also, SEBI has clearly stated that any act of authority has to be towards the aim of adherence to PIT Regulations in letter and in spirit.



Cross Border Merger Under Companies Act, 2013

Introduction:

The merger provisions are contained in Chapter XV, containing Sections 230 to 240, which deals with 'Compromises, Arrangements and Amalgamations.' **Section 234** specifically deals with the cross-border mergers concerning merger or amalgamation of an Indian company with foreign company and vice-versa.

Background:

Erstwhile, the provisions for merger of Indian company with foreign company incorporated outside India was not there in Companies Act, 1956. Hence, Cross Border Mergers were restricted under previous law due to the provisions of Sec.394(4)(b) of Companies Act, 1956, wherein it was provided that Transferee company has to be a company registered under Indian Companies Act and the Transferor company included any Body Corporate whether incorporated under Indian Companies Act or not. Therefore under the previous Companies Act, 1956 it was possible for a foreign company to merge with an Indian company, but an Indian company could not be merged with a foreign company.

Now, the Companies Act, 2013 allows both inbound and outbound cross-border mergers and amalgamations between Indian and foreign companies. This is a welcome step which broadens the idea of globalization.

However, such mergers would entail two primary conditions;

(i) Requirement for the prior approval of Reserve Bank of India (RBI)

(ii) Overseas jurisdictions where such cross border mergers and amalgamations would be permitted.

Legal Framework for Cross Border Merger:

On 13th April, 2017, Ministry of Corporate Affairs (MCA) has vide its Commencement Notification notified Section 234 of Companies Act, 2013 which provides for Merger or Amalgamation of company with Foreign Company, has come into force with effect from 13th April, 2016. MCA has also notified Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2017 by inserting Rule 25A for Merger or Amalgamation of company with a foreign company and vice versa.

Provisions of Sec.234 under Companies Act, 2013:

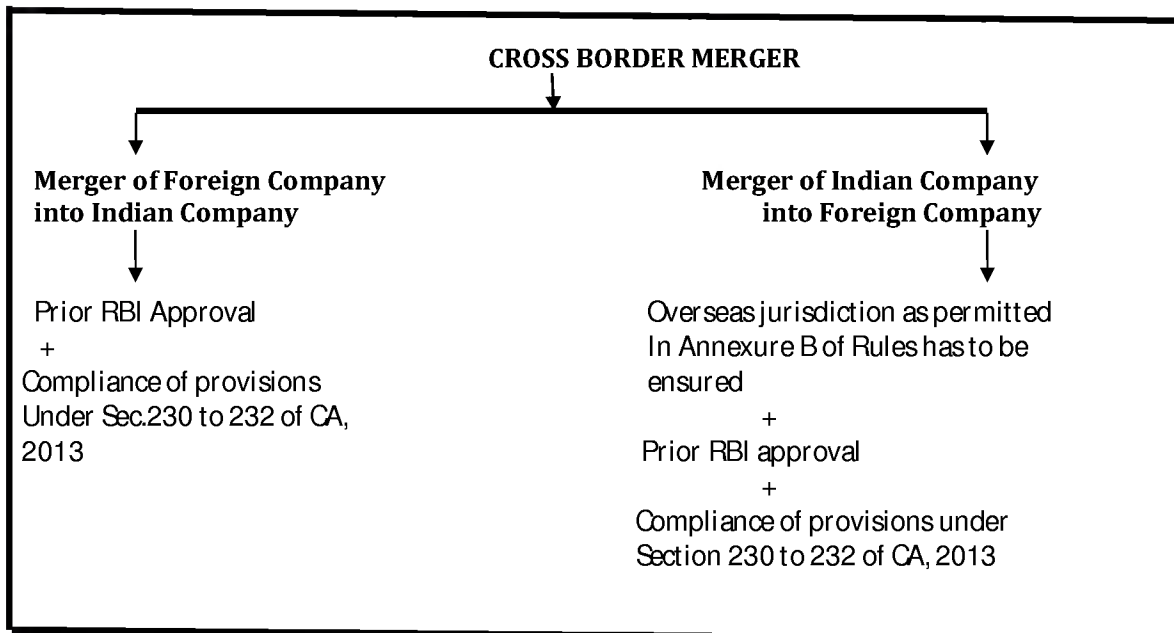
- **Prior RBI approval:** Section 234(2) states that subject to the provisions of any other law for the time being in force, a foreign company may with the prior approval of Reserve Bank of India, can merge into a company registered under this Act or vice versa.

For the purpose of this sub-section, the expression **Foreign Company** means any company or body corporate incorporated outside India whether having a place of business in India or not.

- **General Provisions of Chapter XV will be followed:** Section 234(1) the provisions of this Chapter unless otherwise provided under any other laws for the time being in

force, shall apply mutatis and mutandis to scheme of merger and amalgamation under this section.

- **Rule 25 A of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016:** The approval required under the newly inserted rules can be explained as follows:



- **Annexure-B:** A company may merge with a Foreign company incorporated in any of the jurisdictions:
 - (i) Whose security market regulator is a signatory to:
 - International Organisation of Securities Commission's Multilateral Memorandum of Understanding, or
 - Bilateral Memorandum of Understanding with SEBI
 - (ii) Whose Central Bank is a member of Bank of International Settlements(BIS), and
 - (iii) Which is not identified in the public statement of Financial Action Task Force (FATF) as:
 - a) A jurisdiction having a strategic Anti-Money Laundering
 - b) A jurisdiction combating the financing of Terrorism deficiencies to which counter measures apply
 - c) A jurisdiction that has not made significant progress in addressing the deficiencies or
 - d) A jurisdiction that has not committed to an action plan developed with FATF to address the deficiencies.

An insight into general provisions of merger under Section 230 to Section 232:

- The memorandum of association of the companies seeking to merge, should give power to companies to amalgamate.
- Also, the creditors and members of the companies must approve the merger scheme.
- Notice of merger along with merger proposal and valuation report etc. needs to be served upon creditors, shareholders, and various regulators (RD, ROC, OL, SEBI, RBI, CCI, Stock exchanges of listed companies, IT authorities and other sector authority likely to be affected by merger.)
- Shareholders and creditors are given option to cast their vote through postal ballot.

- Tribunal can dispense meeting of creditors if creditors having 90% of value agree by way of affidavit to the scheme of a compromise or an arrangement for merger or amalgamation.
- Objections can be raised by shareholders who hold 10% or more equity or creditors whose outstanding debt is 5 % or more of the total debt as per last audited balance sheet.
- Prior certification from auditors saying accounting treatment is in consonance with accounting standards needs to be filed with Tribunal.
- After the NCLT order sanctioning the scheme, its certified true copies will be filed with the Registrar of Companies.

Conclusion:

The 1956 Act prohibited the merger/ demerger of Indian company with the foreign company, however, the vice versa was possible. But as per the 2013 Act, both types of mergers have been allowed with only those foreign entities incorporated in any of the jurisdiction permitted in Annexure-B of the Rules. Prior RBI approval is also required to be taken for concluding these types of deals along with the compliance of the provisions of sections 230 to 232 of the Companies Act, 2013 and the rules. The payment in the scheme can be done through cash or through depository receipts or both.

Cross-border merger may become a useful tool for companies to undertake expansion and restructuring activities. This is a welcome step which broadens the idea of globalization.



The Lok Sabha has passed the Companies (Amendment) Bill, 2017 on 27th July 2017

The major amendments proposed in the New Bill include

1. Clarity on definitions for identifying associate companies, holding & subsidiary companies, related parties etc.
2. Aligning disclosure requirements in the prospectus with the regulations made by SEBI,
3. Providing for maintenance of register of significant beneficial owners and filing of returns in this regard with the ROC
4. Simplification of the private placement procedure
5. Removal of requirement for annual ratification of auditor
6. Rationalization of provisions related to loan to directors
7. Omission of provisions relating to forward dealing and insider trading and
8. Doing away with the requirement of approval of the Central Government for managerial remuneration above prescribed limits.
9. Segregation of the object clause in the memorandum of association of the Company into Main & Other objects
10. Making offence for contravention of provisions relating to deposits as non-compoundable
11. Requiring attaching of financial statement of associate companies
12. Stringent additional fees of Rs 100 per day in case of delay in filing of annual return and financial statement, continuing with restrictions on layers of investment subsidiaries, etc.

Living Room



Matangini Hazra 1870-1942

Matangini was born in the small village of Hogla, near Tamluk in 1870. She did not obtain a proper education due to her father Thakurdas Maity's poor financial condition. She was married early with Trilochan Hazra of Alinan village, who was much older than her. She was widowed by the age of eighteen. Thereafter she devoted herself to social service, working tirelessly for others.

Matangini Hazra was an active participant in the movement of Indian Independence. She was so active in the movement that the British Indian police had to shoot her. Hazra had actually been leading a procession that included more than six thousand supporters, among which most of them were actually women. This procession was carried on with the mission of taking over the Tamluk police station. Soon when she marched forward, Matangini was shot by the police. In spite of being shot three times, she kept on marching being quite a lot wounded. Most surprisingly is the fact that

Hazra had carried on this procession when she was already 73 years old, thus showing that age is a mere number when it comes to having nationalist feelings.

India earned Independence in 1947 and numerous schools, colonies, and streets were named after Matangini Hazra. The first statue of a woman put up in Kolkata, in independent India, was Hazra's in 1977. A statue now stands at the spot where she was killed in Tamluk. In 2002, as part of a series of postage stamps commemorating sixty years of the Quit India Movement and the formation of the Tamluk National Government, the Department of Posts of India issued a five rupee postage stamp with Matangini Hazra's likeness. Hazra Road in Kolkata is also named after her.

Source:internet

Reader Feedback

First I thank the author for his good article on **transitional provisions in the July edition**

There is a small correction in the article it states "FORM GST TRAN 1: The amount of Input credit claimed shall be filed by the registered dealer by 29th August'2017".

As per CGST Act it has to be filed within 90 days.

-S R Lakshminarasimman

Editorial team would like to thank Reader and the Author for valuable feedback

Author Reply

Firstly I would like to thank the reader for sparing his valuable time in going through the article.

The provisions are as under-

"The time limit for filing various declarations for transition credit has been increased to 90 days (earlier 60 days) from the appointed date. The Commissioner empowered to extend this period by a further period not exceeding 90 days on recommendation of the GST Council."

-Chandan Mahapatra



memrise

If you talk to a man in a language he understands, that goes to his head. If you talk to him in his own language, that goes to his heart.

–Nelson Mandela

It is said that success of a man depends on the way he talks and communicates with others and this can be easily achieved if he knows the language of the second party. It is said that languages are the road map of culture. So learning new languages helps one to understand the background of the recipients and convey the thoughts more effectively. **Memrise** is one such websites which offers simple learning course for variety of languages. This site has language course for many language listing from foreign language to local Indian languages.

First, you must login to the site either using its own login procedure or with the help of Google/ Facebook account credentials. Then select the language you speak. Now a list of language appears in front of you and you can select any language that you want to learn.

The course begins with the learning of simple words that are essential for communicating a new language. The tests allow you to know whether the words are properly understood by you and you make you familiarsthem.

Apart from language, site also provides course on various other subjects like History, Geography, politics, religion etc...

The site also has an updated version called **memrise pro** which is a paid version.

This site is handy to those people who are interested to learn new languages and want to brush up their general knowledge skills. Further it is also useful for the person travelling to unknown areas where with the help of this site they tend to get familiarized with the locality, the language of that place, its history and current politics.

The site also has an app in the same name on both Google play store and Apple store.

Words Worth Million

We believe in peace and peaceful development, not only for ourselves, but for people all over the world

-Lal Bahadur Shastri

We want deeper sincerity of motive, greater courage in speech and earnestness in action

-Sarojini Naidu



A dealer of steel registered in Bangalore goes and stays in a small hotel in Chennai which is not registered. The hotel tariff was Rs. 1000. How much tax has to be paid under RCM ?

Please send your opinion to, enewsletter.icsimysore@gmail.com



Opinion To Last Month's Brainy Bits

Section 10 of the GST Act deals with the Composition levy. Subsection 2 of 10 lays down the conditions which are required to be fulfilled by the person to be eligible to opt for the composition.

The first Condition laid down is the person who wants to opt for composition should not be engaged in any kind of supply of service other than the service of restaurant which is mentioned in schedule 2

In the instant case it has been given that interest is being earned by the person on the fixed deposit. Now giving money for use and earning interest has been specifically provided as an exempt service. Now it has been established that providing money for interest is squarely covered under the definition of supply of service under GST.

Therefore as the person is getting interest he is rendering a service which may be an exempt service but nevertheless it is a service. **Hence the person is not eligible for opting for composition.**

It has been debated that this is not the intention of the government to deny composition benefit. But as on date there is no clarification or specific exemption has been given in this regard.

Freedom is not given, It is taken

-Netaji Subhash Chandra Bose





Goods & Services Tax (GST) Impact Post Implementation

It has been 45 days since GST has been implemented in India. While the industry was worried much, the GST transition has been smooth so far. GST is one of the biggest indirect tax reforms in post - independent India. Following sections will give a clear picture of new indirect tax regime's advantages and its initial impact of post implementation.

Key Benefits:

Key Benefits of GST essentially flow from the effects of seamless input tax credit facility (ITC), Simple procedural laws and easy tax compliances.

1. End of an era of multiple taxes:

GST is replaced 17 types of (8 Central and 9 State) taxes such as Central Excise Duty, Service Tax, Central Sales Tax, State VAT and Entry Tax with just one tax. Hence it will reduce the tax burden and compliance cost.

2. Reduction in cascading effect of taxes:

GST will reduce the cascading effect by integrating the tax systems of central and State governments. Both Centre and States will simultaneously levy GST (i.e. Central GST & State GST) on a uniform base. Also, GST is to be paid only on the value addition.

3. E - Compliance :

GST mandates only electronic filing of information relating to all compliances, starting from registration to filing of returns to paying taxes. Automation of compliance procedures would reduce errors, increase efficiency.

4. Simplified Procedure and availability of Input Tax Credit (ITC):

Earlier, entities were required to use many forms to obtain exemptions from payment of taxes. For e.g. while making stock transfers to a branch located in another state, firms used Form F to get an exemption from the Central Sales Tax and obtain input tax credit on VAT.

Similarly, exporters get exemptions from payment of VAT/ CST through Forms C, Form F and Form H. GST does away with such forms

and making the system more simple and transparent.

5. Low Cost

New Indirect Tax regime would lead to lower transportation and distribution costs (availability of Input Tax Credit on Freight or Transportation). The main reason for the high cost is the expense incurred on branches and warehouses. The above provisions are expected to increase the overall productivity of manufacturing, services and trading operations leading to a reduction in prices and a general increase in the economic activity.

Impact on Key Sectors Post Implementation

The revenue collections from customs duty and Integrated GST (IGST) from imports, has almost doubled to Rs 30,000 crore in the first month of implementation. The said revenue include those on account of customs duty, Integrated-GST (IGST) from imports, Countervailing Duty (CVD), special addition duty (SAD) and cess collection on imported items.

The July month collections compare to indirect tax collection of over Rs 16,000 crore of the same month of 2016.

What is the impact of the new indirect tax regime on key sectors? Here are my brief inputs:

1. Textiles and Garments

The implementation has created outrage and protests in the sector. The textiles and garments sector is one of the largest employment generators in the country. Till recent, this sector has been out of the tax net.

The second part of Economic Survey released on 11th August 2017, says that the textile and garments sector is now fully part of the tax net. Previously, some parts of the value chain, especially fabrics, were outside the tax net, leading to informalisation and evasion. Some anomalies favoring imports of fabrics over domestic production will need to be rectified but over all the tax base has expanded.

2. Logistics:

GST is transforming the logistics industry in a country where moving stuff around is notoriously difficult to do. With effect from 1st July, 2017, Interstate check posts have been removed which in turn travel time of long-haul trucks, other cargo vehicles cut by at least one-fifth.

In pre GST India, usually, Trucks covering 225 km a day. Now, Trucks are covering 300-325 km a day. It is reported that A truck from Chennai to Jamshedpur carrying tyres made by Apollo Tyres reached in three and a half days as state border barriers began to be dismantled after the implementation of the GST.

3. Cement and Realty:

Under GST regime, cement bags are taxed at the highest rate of 28 per cent. However, effective taxes currently are already at about the same rate — 12.5 per cent in the form of excise and 13.5 per cent in the form of VAT. In addition, there is service tax paid on transport services. While the duty implication largely remains unchanged, the advantage is tax offset on inputs purchases as well as on service tax paid on its freight.

Further, taxes on the key raw material i.e. coal have been reduced to 5 per cent from about 11 per cent. These lower taxes will most likely reduce input costs for cement manufacturers. It is expected that most cement companies are likely to benefit from the GST.

The overall effect of GST on real estate is Nil or neutral. In Realty sector, service tax and VAT applicable in various States are subsumed into the GST. However, the developers are required to pay stamp duty, registration charges and other indirect taxes such as excise duty, etc. Under new Indirect Tax regime, they are allowed to claim input tax credit (ITC), bringing the effective tax rates equivalent to that of the pre-GST rates of 5-6 per cent.

4. Auto Industry

The final GST rates have not caused any major impacts on automobile industry, except hybrids. Since, maintaining status quo on small cars & bikes, negligible impact on price is expected.

Further, as per latest proposal by the GST Council, an increase of cess from 15 percent to 25 percent on large cars and SUVs, which are expected to be taxed at a lower 53 per cent (28

per cent + 25 per cent cess). Total indirect taxes add up to 50-55 per cent currently.

Utility Vehicles sales grow at 36% in July.

Sales of utility vehicles grew 35.52% in July to 86,874 units. Data from the Society of Indian Automobile Manufacturers (SIAM) showed that sales of Passenger cars grew at 8.52% to 1,92,773 units,

Two-wheeler sales rose 13.73% to 1.68 million units,

Vans - 19,350 units,

Total Passenger vehicles – 298,997 units,

Total CVs – 59,000 units,

Total two – wheelers – 16,79,055 units in July

5. Fast Moving Consumer Goods (FMCG)

For FMCG Space, the GST brings good reports on the back of lower tax incidence when compared to the total tax paid in earlier tax regime. However, the household and personal care segment is gaining the most, with close to 5 to 7 percentage point reduction in taxes.

Under previous Tax regime, FMCG products such as soaps, toothpaste etc. was charged excise duty at 12.5 per cent plus state VAT of 13 to 14 per cent. Hence, overall effective indirect tax rate amounts to 24-27 per cent. With GST rates on each of these products fixed at a lower 18 per cent, FMCG companies are gaining.

In the beverages category, tax rates on fruit juices and beverages containing milk are fixed at 12 per cent under new tax regime. These rates are lower than that under previous regime.

6. Telecom Industry

Previously, the telecom industry was taxed at 15 per cent. Under the GST Regime same is taxing at 18 percent. A hike of 3 percent in tax will definitely pressure their margins, who are already facing intense competition in domestic market.

However, availability of input tax credit (ITC) on capital expenditure, the impact of tax will be reduced to some extent.

Conclusion

It remains to be seen what impact the Goods and Services Tax (GST) will have on the Indian economy in the long run.

Source: Finance Ministry



Body Art and Tattoos Work Place Conduct & Employability

When a potential employee arrives for an interview decorated with one or more tattoos, you might wonder whether your company policy should define how and where employees can display body art. Having a tattooing policy in your employee handbook will help you clearly define the appropriateness of body art in your organization, while staying within the parameters of the law.

Prevalence

A 2016 Pew Research Centre report indicates that about 40 percent of adults between 18 and 29 have one tattoo, and 50 percent of those with tattoos have more than one. Of those who tattoo themselves, 18 percent have more than six tattoos. In comparison, a 2010 report indicated that only 10 percent of adults between 41 and 64 have a tattoo. The prevalence of body art in the workplace makes it necessary to understand whether you can regulate the appearance of tattoos in your organization.

Legal Rulings

Employers' rights take precedent over the employees' desire to display tattoos, according to a September 2008 article on the American Bar Association's website. While the employee may enjoy displaying important images on his body, the courts consistently rule that employers have the right to set boundaries and policies on how much body art an employee may display. In November 2006, the court case Robert v. Ward, heard in the 6th Circuit Court of Appeals, found that employers can impose dress and appearance policies,

including regulating tattoo displays, provided the policies are handled in an equitable fashion.

Policy Development

If you do not already have an appearance policy that includes body tattoos, working with your attorney or human resources professional will help you prepare one that fits your organizational needs. You can limit the number of tattoos that are visible when an employee is working at your organization or ban tattoos totally, assuming you have a legally defensible business reason to do so. Legitimate reasons to ban or limit tattoos in the workplace include your customers'/clients level of comfort with dealing with tattooed employees and the perception of businesses with which you have professional relationships.

Considerations

Before finalizing your policy, form a small committee that represents the age range and demographic population of your organization to elicit their opinions and make the members feel a part of the decision-making process. Although you can legally ban all tattoos, you should consider allowing exceptions for cultural or religious purposes. If you don't, you could be sued for alleged discrimination. Clearly communicate the final appearance policy to both newly hired and existing employees to avoid confusion or misunderstandings.

However, that does not mean that all employers see tattoos and body piercings as welcome additions to

the dress code. Many employers do discriminate against those with tattoos, and it's legal.

Illegal Discrimination

If your company refuses to offer you a promotion because you're a woman, that's discrimination. If a company fails to hire you simply because of your ethnicity, race, religion or sexual prodivity, you have a discrimination case. However, tattoo and body piercing discrimination isn't illegal. Just as a bathing suit for a relaxed beach look might be one you'd love to wear you can't wear the same to your workplace because it is against the dress code. The same holds true for body piercings and tattoos.

Employer s Rights

The employer has a right to establish a dress code for his organization. If you have body piercings, he can request that you remove the related jewellery while at work. While you can't remove a tattoo, your employer can demand that you cover the tattoo while you're working. If a pierce-free, tattoo-free look is part of the uniform and it's in the dress code, he has every right to fire you if you don't follow the rules or not hire you at all.

Promotions

While you might be able to get a job even if you have a tattoo or body piercing, you probably won't advance up the ladder. Look at the middle and upper management to see if any of them have tattoos. The chances are, none of them does. If you have a tattoo that doesn't show, you are in luck. In most cases, the employer isn't against body art, he simply doesn't want it to reflect on his business as you can't be a customer facing employee.

Type of Job

Your chosen occupation makes a difference whether you can show your tattoos or piercings. If you work in a factory as a laborer, you might be required to remove your pierced jewelry for safety reasons but tattoos are perfectly acceptable. However, if your job entails managing others or

working with the public, lose the piercings and cover the tattoo. Some people still find tattoos and piercings offensive or even worse nauseating.

Discrimination Suits

You can sue for discrimination if a company fired you, failed to promote you or didn't hire you due to a tattoo or piercing. However, you probably would lose. Because most attorneys realize this, you'd have a difficult time finding someone to take your case. If you lose, you could end up paying for the company's expense of litigation, as employers have a right to fix rules for an organisation and you need to abide by the rules & go with the flow not against it.

Business owners face a challenge when it comes to piercings. They want their employees to be happy. But they also want them to professionally represent their company. For many business owners, nose and body piercings look anything but professional. Is it legal, though, for business owners to impose anti-piercing policies at work?

Yes, but employers do have to follow some rules to protect themselves legally, this could be a potential issue in India as employers are generally against tattoos as it does not go down well with workplace conduct.

The Law

Even though there are no specific laws in India, The Equal Employment Opportunity Commission in the US, states that employers may require all of their workers to follow a standard dress code, even if this dress code might conflict with some workers' ethnic beliefs or practices. Employers, then, have the legal right to require employees to leave their nose rings, tongue studs and other body piercings at home, these are generally regulated in India through work place conducts, Rules, HR Manuals, Service Rules etc.

Enforcement

Businesses may face legal repercussions if they don't enforce their anti-piercing policies equally. Businesses that penalize or force men to remove their nose rings must do the same with their female employees. Those who allow women to wear three or more earrings in each ear can't balk when their male employees do the same thing, this is again OK in the US and other European countries, what & how do you implement this in India, nose & ear rings are part of the Indian Culture, here again one has to be careful in drafting service rules & HR manuals in a company that has overseas offices & multi locational work place, where you must have different rules for different cultures, difficult to implement though

A More Flexible Policy?

To avoid a situation as discussed above if the company has multiple work places in different countries it is better they have a flexi policy in this regard, As more people turn to body piercings to express themselves, businesses may miss out on

potentially talented workers if they enact an anti-piercing policy that is too strict. It's important, then, for businesses to create anti-piercing policies that actually reflect how their companies work. For instance, the employees at many companies may not actually ever meet with clients or potential customers. A blanket anti-piercing policy, then, might not be the best move at such a business. In today's global marketplace, employers are taking more seriously the need to provide a work environment that welcomes employees from many different backgrounds. The competition to attract and retain skilled workers has resulted in corporate cultures that strive to demonstrate the value placed on individual and group contributions. And there is increasing attention paid to offering a company culture and benefit package that supports a variety of lifestyles. Should someone with a visible tattoo be treated any differently?

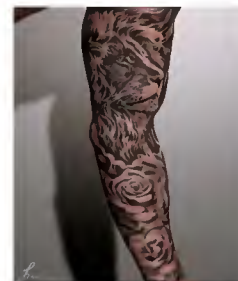
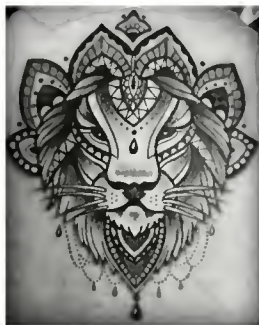
As tattoos grow in popularity they are gaining acceptance in the workplace

Although India does not have a law on tattoos some of the state laws in the US are as follows:

State	Statute Citation	Statute Summary
Alabama	Ala. Code § 22-1-17A	Regulation of Tattooing, Branding, and Body Piercing. Prohibits anyone from performing a tattoo, brand or body piercing on a minor unless prior written informed consent is obtained from the minor's parent or legal guardian.
Alaska	AS§08.13	12 AAC 09 specifically govern the practice of barbering, hairdressing, aesthetics, tattoo and permanent cosmetic colouring, and body piercing. AS 08.01 - 08.03 and regulations 12 AAC02 apply to all professions regulated by the division.
	AS§08.13.217	Tattooing. Establishes that it is unlawful to practice tattooing and permanent cosmetic colouring on a minor. Body Piercing. Prohibits anyone from practicing body piercing on a minor without prior written approval from the minor's parent or legal guardian and the presence of the parent or legal guardian during the body piercing procedure.

State	Statute Citation	Statute Summary
Arizona	Tattoos. Ariz. Rev. Stat. § 13-3721	Tattooing and Body Piercing. Establishes that it is unlawful to either tattoo or pierce anyone under age 18 without the physical presence of the parent or legal guardian.
Arkansas	Ark. Stat. Ann. §§ 20-27-1501 et seq.	Body Piercing, Branding, and Tattooing. Tattoo and permanent cosmetic artists are required to be certified; the law addresses body piercing as a form of body art; requires an annual license fee for tattoo, body piercing and permanent cosmetic artists/ shops.
	Ark. Stat. Ann. § 5-27-228	Tattooing and Body Piercing. Prohibits anyone from doing "body art" (tattooing, piercing or branding) on a minor without the written consent and presence of one of the minor's parents, a guardian or a custodian.
California	Body Art. Cal. Health & Safety Code § 119300 to 119328	Body Art. The California Conference of Local Health Officers shall establish sterilization, sanitation, and safety standards for persons engaged in the business of tattooing, body piercing, or permanent cosmetics.
	Cal. Penal Code 653	Tattooing. Establishes that it is a misdemeanor for any person to tattoo or offer to tattoo anyone under age 18. Body Piercing. Prohibits anyone from performing or offering to perform a piercing upon anyone under age 18 unless the piercing is performed in the presence of a parent or guardian or as directed and notarized by the minor's parent or guardian. Does not apply to emancipated minors and does not include pierces of the ear.
Colorado	Body Artists. Colo. Rev. Stat. § 25-4-2101 to 2103	Tattooing and Body Piercing. Prohibits anyone from performing a body art procedure on a minor unless the artist has received express consent from the minor's parent or guardian.

[Sample Tattoos](#)



News Room



[Express News](#)

- **Common use items like jewellery, LPG exempt from e-way bill provision under GST**
- **Sebi proposes Aadhaar-based identification for investors**
- **Reliance Communications stock closes 16.14% higher as NCLT admits its petition for Aircel merger**
- **India's trade deficit narrows to \$11.45 billion in July**
- **India@70: Domestic retail investors are breaking free, beating all odds**

Sanghvi warning may hit other wind firms

Sanghvi Movers has cut its capex for FY18 and warned of a bleak outlook for wind energy equipment companies in the coming months due to tariff revisions being planned by various state governments.

GST rollout improves business efficiency by 30%: PM Narendra Modi

The abolition of inter-state check posts after the implementation of GST has reduced time for movement of goods by 30 per cent and saved thousands of crores of rupees, Prime Minister Narendra Modi said today in his independence day speech

Oil woes in the Gulf hit NRI deposit flows

While the drop in oil prices eases India's current account deficit, it hurts the economy in terms of slower NRI deposit flows. In addition, the appreciation of the rupee has eroded gains of

Indians working abroad when they convert their dollars into the local currency.

SEBI to work for liquid, vibrant corporate bond market

"Developing a liquid and vibrant corporate bond market further is an important agenda for enhancing the role of the Indian securities market in channelizing long term finance. SEBI will work with all stakeholders for this," Tyagi said in annual report's message.

Titan jumps to record high as GST seen boosting sales

Titan Co. Ltd., India's top maker of branded jewellery by market value, expects sales from its Tanishq stores to rise 30 per cent this fiscal year as the country's tax overhaul helps to attract more customers and the company expands its network. The shares rose to a record even as bullion prices fell.