

Boards of companies should assert ethical conduct: CII

Stronger commitment is required to improve the effectiveness of boards of companies and they should constantly assert ethical conduct while focusing on risk management, according to a CII report. To promote integrity and transparency in governance, the chamber has introduced a 'Model Code of Conduct' for business ethics to act as a guide to industry to adopt best practices.

"Corruption, bribery and improper payments continue to be high compliance risks in the country," CII said in a report.

It has also prescribed norms for business courtesies which are often extended by enterprises like gifts and entertainment, transportation and meals. CII suggested that gifts should be of nominal value and in nature of consumables, instead of cash or jewellery, etc. Moreover, gifts to family members should be avoided.

Besides, casual lift, ground transportation to and from the company



office or facility can be provided in the ordinary course of business but these should be limited to customers or government officials or regulators, while "extravagant modes" like air fare/rail fare should be avoided unless mandatory.

Moreover, CII said meals must only be offered as a casual social hospitality and lavish or extravagant meals should be avoided by companies when extending courtesies.

The guidelines can be adopted by companies which currently do not

have any specific guidelines on business courtesies. For companies with similar existing policies related to business courtesies, these can act as reference.

"CII considers ethical practices in business dealings to be critical for the development and growth of the industry in the country. The adoption of a simplified code by industry including SMEs is a landmark step in inculcating a culture of ethics and good practices in corporates," the chamber said.

Unregulated Deposit Ordinance bans only Ponzi schemes not regulated deposits

The Banning of Unregulated Deposit Ordinance puts a check only on illicit deposit schemes that dupes gullible investors but it does not prohibit those regulated by law like chit funds. To curb menace of Ponzi schemes, President Ram Nath Kovind last week promulgated the Banning of Unregulated Deposit Scheme Ordinance 2019 which seeks to make such unregulated deposit scheme punishable, among other things.

In a series of tweets, the Department of Financial Services said: "Banning of Unregulated Deposit Ordinance-2019, exempts Individual, Firm, Companies & LLP

etc. For taking any loan and deposit for their course of business as per section 2(4) e, f, l and other provisions."

The clarification comes amid rumours that deposits under chit funds and loans taken by small businesses from unrelated parties and enterprises are also prohibited.

However, "Chit fund is regulated by Chit Fund Act, 1982 and is treated as Regulated Deposit as per Schedule 1 of Banning of Unregulated Deposit Ordinance, 2019," it said.

According to the Ordinance, the amounts received by way of contributions towards the capital by part-

ners of any partnership firm or a limited liability partnership are exempt. Besides, amount received by an individual by way of loan from his relatives or amount received by any firm by way of loans from relatives of any of its persons are exempt among other exemptions.

The Lok Sabha passed the Bill to this effect on the last day of the budget session by a voice-vote, but the legislation could not get the approval of the Rajya Sabha. So, the law was enforced in the form of Ordinance last week aimed at saving poor and financially illiterate of their hard earned savings from ponzi schemes like Saradha and Rose Valley.

How the current pre-election budget helps income boost for middle class?



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Salaried middle class, farmers and the unorganized labor force in the informal sector were the major beneficiaries of the Interim Budget 2019. The middle class had a reason to cheer, as the proposed tax rebate for individuals with taxable income up-to Rs 5 Lakhs would result into a zero tax liability for a majority of families in the middle class, as per estimates 3 cr taxpayers would be practically out of the tax net in 2019-20 with a total benefit amounting to Rs 18,500 cr.

In the budget there is no changes to tax slab or tax rate, however the Finance Minister has proposed to raise the income limit to Rs 5 lakhs from the erstwhile limit of Rs 3.5 lakhs on which rebate of tax is available and now resident individuals will be eligible to claim a tax rebate of up to Rs 12,500 as against the current limit of Rs 2,500, thereby reducing the total tax liability to NIL.

Apart from the rebate, for salaried and pensioners there is another benefit in the form of increase in the amount of standard deduction to Rs 50,000 from Rs 40,000. Now it won't be difficult for resident individuals with a gross salary income up to Rs 7- 8 lakhs to reach the no-tax zone i.e., threshold limit of Rs. 5 lakhs taxable income by availing rebates and allowable deductions. Even individuals earning up to Rs10 lakhs a year will not have to pay any tax if they claim deductions by investing in specified instruments, however for such people keeping

the net taxable income within the magic figure of Rs 5 lakh will not be easy, and practically it is very difficult to claim all these deductions without drastic cuts in the lifestyle.

In addition to the income tax rebate the benefit of rollover of capital tax gains from real estate investments has been increased from investment in one residential house to two residential houses for a taxpayer having capital gains up to 2 crores rupees; this capital gain tax benefit can be exercised once in a lifetime. This is another big relief to the middle class homeowners especially in big metropolitan cities.

Taking income tax benefits on home ownership a step further the budget provisions have done away with the notional rental income from the second unoccupied home which was applicable previously. This move again is beneficial to middle class families who have more than one residential properties in their name.

In the budget speech the FM has



also proposed to raise TDS limit on interest income from Rs 10,000 to Rs 40,000 on bank and Post-Office savings. This proposal will benefit small depositors and non-working spouses and pensioners who have a total income that is below the tax exemption threshold.

Overall the 2019 Interim Budget has been very generous to the middle class, it not only gives them the much needed tax relief but also provides tax relief in terms of investment of capital gain proceeds and also in terms of notional income on second investment property. Given that 2019 is an election year, the government has taken necessary steps to address the concerns of one of its major voting constituents.

Manasi Kirloskar's Power Talk at MIT India Conference 2019, in Cambridge, Massachusetts

"Integrating all disciplines into a classroom together in a way that drives learning through student inquiry, dialogue, and critical thinking will not only best nurture a deeper understanding of abstracted and factual concepts but it will also instill strong human values of teamwork and mutual respect. Values that are critical for the moral advancement of the world's largest youth population", said Manasi Kirloskar, Executive Director, Kirloskar Systems Ltd., speaking on 'Education to Free India' in a Special Address, at the MIT India Conference 2019, held in Cambridge, Massachusetts last week.

The conference's theme, 'India's Competitive Edge', was attended by speakers and visionaries from various sectors, including government, science, technology, energy, finance,



Manasi Kirloskar, Executive Director, Kirloskar Systems Ltd. giving a Special Address, at the MIT India Conference 2019, held in Cambridge, Massachusetts on 16th February 2019, on 'Education to Free India'.

social impact, and the film industry, highlighting inspirational stories and India's successes.

Impactfully, batting for a better India, Kirloskar said, "India is a great nation. Its magnificence lies in the accumulation of culture carefully protected over

India is a great nation. Its magnificence lies in the accumulation of culture carefully protected over time. The peaceful togetherness of people who practice many different faiths, eat different kinds of food, dress in varied styles of clothing and speak a wondrous number of languages.

Manasi Kirloskar, Executive Director, Kirloskar Systems Ltd.

time. The peaceful togetherness of people who practice many different faiths, eat different kinds of food, dress in varied styles of clothing and speak a wondrous number of languages. Our strength lies in our diversity. Innovation will be a result of this diversity. Let us free ourselves from the practice of intolerance and create systems of education that will bring us all together".

Incidentally, Manasi Kirloskar was recently appointed as the first United Nations in India Young Business Champion for the SDGs (Sustainable Development Goals). She also heads a social non-profit startup called Caring With Colour, which aims at changing the education paradigm at schools for the lesser privileged.