

SIRC

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Newsletter

August 2014 | Volume 40 • Part 02



Southern India Regional Council ▶ THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ▶ SET UP BY AN ACT OF PARLIAMENT

SIRC NEWSLETTER'S 40th Year of Publication



Interactive Voice Response (IVR)

☎ 044-30210351

Instant reply on Queries of
Members and Students

CONVOCATION 2014 ON JULY 4, 2014 AT CHENNAI



CA. K. Raghu, President, ICAI along with CA. Manoj Fadnis, Vice President, ICAI, CA. M. Devaraja Reddy, Chairman, Board of Studies, ICAI, CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. S. Santhanakrishnan, CCM, CA. V. Murali, CCM, CA. Babu Abraham Kallivayalil, CCM and CA. G. Sekar, CCM.

MEMBERS OF SIRC DURING THE 40TH YEAR OF PUBLICATION OF SIRC NEWSLETTER



CA. P.V. Rajarajeswaran
Chairman



CA. Naresh Chandra Gelli V
Vice Chairman



CA. Cotha S. Srinivas
Secretary



CA. Adusumilli Venkateswara Rao
Treasurer



CA. P.R. Aruloli



CA. Gopal Krishna Raju



CA. Jomon K George



CA. V.X. Jose



CA. M. Nithin



CA. E. Phalguna Kumar



CA. D. Prasanna Kumar



CA. B. Sekkizhar



CA. Sripriya K



CA. P.R. Suresh

CENTRAL COUNCIL MEMBERS OF ICAI FROM SOUTHERN REGION



CA. K. Raghu
President, ICAI



CA. Babu Abraham Kallivayalil



CA. M. Devaraja Reddy



CA. V. Murali



CA. S. Santhanakrishnan



CA. G. Sekar



CA. J. Venkateswarlu

**CHARTERED ACCOUNTANTS DAY CELEBRATIONS
ON JULY 1, 2014 AT CHENNAI**



CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. P.R. Aruloli, RCM, CA. K. Sripriya, RCM along with Guests of Honour CA. R. Nagarajan and CA. K. Ravi, Past Chairmen, SIRC.



Shri V. Balakrishnan, IPS, Deputy Commissioner of Police, Chennai flagging off the Walkathon at Marina Beach, Chennai. CA. P.V. Rajarajeswaran, Chairman, SIRC with CA. P.R. Aruloli, RCM, CA. Gopal Krishna Raju, RCM, CA. Rajendra Kumar P, Past CCM and host of Members, Students and Staff of ICAI.

**PINNACLE - ONE DAY CPE SEMINAR ON COMPANIES ACT - 2014
ON JULY 6, 2014 AT CHENNAI**



CA. P.B. Sampath, Director (Finance) and Secretary, TAFE Limited inaugurated. Seen with him are CA. S. Santhanakrishnan, CCM, CA. V. Murali, CCM, CA. G. Sekar, CCM, CA. P.R. Aruloli, RCM, CA. Gopal Krishna Raju, RCM, CA. Jomon K. George, RCM and Adv. K. Vaitheeswaran, Resource Persons.



CA. S. Santhanakrishnan
Chennai



CA. M.P. Vijay Kumar
Chennai



CA. B. Sekkizhar
Hyderabad



Adv. K. Vaitheeswaran
Chennai



CS. S. Dhanpal
Chennai



Shri. P.H. Aravind Pandian
Senior Adv., Chennai

**PANEL DISCUSSION ON UNION BUDGET - 2014
ON JULY 10, 2014 AT CHENNAI**



CA. Rajendra Kumar P
Chennai



CA. Sriram Seshadri
Chennai

**CERTIFICATION
ON CLOUD COMPUTING ON
JULY 19, 2014 AT CHENNAI**



Official of Intuit

**INVESTOR AWARENESS PROGRAMME - INVESTMENTS & WEALTH
MANAGEMENT ON JULY 11, 2014 AT CHENNAI**



CA. Gopal Krishna Raju, RCM addressing the delegates. CA. P.R. Aruloli, RCM, CA. Divakar Vijayasarithy and Mr. Vivek Karwa, Resource Persons are also seen.

**PUBLIC MEETING ON UNION BUDGET - 2014
ON JULY 14, 2014 AT CHENNAI**



CA. P.V. Rajarajeswaran, Chairman, SIRC presenting a memento to CA. H. Raja, Resource Person along with CA. Cotha S. Srinivas, Secretary, SIRC, CA. S. Santhanakrishnan, CCM and CA. G. Sekar, CCM.



CA. P.V. Rajarajeswaran, Chairman, SIRC along with CA. V. Murali, CCM, CA. P.R. Aruloli, RCM, CA. G. Ramaswamy, Past President, ICAI, CA. H. Raja and Adv. K. Vaitheeswaran, Resource Persons.



CA. V. Murali, Central Council Member, ICAI adorning shawl to CA. H. Raja, Vice-President, BJP, Tamil Nadu Unit at the Public Meeting on Union Budget organized by SIRC.

NATIONAL SEMINAR UNDER THE AEGIS OF COMMITTEE ON INFORMATION TECHNOLOGY, ICAI AND 28TH ANNUAL CONFERENCE OF HUBLI BRANCH ON JULY 11 & 12, 2014 AT HUBLI



CA. P.V. Rajarajeswaran, Chairman, SIRC along with CA. Cotha S. Srinivas, Secretary, SIRC, CA. M. Devaraja Reddy, CCM, CA. Hiteshkumar Modi, Chairman, Hubli Branch, CA. Shivakumar G.G., Secretary, Hubli Branch and other Managing Committee Members of Hubli Branch of SIRC.

TAXATION OF TRUSTS AND NPOs ON JULY 19, 2014 AT CHENNAI



Mr. Debendra N. Kar, Director of Income Tax (Exemptions) addressing delegates in the presence of CA. E. Phalguna Kumar, RCM, CA. M. Kandasami and CA. Daniel Selvaraj, Resource Persons.

HALF A DAY JOINT PROGRAMME ON COMPANIES ACT - 2014 ORGANISED BY SIRC OF ICAI AND SIRC OF ICSI ON JULY 25, 2014 AT CHENNAI



CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CS. Dr. Baizu Ramachandran, Chairman, SIRC of ICSI with CA. Jomon K. George, RCM and CS. K.S. Ravichandran, Resource Persons.

DISCUSSION ON FINANCE BILL 2014 ON JULY 26, 2014 AT CHENNAI



CA. P.R. Aruloli, RCM and CA. Gopal Krishna Raju, RCM with CA. V.P. Manavalan and CA. V. Alagappan, Resource Persons.

INVESTOR AWARENESS PROGRAM "CAPITALIZE" RETAIL INVESTORS INVESTMENT STRATEGY FOR FY 2014-15 ON JULY 27, 2014 AT CHENNAI



Dr. M. Manuneethi Cholan, Registrar of Companies along with CA. P.R. Aruloli, RCM, CA. Gopal Krishna Raju, RCM and Resource Persons.

CLAUSE BY CLAUSE ANALYSIS ON UNION BUDGET-2014 ON JULY 26, 2014 AT CHENNAI



CA. V. Murali, CCM, ICAI presenting a memento to Smt. R. Bhagya Devi, IRS, Commissioner of Service Tax, Chennai. Along with them are - CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC and Shri S. Rajaratnam, Member, ITAT (Retd.).



Mr. S. Rajaratnam
Chennai

CA. T.G. Suresh
Chennai

CA. V.P. Manavalan
Chennai

CA. V. Alagappan
Tiruchirappalli

CPE SEMINAR ON COMPANIES ACT - 2013 ON JULY 5, 2014 AT SIVAKASI



CA. P.V. Rajarajeswaran, Chairman, SIRC along with CA. F. Charles, Chairman, Sivakasi Branch, CA. R. Sureshkumar, Secretary, Sivakasi Branch and other Managing Committee Members of Sivakasi Branch of SIRC.

TWO DAYS CONFERENCE ON DIRECT TAXES ON JULY 18 & 19, 2014 AT TRICHUR



CA. P.V. Rajarajeswaran, Chairman, SIRC addressing the delegates in the presence of CA. Cotha S. Srinivas, Secretary, SIRC, CA. Sijo P.L., Chairman, Trichur Branch, CA. Vipin K.K., Secretary, Trichur Branch and other Managing Committee Members of Trichur Branch of SIRC.



CA. P.V. Rajarajeswaran, Chairman, SIRC presenting bouquet to CA. K. Raghu, President, ICAI and CA. V. Murali, CCM, ICAI presenting bouquet to CA. Manoj Fadnis, Vice-President, ICAI on the occasion of their visit to Chennai for ICAI Convocation held on 4th July, 2014. Others in the picture are - CA. M. Devaraja Reddy, CCM, ICAI, CA. Cotha S. Srinivas, Secretary, SIRC and CA. P.R. Suresh, RCM.



Chairman writes ...

My dear Professional Colleagues,

Chartered Accountants Day

On 1st July 2014, the Formation Day of the Institute was celebrated with grandeur as the "The Chartered Accountants Day" at Chennai and at all the 41 Branches of SIRC. As in the past, 60 Senior Members of our professional fraternity from Chennai were honoured at a glittering evening function. I express my sincere thanks to CA. R. Nagarajan and CA. K. Ravi, Past Chairmen of SIRC for gracing the occasion as the Guests of Honour. Preceding the function, sports and games were organized for the spouse and children of the members and prizes distributed to the winners.

Going by the past practice and with the guidance and advisory of our beloved President CA. K. Raghu, SIRC organized the Blood Donation Camp on 30th June 2014 and 1st July 2014 in association with Madras Medical College, Chennai. 246 members and students donated blood. The Blood Donation was inaugurated by Dr. J. Radhakrishnan, IAS, Secretary, Health and Family Welfare Department, Govt. of Tamil Nadu.

On the early morning of 1st July, an impressive Walkathon was organized. The event was flagged off by Shri V. Balakrishnan, IPS, Deputy Commissioner of Police, Chennai. More than 200 members, students and staff of ICAI participated. This was followed by hoisting of ICAI Flag at the premises of SIRC. Saplings were planted in the garden of SIRC Premises and 500 saplings were distributed to the participants of the evening function.

As part of the celebrations and as part of the social responsibility to the society, SIRC visited Little Flower Convent, Anna Salai, Chennai and offered full day meal to the inmates of the school. At Clubwala Jadhav Special High School for Hearing Impaired, Anna Nagar, SIRC provided towels to the inmates and at B.V.S.N. Murthy School for Special Children, T. Nagar gave literary kits.

SIRC expresses its gratitude and thanks to the dignitaries who graced the various functions, members and their families for making the function a grand and memorable one. On behalf of SIRC and on my behalf, through this column, I express our sincere thanks to the members of the Organizing Committee, Student Volunteers, Officers and Staff of ICAI.

Union Budget – 2014

The Union Budget – 2014 presented by the Hon'ble Union Finance Minister Hon'ble Shri Arun Jaitley was by and large welcomed by the corporate, professional bodies and the general public.

With the aim of updating our members on the various facets of the budget proposals besides Live Telecast, SIRC organized four programmes, one a Panel Discussion on the day of presentation of the Budget, a Public Meeting on Union Budget on 14th, a Seminar on Clause Analysis on 26th July 2014 and Discussion on Finance Bill in the evening of 26th July 2014. All the programmes were lively and enlightening and was attended by large number of members.

I express my sincere thanks to CA. H. Raja, CA. G. Ramaswamy, Past President, ICAI and Adv. K. Vaitheeswaran for sharing their views at the Public Meeting, CA. Rajendra Kumar P and CA. Sriram Seshadri for giving a birds' eye view on the Budget and Shri S. Rajaratnam, Member, ITAT (Retd.), CA. V. Murali, Central Council Member, ICAI, CA. V. Alagappan, CA. T.G. Suresh and CA. V.P. Manavalan for their analysis on the Union Budget.

At the programme on 26th Smt. R. Bhagya Devi, IRS, Commissioner of Service Tax was the Chief Guest and her address was exceptionally good.

An Overview of Programmes held last month

We have conducted many other programmes during the month of July 2014 of which the Joint Programme on Companies Act, 2013 with SIRC of ICSI and Investor Awareness Programme in association with the Ministry of Corporate Affairs, Chennai needs special mention. All the programmes were well attended.

Convocation

On 4th and 14th July 2014, ICAI organized the Convocation at Chennai and Bangalore respectively. Our beloved President CA. K. Raghu presented the membership certificate to the newly enrolled members in the gracious presence of our beloved Vice-President CA. Manoj Fadnis and a host of Central Council Members of ICAI. My colleagues in the Regional Council and I had the pleasant opportunity of partaking in both the functions. SIRC congratulates the recipients and wish them the best of career.

Visit to Branches

My visits to Sivakasi, Hubli, Trichur, Coimbatore and Salem in connection with programmes organized by the respective branches and Students Youth Festival at Coimbatore, Salem and participation in a programme held at Madurai were very purposeful as it was yet another opportunity to be with our members and students and have their views on many professional matters. I carry their suggestions for deliberation at the appropriate level and try to implement the collective decision and in this respect, I deem it a privilege to visit the Branches.

Future Programmes

Residential Programme

SIRC would be organizing the next Annual Regional Residential Course on International Taxation which will be hosted by Bangalore Branch of SIRC. The details would be published in the next issue of the Newsletter.

Sub-Regional Conferences

The First Sub-Regional Conference of the year is being held at Belgaum on 21st August 2014 and hosted by Belgaum Branch of SIRC. The details of the Conference is published in Page No. 8 in this Newsletter.

The Second Sub-Regional Conference will be held on 30th August 2014 at Trivandrum hosted by Trivandrum Branch of SIRC. The details will be hosted in the SIRC website www.sircoficai.org

National Conference

On 12th & 13th September 2014, SIRC is organizing National Conference on Direct Taxes in association with the Direct Taxes Committee of ICAI.

Other Seminars

A workshop on Indirect Taxes on 16th August 2014 and a Seminar on Tax Audit on 20th August 2014 are being organized, the details of which are published in Page No. 8 & 9 in this Newsletter.

Independence Day Celebrations

On 15th August 2014 the Independence Day will be celebrated in a befitting manner at SIRC Premises. I invite the members to join in this historic occasion and pay our respects to the leaders who were behind the independence of our country from the British Rule. This occasion should be a show of solidarity and salutation to our great country.

Contact: Dr. T. Paramasivan, Joint Director, ICAI – Phone: 044 – 30210361 / 320 – E-mail: sirc@icai.in

Sl.No.	Programme Date	Programme Name	Resource Persons	Timings	Venue	CPE Credit	Delegate Fee`	Page No.
1	August 8 and 9, 2014 Friday & Saturday	4th All Region Joint Conference Organized by EIRC, WIRC, SIRC, CIRC and NIRC			Royal Bengal Room, City Centre, Salt Lake Kolkata	12	1400 If through online – 1300 Others 1700	Details in the SIRC Website www. sircoficai.org
2	August 9, 2014 Saturday	CPE Seminar on Fraud Risk Assessment – Anti Fraud Measures		09.30 am to 01.30 pm	P. Brahmajya Memorial Hall	4	600	9
3	August 13, 2014 Wednesday	CPE Study Circle Meeting on CA as Business Advisor	CA. Anil Kumar Kheecha Chennai	06.15 pm to 08.30 pm	P. Brahmajya Memorial Hall	2	200	-
4	August 14, 2014 Thursday	Wealth Building Utilising Global Capital Markets – Experiences and Lessons from three decades and on the Front Lines	Shri Ram Kolluri USA	04.00 pm to 06.00 pm	P. Brahmajya Memorial Hall	2	200	-
5	August 15, 2014 Friday	Independence Day Celebrations National Flag Hoisting by CA. P.V. Rajarajeswaran , Chairman, SIRC		09.00 am	SIRC Premises	-	NIL	19
6	August 16, 2014 Saturday	Workshop on Indirect Taxes		09.30 am to 05.00 pm	P. Brahmajya Memorial Hall	6	1000	8
7	August 20, 2014 Wednesday	CPE Seminar on Tax Audit		09.30 am to 05.00 pm	P. Brahmajya Memorial Hall	6	1000	8
8	August 20, 2014 Wednesday	CPE Study Circle Meeting on Basics in International Taxation	CA. D. Sree Lakshmi Valli Chennai	06.30 pm to 08.30 pm	P. Brahmajya Memorial Hall	2	NIL	-
9	August 21, 2014 Thursday	Elocution and Quiz Contest for CA Students		10.30 am to 05.00 pm	SIRC Premises	-	-	20
10	August 21, 2014 Thursday	1st Sub Regional Conference of SIRC of ICAI Hosted by Belugum Branch of SIRC of ICAI			Details given at Page No. 8			
11	August 22 & 23, 2014 Friday & Saturday	Workshop on Enabling Service Tax Practice		09.30 am to 05.00 pm	P. Brahmajya Memorial Hall	12	2000	9
12	August 27, 2014 Wednesday	CPE Study Circle Meeting on Service Tax for Works Contract	CA. P. Paul Thangam Coimbatore	06.15 pm to 08.30 pm	P. Brahmajya Memorial Hall	2	200	-
13	August 30, 2014 Saturday	2nd Sub Regional Conference of SIRC of ICAI Hosted by Trivandrum Branch of SIRC of ICAI			Details will be hosted in SIRC Website www.sircoficai.org			
14	September 2, 2014 Tuesday	School Level Debate Competition {for Chennai based School Students}			SIRC Premises	-	-	20
15	September 3, 2014 Wednesday	CPE Study Circle Meeting on Limited Liability Partnerships (LLPs)	Details will be hosted in SIRC Website www.sircoficai.org	05.30 pm to 08.30 pm	P. Brahmajya Memorial Hall	3	300	-

16	September 5 & 6, 2014 Friday & Saturday	Two Days Workshop on Basics in International Taxation	09.30 am to 05.00 pm	P. Brahmajya Memorial Hall	12	2000	9
17	September 12 & 13, 2014 Friday & Saturday	Two Days National Conference on Direct Taxes	Details will be published in SIRC Website www.sircoficai.org		12	2500	-
18	September 17, 2014 Wednesday	CPE Study Circle Meeting on Statutory Compliance – Emerging Professional Opportunities under Companies Act, 2013	06.15 pm to 08.30 pm	Details will be hosted in SIRC Website www.sircoficai.org	2	NIL	-
19	September 24, 2014 Wednesday	CPE Study Circle Meeting on Recent Developments in Transfer Pricing in India	06.15 pm to 08.30 pm	CA. S. Chandrakumar Chennai	2	200	-
20	September 27, 2014 Saturday	CPE Study Circle Meeting on Indirect Taxes	06.15 pm to 08.30 pm	Details will be hosted in SIRC Website www.sircoficai.org	2	200	-

Online enrolment through <http://sircoficai.org/CPEcalendarnew.aspx?id=forth> is requested.

Otherwise specified, the Delegate Fee for SIRC Programmes may be paid by way of Cash or by Cheque / DD drawn in favour of 'SIRC of ICAI' payable at Chennai and shall be sent to SIRC of ICAI, 'ICAI Bhawan', No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034. Phone: 044-30210320; Fax: 044-30210355; Email: sirc@icai.in Sufficiently in advance. Members are requested to avoid SPOT Registration.

CHAIRMAN WRITES (Contd..)

Other Programmes

Besides the above, SIRC would conduct regular Study Circle Meetings and other programmes, the details of which are published in Page No. 6 & 7 in this Newsletter.

I invite members to join in large numbers in all the programmes and be benefitted.

46th Regional Conference at Madurai on 12th and 13th December 2014

The arrangements for the holding of 46th Regional Conference at Madurai College Grounds, Madurai on 12th and 13th December 2014 and hosted by the Madurai Branch is in full swing. The delegate fee has been fixed at ` 3500 and the details of the train and flight timing and hotel accommodation is being finalized and will be published in the next issue of the Newsletter. I request members traveling by train to book their train ticket once the booking opens on 12th October 2014 [two months prior to the date of programme] to avoid any difficulty in booking.

The members of SIRC and I and the members of Managing Committee of Madurai Branch extend to you our warm and cordial welcome to the 46th Regional Conference and to enjoy our hospitality.

Review of Education and Training

On 4th July 2014, the President and Vice-President met the Members of the Central and Regional Council, Past Presidents of ICAI and other Members to elicit their views on the Review of Education and Training. The meeting was very interactive and a detailed analysis of our system of education and training emerged, setting our goal for the future of the profession.

Elocution and Quiz Contest

SIRC jointly with SICASA is conducting the Elocution and Quiz Contest for the students pursuing IPCC and Final Course at Chennai on 21st August 2014 at SIRC Premises. I request members to encourage their articulated assistants to join in these contests to show their prowess.

Thought of the Month


"Success is not a journey, it's a destination called satisfaction."

– Anuj Somany

SIRC believes in making every initiative successful thus giving satisfaction not only to SIRC but also to the members participating in the programmes organized by SIRC, its Branches and other Programme Organizing Units (POUs). SIRC endeavours to make its activities more vibrant, valued and focussed and reach out to all the members of our profession.

Until we meet through this column, I remain

Yours in professional service



CA. P.V. RAJARAJESWARAN

chairmansirc@icai.in

Editorial Board	
Editor :	CA. Rajarajeswaran P V
Members :	CA. Naresh Chandra Gelli V
	CA. Cotha S Srinivas
	CA. Adusumilli Venkateswara Rao
	CA. Aruloli P R
	CA. Prasanna Kumar D
	CA. Babu Abraham Kallivayalil
	CA. Kandavel M S
	CA. Mohamed Khan A
	CA. Muthusubramanian M

WORKSHOP ON INDIRECT TAXES

Under the auspices of Committee on Indirect Taxes of SIRC of ICAI

Theme: Enhancing Professional Service – Service Tax

P. Brahmayya Memorial Hall,
'ICAI Bhawan' No. 122, MG Road,
Nungambakkam, Chennai-600034August 16, 2014, Saturday
(09.30 am to 05.00 pm)CPE Credit
6
HOURS**Topics**Value Added Audits covering Service Tax (Service Tax Audit, Impact of IDT on Tax Audit and Statutory Audits, Case Study – Atul Products – Impact on ST Issuing Effective Opinions / Replies to Department
Replies to Show Cause Notice**Resource Persons****CA. Madhukar N. Hiregange**, Bangalore
CA. V. Prasanna Krishnan, Chennai
CA. G. Saravana Kumar, Madurai**DELEGATE FEE: ₹ 1000****CA. P.V. Rajarajeswaran**
Chairman, SIRC**CA. P.R. Aruloli**
Chairman, Committee on Indirect Taxes of SIRC of ICAI**CA. Cotha S. Srinivas**
Secretary, SIRC**SEMINAR ON TAX AUDIT**

Under the auspices of Committee on Direct Taxes of SIRC of ICAI

P. Brahmayya Memorial Hall,
'ICAI Bhawan' No. 122, MG Road,
Nungambakkam, Chennai-600034August 20, 2014, Wednesday
(09.30 am to 05.00 pm)CPE Credit
6
HOURS**09.30 a.m. to 10.00 a.m.****Registration and Inauguration****Topics**Documentation & prerequisites of Tax Audit
Clause 12 to 21 of Form 3CD
Clause 22 to 41 of Form 3CD
Issues in e-filing of Returns and Reports.**Resource Persons****CA. N.S. Srinivasan**, Chennai
CA. T.G. Suresh, Chennai
CA. P. Anand, Chennai
CA. Uttam Chand Jain P, Chennai**DELEGATE FEE: ₹ 1000****CA. P.V. Rajarajeswaran**
Chairman, SIRC**CA. E. Phalgun Kumar**
Chairman, Committee on Direct Taxes of SIRC of ICAI**CA. Cotha S. Srinivas**
Secretary, SIRC**1st SUB-REGIONAL CONFERENCE OF SIRC OF ICAI**

Host: Belgaum Branch of SIRC of ICAI

S G Balekundri Institute of Technology
Shivbasavnavar, BelgaumAugust 21, 2014, Thursday
(08.30 am to 05.00 pm)CPE Credit
6
HOURS**08.30 a.m. to 09.00 a.m.****Registration & Breakfast****09.00 a.m. to 10.00 a.m.****Inaugural Session****Topics**Fundamentals of Works Contract
Issues under Works Contract - VAT
Taxation of Works Contract under Service Tax
Panel Discussion on Works Contract w.r.t. Real Estate Transactions
VAT
Service Tax
Income Tax
Moderator**Resource Persons****CA. Sanjay Dhariwal**, Bangalore
CA. Sanjay Dhariwal, Bangalore
CA. Madhukar N. Hiregange, Bangalore

CA. Sanjay Dhariwal, Bangalore
CA. Madhukar N Hiregange, Bangalore
CA. Vivek D.S., Bangalore
CA. Cotha S Srinivas, Bangalore**DELEGATE FEE:**On or before 15th AugustAfter 15th August & Spot Registration**FOR MEMBERS:**

₹ 750

₹ 1200

FOR STUDENTS:

₹ 350

₹ 600

Demand Draft / Cheque shall be drawn favouring **Belgaum Branch of SIRC of ICAI** payable at Belgaum and sent to Chairman, Belgaum Branch of SIRC of ICAI, 'ICAI Bhawan' 2nd Floor Swaroop Plaza, Tilakwadi, Belgaum - 590 006. Ph: 0831-2425018, email: belgaum@icai.org, belgaumbranch@gmail.com.**CONFERENCE CONVENORS****CA. P.V. Rajarajeswaran**
Chairman, SIRC**CA. Cotha S. Srinivas**
Secretary, SIRC**CONFERENCE CO-ORDINATORS****CA. M. Nithin**
Ex-Officio Member
Belgaum Branch of SIRC**CA Chetan V Chougule**
Member, Belgaum Branch of SIRC**CONFERENCE CO-CONVENORS****CA Sanjay S Mudnur**
Chairman, Belgaum Branch of SIRC**CA Praveen P Ghali**
Secretary, Belgaum Branch of SIRC

SEMINAR ON FRAUD RISK ASSESSMENT- ANTI FRAUD MEASURES

Under the auspices of Committee on Banking, Insurance & Pension of SIRC of ICAI

P. Brahmayya Memorial Hall,
'ICAI Bhawan' No. 122, MG Road,
Nungambakkam, Chennai-600034

August 9, 2014, Wednesday
(09.30 am to 01.30 pm)

CPE Credit
4
HOURS

Topics

Fraud Risk Assessment
Corporate Frauds and Audit Risk
Fraud Assessment Tool Kit

Resource Persons

CA. (Dr). K. Paul Jayakar, Chennai
CA. Gopal Krishna Raju, Chennai
CA. K. Sumathy, Chennai

DELEGATE FEE: ` 600

CA. P.V. Rajarajeswaran
Chairman, SIRC

CA. Gopal Krishna Raju
Chairman, Committee on Banking, Insurance and Pension of SIRC

CA. Cotha S. Srinivas
Secretary, SIRC

WORKSHOP ON ENABLING SERVICE TAX PRACTICE

P. Brahmayya Memorial Hall,
'ICAI Bhawan' No. 122, MG Road,
Nungambakkam, Chennai-600034

August 22 & 23, 2014, Friday & Saturday
(09.30 am to 05.00 pm)

CPE Credit
12
HOURS

Topics

Definition of Service and its taxability 'Declared Service' & Place of Provision of Service
Negative List and Exemptions
Reverse Charge, Joint Charge and their Taxability
Point of Taxation Rules

Valuation Rules
CENVAT Credit Rules, 2004 relating to Service Tax
Provisions and Rules relating to Construction & Works Contract
Statutory compliance like Registration, Issues of Invoice, Payment of Tax, Adjustment of Excess Payment of Tax: Filing of Periodical Returns, Refund of Service Tax etc.

DELEGATE FEE: ` 2000

CA. P.V. Rajarajeswaran
Chairman, SIRC

CA. P.R. Aruloli
Chairman, Committee on Indirect Taxes of SIRC of ICAI

CA. Cotha S. Srinivas
Secretary, SIRC

2nd SUB-REGIONAL CONFERENCE OF SIRC OF ICAI

Host: Trivandrum Branch of SIRC of ICAI

August 30, 2014, Saturday
(09.30 am to 05.00 pm)

CPE Credit
6
HOURS

DELEGATE FEE: ` 1000

Demand Draft / Cheque shall be drawn favouring **ICAI, Trivandrum Branch** payable at Trivandrum and sent to Chairman, Trivandrum Branch of SIRC of ICAI, 'ICAI Bhawan' P.B. No. 416, T.C. 41/401, Pound Road, Thycaud, Trivandrum - 695014. Ph: 0471-2323789, 2328590 email: trivandrum@icai.org, icaitvm@gmail.com.

CONFERENCE CONVENORS

CA. P.V. Rajarajeswaran
Chairman, SIRC

CA. Cotha S. Srinivas
Secretary, SIRC

CONFERENCE CO-ORDINATOR

CA. Jose V.X.
Ex-Officio Member
Trivandrum Branch of SIRC

CONFERENCE CO-CONVENORS

CA Sundar S.
Chairman, Trivandrum Branch of SIRC

CA Hari K.S.
Secretary, Trivandrum Branch of SIRC

TWO DAYS WORKSHOP ON BASICS IN INTERNATIONAL TAXATION

Under the auspices of Committee on International Taxation of SIRC of ICAI

P. Brahmayya Memorial Hall,
'ICAI Bhawan' No. 122, MG Road,
Nungambakkam, Chennai-600034

September 5 & 6, 2014, Friday & Saturday
(09.30 am to 05.00 pm)

CPE Credit
12
HOURS

Topics (Day 1 - 05.09.2014)

Introduction to International Taxation
Concepts of Residential Status
Concept of Permanent Establishment and Business Profits
Concept of Royalty and Technical Service

Topics (Day 2 - 06.09.2014)

Interest, Dividend, Capital Gains, Immovable Property, Taxability of Salary Income of Residents Earned outside India
Tax Credits
Concept of Independent and Dependent Personal Services
Certification u/s. 195, Form 15CA & 15CB considering TRC & PAN

DELEGATE FEE: ` 2000

CA. P.V. Rajarajeswaran
Chairman, SIRC

CA. Cotha S. Srinivas
Secretary, SIRC



SIRC OF ICAI [Its journey since 1952] *Journey Continues...*

SIRC Formed on 1st April 1952

S. No.	Name of the Branch	Date from which set up	
		Branches of SIRC	Branches of SICASA
1	Alleppey	17.09.1981	15/12/1998
2	Anantapur	22.03.2014	-
3	Bangalore	01.04.1962	05/01/1963
4	Bellary	08.09.2006	03/01/1981
5	Belgaum	10.06.1974	20/04/2011
6	Calicut	05.03.1982	17/09/1987
7	Coimbatore	01.04.1962	05/01/1963
8	Ernakulam	01.12.1967	07/01/1968
9	Erode	16.09.1985	20/04/2011
10	Guntur	23.12.1981	22/12/2007
11	Hubli	16.09.1985	03/01/1994
12	Hyderabad	01.04.1962	05/01/1963
13	Kakinada	08.09.2006	20/04/2011
14	Kannur	27.12.2011	17/05/2012
15	Karimnagar	03.01.2014	25/03/2014
16	Kottayam	29.04.1981	23/07/1997
17	Kumbakonam	02.04.1980	20/04/2011
18	Kurnool	10.02.2014	-
19	Madurai	01.04.1962	05/01/1963
20	Mangalore	18.08.1971	07/01/1972

S. No.	Name of the Branch	Date from which set up	
		Branches of SIRC	Branches of SICASA
21	Mysore	24.07.1982	12/10/2001
22	Nellore	22.12.2006	27/03/2010
23	Ongole	03.01.2014	25/03/2014
24	Palghat	31.12.1987	18/08/1997
25	Pondicherry	03.04.1986	20/04/2011
26	Quilon	18.07.1987	06/01/1993
27	Rajamahendravaram	05.05.2006	20/04/2011
28	Salem	18.08.1971	07/01/1972
29	Sivakasi	09.11.2011	17/05/2012
30	Tiruchirapalli	18.08.1971	07/01/1972
31	Tirunelveli	15.09.1980	20/04/2011
32	Tirupur	03.06.1989	20/04/2011
33	Tirupati	13/01/2010	20/04/2011
34	Trichur	29.04.1981	17/12/1988
35	Trivandrum	25.01.1972	07/01/1972
36	Tuticorin	01.10.1990	20/04/2011
37	Udupi	01.05.2001	28/10/2010
38	Vellore	13.08.1987	20/04/2011
39	Vijayawada	18.08.1971	07/01/1972
40	Visakhapatnam	23.04.1977	15/07/1989
41	Warangal	03.01.2014	25/03/2014

MODIFICATION IN THE COUNCIL GUIDELINES NO. 1-CA(7)/02/2008 DATED 8TH AUGUST, 2008 AS CONTAINED IN APPENDIX NO. [34] TO THE CHARTERED ACCOUNTANTS ACT, 1949

The Council of the Institute at its 331st meeting held in February, 2014 decided to increase the specified number of tax audits from 45 to 60 and an Announcement dated 11.2.2014 in this regard was hosted on the website of the Institute. The Council subsequently at its 333rd meeting held in May, 2014 decided that the specified limit of 60 would relate to an assessment year as against the existing stipulation of a financial year.

In view of the aforesaid decisions of the Council, the existing Para 6 of Chapter VI of the Council Guidelines No. 1-CA(7)/02/2008 dated 8th August, 2008 as contained in Appendix No. [34] to the Chartered Accountants Act, 1949 stands modified as under:-

1. In para 6.1 (a) and (b), the figure "45" pertaining to specified number of tax audit assignment has been substituted by the figure "60".
2. In para 6.0 and 6.1, the words "in a financial year" have been substituted by the words "relating to an assessment year".
3. In para 6.1.6, the words "in each financial year" have been substituted by the words "relating to each assessment year".

As already announced the revised limit of 60 tax audits would be applicable w.e.f. 1st April, 2014. The above announcement is published for information of the members at large.

(T. Karthikeyan)
Secretary

Updates

Direct Taxes

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1. **Form of return of net wealth substituted and electronic filing of wealth tax returns notified:** In Notification No.32/2014 dated 23.06.2014, the CBDT has substituted rule 3 in the Wealth tax Rules and inserted Form BB for filing wealth tax returns. For the assessment year 2013-14 and for the earlier assessment years, the return of net wealth is to be filed in Form BA. For the assessment year 2014-15 onwards the return of net wealth is to be furnished in Form BB. In the case of individuals or HUFs to whom the provisions of section 44AB are not applicable, the return of net wealth for the assessment year 2014-15 could be furnished in paper form. In respect of others, the return of net wealth must be furnished electronically under digital signature.
2. **Revision of monetary limits for filing of appeal by Revenue:** In Instruction No.5/2014 dated 10.07.2014, monetary limits have been prescribed for filing of appeal before the Appellate Tribunal, High Courts and Supreme Court. The limits are with reference to tax effect and the monetary limit is ` 4 lakh and above for appeal before Appellate Tribunal, ` 10 lakhs for appeal under section 260A before the High Courts and ` 25 lakhs for appeal before the Supreme Court. The term 'tax effect' means a difference between the tax on the total income assessed and the tax that would have been chargeable had such income been reduced by the amount of income in respect of the issues against which the appeal is intended to be filed. It will not include interest unless chargeability of interest itself is in dispute. Where chargeability of interest is the issue under dispute, the 'tax effect' would mean the amount of interest. The Assessing Officer must calculate the tax effect for each assessment year in respect of disputed issues and no appeal is to be filed in respect of assessment year or years in which the tax effect is less than the monetary limit specified in this Circular. Bench marks are prescribed for preferring appeal even where the tax limit is less than the monetary limit and they are (i) where the constitutional validity of the provision of an Act or Rule are under challenge, or (ii) where Board's order, Notification, Instruction or Circular has been held to be illegal or ultra vires, or (iii) where Revenue Audit objection in the case has been accepted by the Department. For filing SLP under Article 136 of the Constitution before the Supreme Court, it must be sent to Directorate of Income-tax (Legal & Research), New Delhi and the decision shall be taken in consultation with the Ministry of Law and Justice. The monetary limits given above will not apply to writ matters and direct tax matters other than income tax. The instruction will apply for appeals filed on or after 10.07.2014 and where the appeals have been filed before 10.07.2014 it will be governed by the instruction given on this subject at the time when such appeal was filed. This instruction is in supersession of the Instruction No.3/2011 dated 09.02.2011.
3. **Updation and validation of taxpayers email ID and mobile number for e-filing account:** In Press release dated 04.07.2014, the Income-tax Department has sought for updation and validation of taxpayers email ID and mobile number. It is a one

time process. However, one mobile number or email ID can be used for a maximum of 10 user accounts as the primary contact – mobile number and email ID in e-filing. This would facilitate the Income-tax Department to have direct communication with the taxpayers. On login and upon furnishing mobile number and email ID, a One Time Password (OTP) also referred as PIN valid for 24 hours would be sent to the taxpayers to complete the process of registration. However for 'Foreign / NRI' taxpayers, the OTP validation of the email ID would be sufficient.

4. **Interest rate notified for PPF /Senior Citizens Saving Scheme/ National Saving Certificates VIII issue and IX issue:** Vide Notification No.GSR 496(E) dated 11.07.2014, the Central Government has notified that the subscriptions made to PPF account on or after 01.04.2014 shall be eligible for interest at 8.7 percent. Vide Notification No.GSR 492(E) dated 11.07.2014, the Central Government has notified that deposits made under Senior Citizen Saving Scheme on or after 01.04.2014 shall be eligible for interest at the rate of 9.2 percent per annum from the date of deposit. In Notification No.GSR 494(E) dated 11.07.2014, the Central Government has issued National Saving Certificates (VIII Issue) Amendment Rules, 2014. Some of the features of scheme are that a sum of ` 100 would become ` 151.62 at the end of the fifth year. The amount payable in respect of certificates which are encashed after 3 years is also specified. The interest accrued at the end of each year upto the end of the fourth year shall be deemed to have been reinvested and hence would be eligible for deduction under section 80C. In Notification No.495(E) dated 11.07.2014 the Central Government has issued National Saving Certificates (IX Issue) Amendment Rules, 2014 whereby a certificate of the denomination of ` 100 would become 236.60 at the end of the 10th year. However, interest accrued at the end of each year upto the end of the fourth year shall be deemed to have been reinvested. Interest accrued from the end of the fifth year onwards would become taxable as it would not be eligible for deduction under section 80C. The amount payable in respect of certificates which are encashed after three years is also specified. ■

Tamil Nadu VAT

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Best Judgment Assessment: Once the assessing officer had rightly come to the conclusion that the books of accounts were not properly maintained and did not reflect each and every transaction, his conclusion that the total possible sales were much higher was perfectly correct and the conclusion so arrived at was based on sound reasons. The submission of the dealer that proper adjustments regarding sales tax had not been made by the assessing officer in the process of the assessment was not correct. [2014] 70 VST 1 (SC) NATHU RAM RAMESH KUMAR v.COMMISSIONER OF DELHI VALUE ADDED TAX

Notification: In construing a notification granting tax incentives at the outset a strict approach ought to be adopted in determining whether a dealer or manufacturer is covered by it at all and if the dealer or manufacturer falls within the notification, then the provisions of the notification should be liberally construed. [2014] 70 VST 342 (SC) STATE OF JHARKHAND AND OTHERS v.LA OPALA R. G. LTD.

Alternative remedy: If there is any violation of principles of natural justice or any infringement of fundamental rights or violation of any Rules and Regulations by any authority, the aggrieved person can invoke jurisdiction of the court under article 226 of the Constitution of India. But, the dealer was called upon to file objections to the revision notice. The dealer ought to have filed objections and thereafter, if any final order was passed, the dealer could work out its remedy before the appropriate forum in the manner known to law. It was premature to invoke the jurisdiction of the court under article 226 of the Constitution of India. [2014] 70 VST 354 (Mad) SOLAR TEATRADERS v. ASSISTANT COMMISSIONER (COMMERCIAL TAX) ■

Andhra Pradesh VAT

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The portal - ctdo.ap.gov.in previously had facility of browsing GOs issued. Presently the facility of browsing GOs is not available. GOs by Government of A.P. issued can be known from goir.ap.gov.in/Reports.aspx in respect of all departments of Government of Andhra Pradesh.

GOs issued

1. G.O.Ms. No.272 dated 19-7-2014 – renaming additional bench of STAT Visakhapatnam as Andhra Pradesh Value Added Tax Appellate Tribunal and extending the jurisdiction to four districts of Rayalaseema Region - Ananthapur Chittoor, Kadapa and Kurnool in addition to existing 10 districts of Coastal Andhra Pradesh.

No orders of Commissioner or Additional or Joint Commissioner of Authority for Clarifications and Advance Rulings were kept on the web of Commercial Tax Department.

DC orders

1. DC Chittoor revised assessment of dealers – (closed business units and address unknown in spite of information from CTO) – withdrawing exemption of export claim for want of particulars in assessment files – with substantial demands
2. M/s. Siva Sankara Rice Mill – revision by DC Kakinada restricting Form H for one quarter – (STAT Hyderabad Bench in TA No.68/12 dated 15-6-2012 and APHC in 10578 and 10592 dated 20.4.2011 in the case of Mahabaleswarappa & Sons; specified H form need not be restricted for one quarter and it can be filed for year.)
3. DC Eluru revised the assessments and imposed purchase tax on the paddy in respect of % of turnover of rice husk to total turnover.
4. Radhika Metals & Minerals - 11.7.14 – DC Vizianagaram revised the assessment to tax hire charges of vehicles in spite of payment of service tax
5. Satya Maharshi Power Corporation – DC Guntur revised assessment and taxed the inputs used for production of power (exempted goods) to purchase tax

ADC Orders

1. Nelcast Ltd - 02 / 2014-15 / NLR dt 1.7.14 – sales returns within 6 months – S.8A(1) b of CST Act [Sales returns can be within 12 months for APVAT assessment – Rule 16 (3)(d) of APVAT Rules – clear distinction in APVAT and CST assessments]
2. Bharathi Soap Works - 01 / 2014-15 / NRP – 3.7.14 – Suppressed turnover - appeal remanded to examine the records including CIT (A) orders and consequential orders

3. Esskay Shipping - VSP/VAT/141/13-14 – 10.7.2014 – ITC not allowable prior to registration
4. AKC Steel Industries - VSP/VAT/120/13-14 – 17.7.2014 – sale to SEZ unit – still zero rated sale even after inserting in First Schedule due to not amending definition of Zero rated sale following Madho Pd. Jatia Vs. Union of India 1976 (4) SCC 92 and Alladi Venkateswarlu Vs. State of AP 1978 (2) SCC 522.
5. Sri Venkateswara Caterers - VSP/VAT/038/14-15 – dt 15.7.2014 – supply of food to SEZ unit exempt
6. S.N.C.Engineering & Contractors - VSP/VAT/016/14-15 – 15.7.2014 - chemical storage tank HSN 8419.89.108419.89.10 – Item (m) of Entry 102 of IV Schedule - taxable at 5%
7. T.Ramakrishna Raju - VSP/VAT/054/14-15 – 7.7.2014 – Turnover in composition of works contract includes material, labour and immovable property – no distinction made – amount deducted for other statutory levies and paid to the exchequer to be included in turnover
8. ADC Visakhapatnam allowed the appeals against penalty if the quantum appeal is remanded or allowed following M/s Ramakishan Kapoor & Company vs. State of Haryana and others 53 STC 148
9. Radhakrishna Engg, Works - Appeal No. VSP/VAT/031/14-15 – 18.7.2014 – Refund can be claimed after cancellation of registration
10. Vyshnavi Nethimitai - E/VAT/043/11-12 – 21.07.14 – to fall within the ambit of Section 4 (9) (d) – to be taxed as restaurant - service necessary with ultimate sale. ■

Telangana VAT

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The jurisdiction of Tribunal in Hyderabad is limited to 10 districts of Telangana after conferring jurisdiction of four Rayalaseema Districts to Tribunal at Visakhapatnam.

STAT Hyderabad orders

1. Sobha Developers Limited – 58 APSTJ – Service tax on labour portion – do not form part of turnover in Works contract
2. Surya Jyoti Polymers 58 APSTJ 8 – Pet Performs – HSN Code 3923 – taxable at 5%.. ■

Kerala VAT

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- In Geogy George v. State of Kerala (and other cases) [2014] 071 VST 510 (Ker), it is held that liability to pay compounded tax arises only if there is a liability to pay tax and that there is no liability to pay compounded tax in the cases of pure and simple labour contracts.
- Shreyas Marketing Versus Intelligence Officer, Squad No.1, Commercial Taxes, Ernakulam (W.P.(C).2271/2013:- High Court of Kerala ordered that the petitioner may pursue statutory remedies and obtain appropriate interlocutory orders and that encashment of bank guarantee (furnished as security deposit u/s. 47 of the KVAT Act).

- **CIRCULAR No. 18 / 2014 dt.03-07-2014** mandates all awarders to file the statement in Form 20C every month even if there is no liability tax at source. Earlier, by Circular No. 4 of 2012, it was directed that tax deducted at source is to be paid electronically.
- **By Circular No. 17 of 2014 dated 1st July, 2014**, last date for filing option for the payment of compounded tax under Sec.8 of the KVAT Act, 2003, for the year 2014-15 is further extended up-to 31st July, 2014.
- **CIRCULAR No. 19 / 2014 dt.10-07-2014** permits use of manual or online delivery notes for transport of hides & skins.
- For transport of goods into or out of Kerala, registered dealers in Kerala have to generate the **Declaration in Form 8 F** by logging into their e-filing module in KVATIS.
- In *Bhima Jewellery v. Assistant Commissioner (Assessment), Kerala and another* [2014] 071 VST 110 (SC), it is held that levy of additional sales tax not applicable to a dealer who has opted to pay tax at compounded rate in lieu of tax under regular assessment. [Kerala General Sales Tax Act].
- **Prima Beverages (P) Limited v. Assistant Commissioner (Assmt.), Special Circle I, Ernakulam and others [2014] 071 VST 421 (Ker)** held that S.R.O. No. 731/2004 dated July 17, 2004 granting exemption from payment of tax for the period from January 1, 1994 till April 9, 2002 stands revived as S.R.O. No. 377/2005 dated April 19, 2005 is quashed by the High Court. [KGST Act].

Karnataka VAT

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Circular No. 09 of 2014/15 No. CSW/CR-44/2013-14 Dated 19th July, 2014

- Recently a notification vide no:CCW/CR 44 /2013-14 dated: 29.04.2014 made mandatory for all the dealers, whose total turnover is ` 50 lakhs and above for the year ending 31.03.2014 or in any subsequent financial year, are required to electronically upload the purchase and sales details onto the departmental portal for each tax period (month) before 20th of the succeeding month, commencing from the tax period of May 2014.
- However the period from 21.06.2014 to 20.07.2014 (one month) was declared as educative period for all the dealers who have been covered under the said notification and the period from 21.07.2014 to 20.09.2014 (two months) was declared as educative period for the dealers whose total turnover is more than ` 50 lakhs but less than 1 Crore as per the said notification as per Circular No 06/2014-2015.
- Acceding to requests from trade bodies and dealers, Circular No. 09 of 2014/15 No. CSW/CR-44/2013-14 Dated 19th July, 2014 provides an extension of time limit. The period from 21.07.2014 to 20.08.2014 (one month) is declared as educative period for electronic uploading of purchase and sales statements for the tax period May 2014 and June 2014, in respect of dealers whose total turnover exceeds Rupees One Crore, but less than ` 5 Crore.
- However, the period from 21.07.2014 to 20.09.2014 (two months) continues to be the educative period for the tax period May 2014 and June 2014 for the dealers whose total turnover

is more than fifty lakhs but less than one crore. No extension has been given to this category of dealers.

- No penal provisions are to be invoked by departmental officials against dealers who are unable to upload details.

Circular no. 05/2014-15, dated 23.05.2014

It clarifies that the new annual statement which will be prescribed under the recent KVAT (Amendment) Rules, 2014 is made applicable for the financial year 2013-14 and onwards. It may also be noted that as per the circular, sufficient time will be given to enable them to file the annual statement after the finalization and publication of the amendment rules.

Banking and Insurance

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Finance Minister Sri Arun Jaitley promised three things towards Banking Sector in his maiden budget speech- one, reduction of government's stake in state run banks by selling shares to retail investors; secondly, consolidation of state-owned banks and thirdly, greater autonomy to these banks.

He estimated the capital requirement of these banks to meet with Basel III norms to be of the order of ` 2.4 trillion. He said, "To meet this huge capital requirement we need to raise additional resources to fulfil this obligation." "While preserving the public ownership, the capital of these banks will be raised by increasing the shareholding of the people in a phased manner through the sale of shares largely through retail, to common citizens of this country", he added.

Banking circles felt that a well thought out consolidation could make optimum use of the scarce resources of the Government, rather than a fragmented banking system.

To meet the stressed assets head-on, government would be setting up six new debt recovery tribunals in Chandigarh, Bangalore, Ernakulam, Dehradun, Siliguri and Hyderabad. RBI Governor for his part felt that stressed assets in Infrastructure sector were due to bad structuring. In his words "Largely, it is due to poor structuring and over optimism, which have led to bad infrastructure assets. Going forward, we have to structure projects in a better way so as to account for risks and have longer repayment."

Keeping in line with this thought process, RBI has eased norms for infra lending. As of March 2014, infrastructure loans estimated at ` 57233cr were under Corporate Debt Restructure.

Budget has outlined measures by which banks are encouraged to increase lending to long term infrastructure projects by allowing them "flexible structuring" to avoid potential losses. Banks would be allowed to raise long term funds to finance infrastructure projects with certain flexibility built in towards conformation to Cash Reserve Ratio, Statutory Liquid Ratio and on obligations of lending to the priority sector. The idea is to compensate any tenor premium paid out by banks in raising resources. This flexible restructuring would also help in avoiding extreme asset-Liability mismatches. Banking system's dependence on short term liabilities has grown so much that its impact on the margins is being felt by the banking sector. Deposits maturing within a year accounted for almost 50% of the total deposits in 2013-14. The Regulator has come out with a circular allowing banks to issue long-term bonds which will be exempt from regulatory pre-emptions. As a structural filip to housing sector, the regulator has redefined affordable housing, and has brought it into

the ambit of infrastructure. The regulator has made loans towards affordable housing eligible for priority sector lending.

To combat stressed assets, Sector-Specific Asset Reconstruction Companies may be set up covering Power Sector (with Power Ministry taking up the initiative) and infra sector with National Highways Authority providing the lead. Significantly, there was a sharp drop in the number of cases referred for Corporate Debt Restructure for the first time in the last 2 year period. The cumulative value of these cases in the first quarter of this fiscal was said to be around ₹ 2720 cr.

RBI is said to have accorded an in-principle nod for the rescheduling of crop loans in Andhra and Telengana states.

The financial sector is also likely to benefit with the introduction of uniform KYC norms and by the introduction of inter usability of KYC records across the entire financial sector. This would certainly bring much needed relief to the user. Single demat account would make their life a lot more easier.

Bank deposits might have received a new lease of life with Debt Funds having been shown the stick. The doubling of tax rate along with trebling of holding period from 12 months to 36 months to qualify as a long term asset, may make the consumers to prefer Fixed Deposits of banks over debt funds. Short term debt schemes and Fixed Maturity Plans which gained with bank deposits taking a beating, may no longer be a fancied avenue for investors. This move is also likely to ease the pressure on asset-liability mismatches in the industry.

The Government seems to be intent on containing its borrowing program within ₹ 6 lakh crores which would leave the banking sector enough liquidity to meet the credit needs of the borrowers. The Government seems to contemplate on issuing more licences to universal and differentiated banking models, thereby enlarging the number of players bringing in more consumers to the sector. RBI has issued draft guidelines for small and payment banks.

As an initiative financial inclusion, every household of small and marginal farmers and labourers would be encouraged to open two bank accounts (husband and wife, individually) which would enable them to save and borrow. The scheme also envisages the extension of an overdraft of ₹ 5000 to these account holders. In order to save the banks from credit defaults, these loans would carry a credit guarantee. The scheme is likely to be launched by August 15th.

As regards the Insurance sector, the decision to permit foreign ownership up to 49% is expected to help this sector in achieving a large capitalisation. ■

FEMA

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1. Annual Return on Foreign Liabilities and Assets Reporting by Indian Companies – Revised format

RBI vide A.P. (DIR Series) Circular No.145 dated 18th June, 2014 has amended the A.P. (DIR Series) Circular No.133 dated June 20, 2012 which stipulated that all companies which have received FDI and/or made FDI abroad in the previous year(s) including the current year, should file the annual return on Foreign Liabilities and Assets (FLA) in the soft form to the Reserve Bank by July 15 every year.

In order to collect information on Indian companies' Outward Foreign Affiliated Trade Statistics (FATS) as per the multi-agency global 'Manual on Statistics of International Trade in Services', the FLA return has been modified marginally and is made available on the RBI website (www.rbi.org.in Forms category FEMA Forms) along with the related FAQs (www.rbi.org.in FAQs category Foreign Exchange).

Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Eighth Amendment) Regulations, 2014 which have been notified vide Notification No. FEMA.307/2014-RB dated May 26, 2014, vide G.S.R. No. 400(E) dated June 12, 2014.

2. Export and Import of Currency: Enhanced facilities for residents and non-residents

RBI vide A.P. (DIR Series) Circular No.146 dated 19th June, 2014 has amended the Regulation (3) of Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2009, notified vide Notification No.FEMA.258/2013-RB dated February 15, 2013 and A.P. (DIR Series) Circular No. No. 39 dated September 6, 2013, in terms of which, any person resident in India may take outside India or having gone out of India on a temporary visit, may bring into India (other than to and from Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding ₹ 10,000 (Rupees Ten Thousand only).

In view of the evolving economic conditions and with a view to facilitating travel requirements of residents travelling abroad as well as non-residents visiting India, RBI has decided to allow all residents and non-residents (except citizens of Pakistan and Bangladesh and also other travellers coming from and going to Pakistan and Bangladesh) to take out Indian currency notes up to ₹ 25,000 while leaving the country. An announcement to this effect was made in the Second Bi-Monthly Monetary Policy Statement, 2014-15 released on June 3, 2014.

Accordingly, any person resident in India:

- i) may take outside India (other than to Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding ₹ 25,000 (Rupees twenty five thousand only); and
- ii) who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding ₹ 25,000 (Rupees twenty five thousand only).

Any person resident outside India, not being a citizen of Pakistan and Bangladesh and also not a traveller coming from and going to Pakistan and Bangladesh, and visiting India:

- i) may take outside India currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding ₹ 25,000 (Rupees twenty five thousand only) while exiting only through an airport.
- ii) may bring into India currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding ₹ 25,000 (Rupees twenty five thousand only) while entering only through an airport.

3. Risk Management and Inter-bank Dealings: Guidelines relating to participation of Foreign Portfolio Investors (FPIs) in the Exchange Traded Currency Derivatives (ETCD) market

RBI vide A.P. (DIR Series) Circular No.148 dated 20th June, 2014 has amended the Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 (Notification No. FEMA. 25/RB-2000 dated May 3, 2000), as amended from time to time, the Currency Futures (Reserve Bank) Directions, 2008 dated August 6, 2008 and Exchange Traded Currency Options (Reserve Bank) Directions, 2010 dated July 30, 2010 as amended from time to time and also A.P. (Dir Series) circular No.5 dated August 6, 2008 and circular No.5 dated July 30, 2010 in terms of which only persons resident in India shall participate in the currency futures and exchange traded currency options market in India subject to the terms and conditions mentioned in the aforementioned notifications and guidelines, *ibid*.

It has now been decided to allow foreign portfolio investors (FPIs) eligible to invest in securities as laid down in Schedules 2, 5, 7 and 8 of the Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 (FEMA 20/2000-RB dated May 3, 2000 (GSR 406 (E) dated May 3, 2000)) as amended from time to time to enter into currency futures or exchange traded currency options contracts subject to the following terms and conditions:

- a. FPIs will be allowed access to the currency futures or exchange traded currency options for the purpose of hedging the currency risk arising out of the market value of their exposure to Indian debt and equity securities.
- b. Such investors can participate in the currency futures / exchange traded options market through any registered / recognised trading member of the exchange concerned.
- c. FPIs can take position – both long (bought) as well as short (sold) – in foreign currency up to USD 10 million or equivalent per exchange without having to establish existence of any underlying exposure. The limit will be both day-end as well as intra-day.
- d. An FPI cannot take a short position beyond USD 10 million at any time and to take a long position beyond USD 10 million in any exchange, it will be required to have an underlying exposure. The onus of ensuring the existence of an underlying exposure shall rest with the FPI concerned.
- e. The exchange will, however, be free to impose additional restrictions as prescribed by the Securities and Exchange Board of India (SEBI) for the purpose of risk management and fair trading.
- f. The exchange/ clearing corporation will provide FPI wise information on day-end open position as well as intra-day highest position to the respective custodian banks. The custodian banks will aggregate the position of each FPI on the exchanges as well as the OTC contracts booked with them (i.e. the custodian banks) and other AD banks. If the total value of the contracts exceeds the market value of the holdings on any day, the concerned FPI shall be liable to such penal action as may be laid down by the SEBI in this regard and action as may be taken by Reserve Bank of India under the Foreign Exchange Management Act

(FEMA), 1999. The designated custodian bank will be required to monitor this and bring transgressions, if any, to the notice of RBI / SEBI.

Accordingly, the Notifications No.FED.1 / ED (GP) - 2014 dated June 10, 2014 and No. FED. 2/ ED (GP) – 2014 dated June 10, 2014 viz. Currency Futures (Reserve Bank) Amendment Directions, 2014 and Exchange Traded Currency Options (Reserve Bank) Amendment Directions, 2014 amending the Directions notified vide Notification No.FED.1/DG (SG) – 2008 dated August 6, 2008 and Notification No. FED.1 / ED (HRK) - 2010 dated July 30, 2010 respectively have been issued. Copies of the Directions are enclosed (Annexes I & II).

Necessary amendments (Notification No. FEMA 303/2014-RB dated May 21, 2014) to Foreign Exchange Management (Foreign Exchange Derivatives Contracts) Regulations, 2000 (Notification No. FEMA.25/RB-2000 dated May 3, 2000) (Regulations) have been notified in the Official Gazette vide G.S.R. No. 374(E) dated June 2, 2014, a copy of which is also enclosed (Annex III).

4. Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/ Combating the Financing of Terrorism (CFT)/ Obligation of Authorised Persons under Prevention of Money Laundering Act (PMLA), 2002 – Money Changing Activities - Change in period of maintenance and preservation of records

RBI vide A.P. (DIR Series) Circular No.149 dated 25th June, 2014 has amended the clause (iii) – 'Maintenance and Preservation of Record' of para 4.13 of A.P. (DIR Series) Circular No.17 [A.P. (FL/RL Series) Circular No.04] dated November 27, 2009 on the captioned subject, as amended from time to time.

In terms of the above mentioned provisions, Authorised Persons are required to maintain and preserve records mentioned therein for a period of at least ten years. In view of the amendment to Section 12 of Prevention of Money Laundering Act, 2002 through Prevention of Money Laundering (Amendment) Act, 2012, Authorised Persons are now required to maintain and preserve records for a period of at least five years.

5. Remittances to non-residents – Deduction of Tax at Source

RBI vide A.P. (DIR Series) Circular No.151 dated 30th June, 2014 has revised the A.P (DIR Series) Circular No. 56 dated November 26, 2002 read with A. P. (DIR Series) Circular No. 3 dated July 19, 2007 regarding the procedure to be followed in respect of deduction of tax at source while allowing remittances to the non-residents.

The Central Board of Direct Taxes (CBDT) has revised the existing instructions to be followed while allowing remittances to the non residents, with effect from October 1, 2013. It has issued Income Tax (14th Amendment) Rules, 2013 vide Notification No. S.O 2659(E) dated September 2, 2013 on furnishing of information under Section 195(6) of the Income Tax Act, 1961 and prescribed the rules and forms to this effect.

Reserve Bank of India has reviewed the policy relating to issue of instructions under Foreign Exchange Management Act, 1999 (FEMA), clarifying tax issues. It has now been decided that Reserve Bank of India will not issue any instructions under the FEMA, in this regard. It shall be mandatory on the part of Authorised Dealers to comply with the requirement of the tax laws, as applicable. ■

Corporate Laws

Contributed by: **Dr. P.T. Giridharan**
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giridharan@icai.in

Circular No & Date	Subject Matter	Impact
General Circular No. 31/2014 – dt 19 th July, 2014	Extension of validity of reserved names	Those companies whose applications for reservation of names have expired on the date of this circular have been given an extended period up to 18th August, 2014.
No. 52/22/ CAB/2014	Constitution of Expert Committee to examine issues relating to maintenance of Cost Records and Cost Audit	The Expert Committee will examine the class of companies/industries/sectors, the threshold limits for inclusion as well as exclusion, examine the cost audit scenario, assignments of greater opportunities to cost professionals etc.
Notification dt 17 th July, 2014	Change in Rule 3. [Companies (Specification of definitions details) Amendment Rules, 2014].	An Independent Director is not a Related Party.
Notification dt 17 th July, 2014	Companies (Miscellaneous) Amendment Rules, 2014	Application or forms pending before Central Government, Regional Director or ROC prior to commencement of Rules but not disposed of shall be disposed of in accordance with the Rules made under the Companies Act, 1956
General Circular No. 30/2014 dt 17 th July, 2014	Clarifications on matters related to Related Party Transactions	<ul style="list-style-type: none"> Under the Second proviso to sub-section (1) of section 180, the term 'related party' refers only to such related party as may be a related party in the context of contract or arrangement for which the special resolution is being passed Transactions arising out of compromises, arrangement and amalgamations under the Companies Act, 1956/ 2013 will not attract Section 188 of the Companies Act, 2013 Fresh approvals for past contracts under the Companies Act, 1956 do not require fresh approval under section 188

SEBI

Contributed by: **CA. VMV. Subba Rao**
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Move to provide alternative source of funds; safeguards built in to protect retail investors

Easing it for start-ups

Who can raise funds?

A company intending to raise capital not exceeding ` 10 crore in a period of 12 months

A company which is not promoted, sponsored or related to an Industrial group that has a turnover of over ` 25 crore.

Who can invest?

Accredited Investors

- Qualified Institutional buyers
- Companies with a minimum net worth of ` 20 crore
- HNIs with a minimum net worth of ` 2 crore

Retail Investors

- Who received advice from an Investment consultant or portfolio manager
- With a minimum annual gross Income of ` 10 lakh
- Who have filed Income Tax return for at least last 3 financial years

In a move that will help start-ups struggling to raise funds, SEBI is warming to the idea of allowing crowd-funding, a popular concept in developed countries.

Crowd-funding is seeking funds (in small amounts) from multiple investors through a web-based platform or a social networking site for a specific project, business venture or social cause. SEBI came out with a consultation paper on crowd-funding to provide alternative financing sources to start-ups. It wants the issue fund-raising capped at ` 10 crore a year for each start-up.

However, companies which want to raise more than ` 10 crore may do so by listing shares on an SME platform or main board of a recognised stock exchange, SEBI said.

To ensure that retail investors do not end up bearing all the risks of start-up ventures, the market regulator proposes to permit only certain retail and accredited investors to participate in crowd funding.

Retail investors who can participate in crowd-funding should be getting advice from an investment consultant or a portfolio manager or should have passed an appropriateness test (may be conducted by an institution accredited by the National Institute of Securities Markets or the crowd-funding platform).

Also, only investors with a minimum annual gross income of ` 10 lakh and those who have filed income-tax returns for at least three financial years will be eligible to participate.

Investors "have to issue a certificate that they will not invest more than ` 60,000 in an issue through the crowd-funding platform, and not invest more than 10 per cent of their net worth, which excludes the value of the primary residence or any loan secured on such property."

Accredited investors, the other set that can invest in start-ups, include qualified institutional buyers, companies with a minimum net worth of ` 20 crore, and high networth individuals (HNIs) with a minimum net worth of ` 2 crore.

Though there is no cap on QIBs, a maximum of 200 HNIs and retail investors can participate in an issue.

Restrictions

There are curbs on fund raisers too. According to the SEBI proposal, a company promoted, sponsored or related to an industrial group with a turnover in excess of ₹ 25 crore or which has an established business is not eligible for crowd-funding.

Also barred are realty companies, listed corporates and firms which have been in existence for more than two years. The crowd-funding route is not open to a company that proposes to use the funds raised to provide loans or make investments in other entities.

Start-ups shall not use multiple crowd-funding platforms nor advertise their offering or solicit investments from the public. The issuer should compulsorily route all crowd-funding issues through a SEBI-recognised platform.

Only national stock exchanges and SEBI-registered depositories are eligible to set up a crowd-funding platform. SEBI is also open to allowing technology business incubators promoted by the Centre or a State government to set up a crowd-funding platform.

Now, the market regulator will wait for comments and suggestions on the consultation paper from industry and market participants.

SEBI releases draft guidelines on infrastructure investment trusts

The Securities and Exchange Board of India (SEBI) released draft guidelines for infrastructure investment trusts (InvITs) to enable financing and investment opportunities in long-term infrastructure projects. The draft guidelines by SEBI follow the proposal made by finance minister Arun Jaitley in pursuance to the Budget speech made on 10/07/2014.

InvITs are designed to get tax benefits and will collect funds for investments in infrastructure projects, including PPP (public-private partnership). InvITs can be listed on the stock exchanges, SEBI said. The proposed holding of an InvIT in the underlying assets shall be a minimum ₹ 500 crore and the offer size of the InvIT shall not be less than ₹ 250 crore at the time of initial offer of units.

The guidelines state that a designated sponsor with a minimum net worth of ₹ 10 crore (if it is a body corporate or a company), or minimum net tangible assets of ₹ 10 crore (in case it is a Limited Liability Partnership) will be eligible for InvITs, SEBI said.

Moreover, in the case where a sponsor is a developer, he must possess minimum experience of five years and at least two projects having achieved financial closure.

The aggregate consolidated borrowing of the InvIT and the underlying SPVs shall never exceed 49% of the value of InvIT assets. However, this may exclude any debt infused by the InvIT in the underlying SPV. Further, for any borrowing exceeding 25% of the value of InvIT assets, requirement of credit rating and unit holders approval has been made mandatory, SEBI said.

“As an innovation, a modified REITS-type structure for infrastructure projects is also being announced as InvITs, which would have a similar tax-efficient pass-through status for PPP and other infrastructure projects. These structures would reduce the pressure on the banking system while also making available fresh equity... I have provided a conducive tax regime for InvITs and REITS to be set up in accordance with regulations of the SEBI,” Jaitley had announced, while presenting the Finance Bill FY14-15 in the Parliament.

As per the draft regulations, on which SEBI has sought public comments till July 24, 2014, the listing shall be mandatory for both publicly offered and privately placed InvITs. Besides, for any borrowing exceeding 25% of the value of InvIT assets, requirement of credit rating and unit holders approval has been made mandatory.

SEBI had come out with a consultation paper on InvITs in December last year, on which comments were sought till January 20, 2014. Based on the comments received on the consultative paper and the Budget announcement, SEBI has now finalised a separate regulatory framework for introducing InvITs in India. InvITs would have a similar tax-efficient pass-through status for PPP and other infrastructure projects. ■

International Taxation

Contributed by: **CA. Mohan R. Lavi**
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Thanks to a stellar show in the elections and positive statements being made after their victory, expectations from the first Budget of the new Finance Minister were sky-high. As the Budget was presented within 6 weeks of the Government being formed, there was hardly any time for a thorough research to formulate “big-bang” policies. The FM decided to go with an approach to provide something for everyone. Significant steps have been taken in the area of International Taxation.

1. Use of Inter-quartile range instead of arithmetic mean:

If we analyze the litigation on transfer pricing, a significant portion of the litigation could be attributed to differences of opinion between the department and the taxpayer on the comparable chosen. In the real world, it is impossible to find two companies with the same types of operations and risks. With such inconsistencies in data, it becomes imperative that the benchmarks used iron out these data distortions. Indian TP regulations prescribe the usage of the Arithmetic Mean (AM), with a range of (+) / (-3)% around the same for determination of ALP. Until the fiscal year 2010-11, the regulations provided for a fixed range of 5%, however, since then, the range is to be notified by the CBDT for different industries for each fiscal year, subject to a cap of 3%. AM vitiates comparability analysis, as extreme results, being outliers, distort the comparable set. As against the same, “inter-quartile range” provides a more accurate result for ALP, as extreme results or outliers are left out as part of the first and fourth quartiles. Budget 2014 fixes this gap by permitting use of the inter-quartile range. India joins a list of more than 17 countries that permit the use of the inter-quartile range as the best practice. However, it has also been clarified that the existing concept of arithmetic mean would continue to apply where number of available comparable is inadequate. It is hoped that the department does not use this clause arbitrarily.

2. Use of multiple-year data:

Most companies and transfer pricing consultants have got used to the practice of doing using same year data to benchmark their comparable. Many a time same-year data is not available in the Prowess or Capital Line Database resulting in the rejection of a comparable that should have been there but is not just because it is not on Prowess. The Indian TP regulations recommend usage of current year's data for comparability analysis, unless a taxpayer demonstrates that prior years' data (last two years)

had an influence in setting up of transfer prices. Concurrently, the Indian TP regulations also mandate maintenance of annual documentation and filing of an accountant's certificate by due date of filing of tax return (i.e. 30th September till the assessment year 2010-11; and 30th November on and from the assessment year 2011-12, as amended by the Finance Act, 2011. The OECD and many other countries permit the use of multiple-year data to conduct a comparability analysis. India joins this list with the permission given to use multiple year data in Budget 2014.

3. Introduction of rollback provisions

The concept of 'rollback' in the context of APA means application of negotiated position under an executed APA could be applied to the prior years, provided the facts and circumstances of the international transactions are similar. With effect from 1 October 2014, it is proposed to provide roll back mechanism in the APA programme. It is proposed that an APA in respect of an international transaction may, subject to such prescribed conditions, apply during any period, not exceeding four previous years preceding the first previous year for which the APA is applied. While this is a welcome move, companies may need to think hard about the accounting and compliance aspects in case past years accounts and assessments have been done and dusted.

4. Documentation Penalty

With effect from 1st October 2014 it is proposed that the authority to levy penalty, of two percent of the value of international transactions or specified domestic transactions for failure to furnish information, or documentation under Section 92D (3) of the Income Tax Act 1961 (the Act), should be extended to the Transfer Pricing Officer (TPO) too, in addition to the Assessing Officer and the Commissioner (Appeals). Essentially, this has been introduced to ensure that taxpayers submit their transfer pricing documentation within the statutory timeline when called for by the TPOs.

5. Deeming TP provisions

Deeming TP provisions are proposed to be applied to transactions between an enterprise and an independent person irrespective of whether such persons are non-resident or not. The deeming TP provisions contained in Section 92B(2) of the Act, are now proposed to be applied to transactions between an enterprise and an independent person where there is a prior arrangement between such independent person and associated enterprise, irrespective of whether such independent person is a non-resident or resident. This amendment shall take effect from 1st April 2015. As per the earlier deeming provisions, deemed international transaction could be interpreted to exist only if the independent person was a non-resident. However, with this proposed amendment, transactions with such independent resident person will also get covered under the TP regulations.

The provisions on international taxation in the Budget may not solve past issues on international taxation and transfer pricing. The lack of an announcement on nipping the ghost of retrospective taxation or closing the Vodafone case once and for all are areas where there is some disappointment. However, it is a fact that the intentions of the Government seem to be clear and it is now upto the administrative mechanism to live up to these intentions. One hopes that Budget Version 2.0 in February 2015 will fix any remaining issues. ■

Central Excise and Service Tax

Contributed by: **CA. V.P. Manavalan**
Chennai
manavalanandco@yahoo.com

1. Earlier services rendered by Radio Taxi was exempt from service tax now it is taxable
2. Advertisements in print media only is exempt others taxable
3. Interest for non-payment of service tax is increased from 18% to 30%
4. New Entry 2B inserted by giving exemption of Common Bio-medical Waste Treatment Facility
5. Entry 7 Services by way of technical testing or analysis shall be omitted therefore now taxable
6. Entry 9 Exemption given to educational institution rationalised and substituted
7. Entry 18 Exemption given to Hotel etc rationalized and substituted
8. Transportation of organic manure, cotton, ginned or baled by Rail, Vessel and Road Transport is exempt from service tax.
9. Entry 23 Amended therefore all AC buses are taxable under service tax
10. Entry 25 in respect Services provided to Government, a local authority or a governmental authority Amended and substituted
11. Services by way of loading, unloading, packing, storage or warehousing of rice, cotton, ginned or baled;
12. Services received by the Reserve Bank of India, from outside India in relation to management of foreign exchange reserves.
13. Service tax shall be compulsorily payable under E payment only
14. Service tax under RCM and valuation rule is also amended.
15. CENVAT credit Rule amended
16. Under central Excise valuation rule amended and new section 15A and 15B inserted. ■

EXPRESSION OF INTEREST

Southern India Regional Council of the Institute of Chartered Accountants of India (SIRC of ICAI) invites expression of interest from vendors/suppliers/service providers to provide certain products/goods/services on regular and contract basis. For details please visit: www.sircoficai.org.

DISCLAIMER

The SIRC/ICAI does not accept any responsibility for the views expressed in different contributions / advertisement published in this Newsletter.

INTERACT WITH THE HON'BLE PRIME MINISTER OF INDIA

As you may be aware over the past few weeks, the Central Government has been receiving a series of thoughts, ideas and suggestions for reforms and changes in the sphere of governance.

With a view to streamlining the process of taking these ideas to the next stage and seeking better coordination, a special section called "Interact with Hon'ble PM" has been created on the website of the Prime Minister's Office (PMO).

Members and students of the Institute are requested to share their views on matters of national and professional importance with the Hon'ble Prime Minister through above mechanism.

Secretary, ICAI

CONGRATULATIONS



Congratulations to CA.V.MURALI, FCA, ACMA, Central Council Member, ICAI on being elected as the President of ALL INDIA TAX PAYERS ASSOCIATION (AITPA).

Enrolment of Overseas Citizen of India Professional Accountants

An overseas citizen of India holding professional accountancy qualification shall be recognized as a member of the Institute on completion of such examination, training and other modules as listed out in Schedule 'B' to the CA regulations. For complete details please visit www.icaai.org

WORK DISPOSAL POSITION

The position of disposal of various matters relating to Members and Students of Regional Office, Chennai as on **25/07/2014** is as under:

Particulars	Disposal of records received upto 25/07/2014
Members	
Enrolment of Members	22.07.2014
Fellow Admission	21.07.2014
Grant of COP	23.07.2014
Restoration of Name	21.07.2014
Constitution of Firms	22.07.2014
Reconstitution of Firms	21.07.2014
Paid Assistant	23.07.2014
Change of Address – Members	23.07.2014
Change of Address – Firms	23.07.2014
Students	
Registration of Articles	17.07.2014
Re-registration of Articles	17.07.2014
Industrial Training	15.07.2014
Termination of Articles	18.07.2014
Completion of Articles	15.07.2014
Permission to pursue Other Courses	18.07.2014
Despatch of Materials – CPT	25.06.2014
Despatch of Materials – IPCC	01.03.2014
Despatch of Materials – ATC	01.03.2014
Despatch of Materials – Final	31.05.2014
Despatch of Materials - ITT	10.03.2014

Theme for the 46th Regional Conference at Madurai

SIRC invites suggestions from members on the theme of the 46th Regional Conference to be held at Madurai on 12th and 13th December 2014. Theme in Tamil is also welcome.

Suggestions may be sent to sirc@icaai.in and chairmansirc@icaai.in by 20th August 2014

IPCC COACHING CLASSES

FOR MAY, 2015 C.A. EXAMINATIONS

The next batch of Coaching Classes for IPCC Students appearing for May, 2015 Examinations will commence on 13th August, 2014. The duration of the coaching classes will be four months.

Highlights

- Renowned Faculty
- Classes are conducted since 1965
- Affordable fees
- Backing of ICAI
- Special attention for weak students
- World class Library support
- Reading Room Facility
- Mock Tests
- Doubt clearing sessions
- Separate Batch Suitable for Direct Entry Students
- Separate Batch Suitable for CPT Students

CLASS TIMINGS

Timings	Group-I	Group-II
Monday to Saturday	6.30 a.m. to 9.30 a.m. (Batch-I)	10.00 a.m to 12.30 p.m (Batch-I)
	3.00 p.m to 5.30 p.m. (Batch-II)	5.30 p.m. to 8.30 p.m (Batch-II)
On Sundays	7.00 a.m. to 5.00 p.m.	

FEES

One Group for all papers in the group	Both Group for all seven papers
₹ 2500	₹ 5000

- Seats can be booked through Online Registration
 - The registration will be on 'first come first served basis'
- For further information and registration please visit our website or contact SIRC Office at 044-30210322

Email-id : sircclasses@icaai.in Website : www.sircoficaai.org

Online registration link : www.sircoficaai.org/batches/

CA. P.V. Rajarajeswaran Chairman, SIRC	CA. Jomon K George Chairman, Students Committee	CA. Cotha S. Srinivas Secretary, SIRC
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INDEPENDENCE DAY CELEBRATIONS ON 15TH AUGUST 2014

National Flag Hoisting – 09.00 a.m.
At the lawns of the Institute's Premises (ICAI Bhawan, Chennai)

By
CA. P.V. Rajarajeswaran, Chairman, SIRC

ALL ARE INVITED

Special Address for CPT, PCC/IPCC and Final Students - 07.30 a.m.
at

P. Brahmayya Memorial Hall, ICAI Bhawan,
Nungambakkam, Chennai-600034

By **CA. M.F. Jaision**



Southern India Regional Council of
The Institute of Chartered Accountants of India

WELCOMES YOU TO

46th Regional Conference of SIRC of ICAI

On 12th and 13th December 2014 at

MADURA COLLEGE GROUNDS, Madurai

Hosted by : **Madurai Branch of SIRC of ICAI**

BLOCK 12TH AND 13TH DECEMBER 2014 IN YOUR DIARY

Delegate Fee: ₹ 3500

CA. P.V. Rajarajeswaran
Chairman, SIRC

CA. Cotha S. Srinivas
Secretary, SIRC



ELOCUTION AND QUIZ CONTESTS – 2014

Elocution and Quiz Contests will be held at Chennai as per following details.

Elocution Competition : August 21, 2014 (10.30 am to 01.30 pm)
Quiz Competition : August 21, 2014 (02.00 pm to 05.00 pm)

Eligibility for Participation

Students falling within the jurisdiction of Chennai can participate in the Contest. Students registered with the Institute for Intermediate (Integrated Professional Competence) and Final Course undergoing articles/audit training Course are eligible to participate in the contest.

For full details please visit www.sircoficai.org

Topics for Branch Level Elocution Contest, 2014-15

1. Role of Practical Training in Developing Competent Professionals.
2. Rotation of Auditors.
3. Corporate Social Responsibility Reporting Obligations under the Companies Act, 2013.
4. Implementation of Ind AS: Final Step Towards Convergence.
5. Input Service under CENVAT Credit Rules, 2004 : Issues and probable solutions.

Venue:

The Institute of Chartered Accountants of India
SIRC Premises, 'ICAI Bhawan', No. 122, Mahatma Gandhi Road,
Nungambakkam, Chennai – 600034

SCHOOL LEVEL DEBATE COMPETITION - 2014

Debate Competition: September 2, 2014 (10.30 a.m. onwards)

Eligibility for Participation

Students falling within the jurisdiction of Schools at Chennai can participate in the Contest. Students of class XI and XII would be eligible to participate. Schools may be requested to get the participants enrolled in advance. Members are requested to kindly inform the Schools. For further details please visit www.sircoficai.org.

Venue:

The Institute of Chartered Accountants of India
'ICAI Bhawan', No. 122, Mahatma Gandhi Road,
Nungambakkam, Chennai – 600034

ANNOUNCEMENT

Board of Studies is pleased to announce the 27th Batch of ICAI Four Weeks Residential Programme on Professional Skills Development from August 19, 2014 to September 15, 2014 at National Institute of Financial Management, Faridabad. For details please contact 0120-3045935, Email: psd@icai.in

MEMBERSHIP AND CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2014-2015

Annual Membership Fee and Certificate of Practice Fee for the year 2014-2015 is payable on 1st April 2014. The schedule of fee is as under:

For Members	Below 60 Years	Above 60 Years
Associate Membership Fee:	₹ 800	₹ 600
Fellow Membership Fee:	₹ 2200	₹ 1600
Certificate of Practice Fee:	₹ 2000	₹ 1500

It may be noted that remittance of fee has to be made by local cheque (in case of Members who are residing in the cities in which respective Decentralised Office is situated) or by way of demand draft in favour of 'Secretary, The Institute of Chartered Accountants of India', payable at the place where the concerned Decentralised Office is located. **It may also be noted that under no circumstances out-station cheques will be accepted.** No remittance should be made directly to the Head Office or to a different Decentralised Office.

COMPANIES ACT - INSIGHT SERIES - LIVE DISCUSSIONS ON CASE STUDIES & PROBLEM SITUATIONS ON JULY 4, 2014 AT CHENNAI



CA. Chinnsamy Ganesan
Chennai

CA. P. Anand
Chennai

CA. Mahesh Krishnan
Chennai

CA. P.R. Venkateshwaran
Chennai

CPE STUDY CIRCLE MEETINGS - JULY 2014

02.07.2014



CA. V. Alagappan
Tiruchirapalli
18.07.2014

09.07.2014



CA. S. Srivatsan
Tiruchirapalli
23.07.2014

16.07.2014



CA. M. Lakshmanan
Madurai
30.07.2014



Dr. P.T. Giridharan
Joint Director, ICAI



CA. N.R. Govindarajan
Chennai



CA. P. Satheshan
Trichur

OBITUARY

S. No.	MRN	Name	Status	Place	Date of Death
1	003826	MR. THIRUNAVUKKARASU S	FCA	COIMBATORE	05/02/2014
2	003884	MR. SHANMUKHIAH K V	FCA	MYSORE	11/04/2014
3	005197	MR. GOPINATH SHENOY A K	FCA	MANGALORE	23/02/2014
4	005378	MR. GOPALAKRISHNA RAO G V R	FCA	HYDERABAD	25/03/2014
5	006634	MR. GIRIYA HEERACHAND MOHANLAL	FCA	BANGALORE	31/03/2014
6	007966	MR. SUBBARAO S M	FCA	BANGALORE	21/02/2014
7	012158	MR. ARUNACHALAM V R	FCA	KUMBAKONAM	05/03/2014
8	012665	MR. PICHAIMANI G	FCA	MADURAI	07/02/2014
9	012823	MR. PARTHASARATHY R	FCA	CHENNAI	24/04/2014
10	021121	MR. MAHAVEER MUNOTH	FCA	CHENNAI	03/01/2014
11	080120	MR. NILAKANTAN S	FCA	CHENNAI	07/04/2014

May the Almighty Architect of the Universe rest the souls in peace

GMCS INAUGURATION ON JULY 3, 2014 AT CHENNAI



CA. V. Murali, CCM addressing the students along with CA. P.R. Aruloli, RCM and CA. Gopal Krishna Raju, RCM, CA. Abraham Zacharia, Faculty Member.

GMCS VALEDICTORY JULY 18, 2014 AT CHENNAI



Ms. Subhasri Sriram, CFO, Shriram Group of Companies, (Best CFO Award Winner of CNBC) is being received and felicitated with shawl and bouquet by CA. V. Murali, CCM, ICAI at the GMCS Valedictory Function. CA. P.R. Aruloli, Chairman, GMCS Co-ordination Committee, SIRC is also in the picture.

VALEDICTORY OF CA STUDENT FESTIVAL ON JULY 20, 2014 AT COIMBATORE



CA. P.V. Rajarajeswaran, Chairman, SIRC presided over the Valedictory session of Two Days Students Festival along with CA. K. Shanmukha Sundaram, Past Chairman, SIRC, CA. P. Viswanathan, Chairman, Coimbatore Branch, CA. S. Rajesh, SICASA Chairman, Coimbatore Branch and other Managing Committee Members of Coimbatore Branch and SICASA.

VALEDICTORY OF GMCS - I ON JULY 23, 2014 AT MADURAI



CA. P.V. Rajarajeswaran, Chairman, SIRC adorning shawl to CA. V. Murali, CCM at the Valedictory Function. Seen on the dias are CA. G. Selvakumar, Chairman, Madurai Branch and other Members of Managing Committee of Madurai Branch.

CONVOCATION – 2014 ON JULY 14, 2014 AT BANGALORE



CA.K. Raghu, President, ICAI along with CA. Manoj Fadnis, Vice President, ICAI, CA. M. Devaraja Reddy, Chairman, Board of Studies, ICAI, CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. V. Murali, CCM, CA. P.R. Aruloli, RCM, CA. P.R. Suresh, RCM, CA. Babu K. Thevar, Chairman, Bangalore Branch and other Members of Managing Committee of Bangalore Branch.

APPRECIATION FOR BLOOD DONATION CAMP ON JULY 1, 2014 AT CHENNAI



CA. P.V. Rajarajeswaran, Chairman, SIRC receiving the Certificate of Appreciation from Dr. Padma, Madras Medical College, Chennai. CA. Cotha S. Srinivas, Secretary, SIRC, CA. P.R. Aruloli, RCM are also seen in the picture.

INAUGURATION OF CA STUDENT FESTIVAL ON JULY 25, 2014 AT SALEM



CA. P.V. Rajarajeswaran, Chairman, SIRC addressing at the Youth Festival for CA Students. CA.V. Jayaprakash, Chairman, Salem Branch, CA. I. Sivakumar, Secretary, Salem Branch, CA. A.V. Arun, Chairman, SICASA, Salem Branch are also seen.

CPE SEMINAR ON JNANA SHAKTI - THE POWER OF INTELLECT ON JUNE 25, 2014 AT HYDERABAD



Shri. Konda Vishveshwar Reddy, Hon'ble Member of Parliament inaugurated. Functionaries of ICAI, SIRC of ICAI and Hyderabad Branch of SIRC of ICAI are also seen in the picture.



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– Mr. Suresh - VPF, Lucas Indian Service Ltd.



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