



## REGIONAL RESIDENTIAL COURSE AT YELAGIRI HILLS HOSTED BY PONDICHERRY AND VELLORE BRANCHES OF SIRC ON MAY 10 & 11, 2014



CA. P.V. Rajarajeswaran, Chairman, SIRC inaugurated in the presence of CA. P.R. Aruloli, RCM, CA. Vijaykumar N. Modi, Chairman, Pondicherry Branch, CA. Prabagarane V, Secretary, Pondicherry Branch, CA. R. Selvanambi, Chairman, Vellore Branch, CA. B.S. Surya Narayanan, Secretary, Vellore Branch and other Managing Committee Members of Pondicherry and Vellore Branches of SIRC of ICAI.

## SILVER JUBILEE CELEBRATIONS OF TIRUPUR BRANCH OF SIRC OF ICAI ON MAY 17, 2014 AT TIRUPUR



CA.K. Raghu, President, ICAI inaugurated in the presence of CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. Babu Abraham Kallivayalil, CCM, CA. M. Devaraja Reddy, CCM, CA. G. Sekar, CCM, CA.P.R. Suresh, RCM, CA. Gopal Krishna Raju, RCM, CA. Jomon K. George, RCM, CA.Sripriya K, RCM, CA. Sekkizhar B, RCM, CA.M.Kandasami, Past Chairman, SIRC, CA. N. SIVACHALAM, Chairman, Tirupur Branch of SIRC and CA.Chinnasamy, Past Chairman, Tirupur Branch of SIRC.

## TWO DAY NATIONAL CPE SEMINAR ON COMPANIES ACT 2013 ON MAY 27 & 28, 2014 AT ERNAKULAM



Shri P. Rajeev, Member of Parliament inaugurating in the presence of Shri K.G. Joseph Jackson, ROC, Kerala, Shri Syam Srinivasan, MD & CEO-Federal Bank Ltd., CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. Babu Abraham Kallivayalil, CCM, CA. Nilesh S. Vikamsey, CCM, CA. V.X. Jose, RCM, CA. Jomon K. George, RCM, CA. M.O. Poulouse, Chairman, Ernakulam Branch of SIRC and CA. T.N. Suresh, Secretary, Ernakulam Branch of SIRC.

**OFFICIAL VISIT BY PRESIDENT, ICAI AND CHAIRMAN, SIRC ON MAY 16, 2014 AT ERODE**



CA. K. Raghu, President, ICAI along with CA.P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. Babu Abraham Kallivayalil, CCM, CA. R. Nagarajan. Chairman, Erode Branch of SIRC and CA. P. Sivasubramanian, Secretary, Erode Branch of SIRC.

**INTENSIVE WORKSHOP ON DIRECT TAXES SEC 1 - SEC. 298 UNDER THE AUSPICES OF TAXATION COMMITTEE OF SIRC AT CHENNAI**

<p><b>May 08, 2014</b></p>  <p><b>CA. S. Sai Sankar</b> Chennai</p> <p><b>CA. V. Palaniappan</b> Chennai</p>	<p><b>May 09, 2014</b></p>  <p><b>CA. E. Phalguna Kumar</b> Tirupati</p> <p><b>CA. Girish S. Sundar</b> Chennai</p>	<p><b>May 10, 2014</b></p>  <p><b>CA. Anusha</b> Chennai</p> <p><b>CA. V.G. Aravindanayagi</b> Chennai</p>
<p><b>May 15 &amp; 24, 2014</b></p>  <p><b>CA. Bharath</b> Chennai</p> <p><b>May 24, 2014</b></p>  <p><b>CA. Swatanth</b> Chennai</p>	<p><b>May 16, 2014</b></p>  <p><b>Shri G.D.S. Babu</b> Chennai</p> <p><b>CA. N. Neelakantan</b> Chennai</p>	<p><b>May 17, 2014</b></p>  <p><b>CA. S. Sriram</b> Chennai</p> <p><b>CA. T. Raghunathan</b> Chennai</p>
<p><b>May 22, 2014</b></p>  <p><b>CA. PL. Subramanian</b> Chennai</p> <p><b>CA. Sriram Seshadri</b> Chennai</p>	<p><b>May 23, 2014</b></p>  <p><b>CA. B.S. Nagaraj</b> Chennai</p> <p><b>CA. Cotha S. Srinivas</b> Bengaluru</p>	<p><b>May 29, 2014</b></p>  <p><b>CA. Aravind Srivatsan</b> Chennai</p> <p><b>CA. Bharath Chopra</b> Chennai</p>
<p><b>May 30, 2014</b></p>  <p><b>CA. Praneeth</b> Chennai</p> <p><b>CA. Ashik</b> Chennai</p>	<p><b>May 31, 2014</b></p>  <p><b>CA. Sankara Narayanan</b> Chennai</p> <p><b>CA. T. Banusekar</b> Chennai</p>	<p><b>INAUGURATION OF INTENSIVE WORKSHOP ON DIRECT TAXES ON MAY 8, 2014</b></p>  <p>Shri Murali Kumar B, Commissioner of Income Tax Central along with CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. E. Phalguna Kumar, RCM, CA. Gopal Krishna Raju, RCM and CA. T.G. Suresh, Course Coordinator</p>

# Chairman writes ...



## My dear Professional Colleagues,

### Looking Back:

When I start penning this Newsletter for the month of June 2014, I look back with immense satisfaction that I have successfully completed 100 days in office since assumption as Chairman of SIRC. I thank you for the warmth and support extended to me and my team in implementing the Action Plan of SIRC and for organizing programmes for the benefit of members at large.

We are happy to share with you that during this year 2014 we started with the formation of five new branches at Anantapur, Karimnagar, Kurnool, Ongole and Warangal and presently we have 41 Branches across the Region. This year we started two unique programmes. "SCORE" with reference to Companies Act – 2013 wherein a series of sessions were held for 20 days concluding with the final session scheduled on 16<sup>th</sup> June 2014. 90 Hours of Workshop on Taxation was yet another step in this direction which is an on-going programme during the month of June and conclude on 15<sup>th</sup> June 2014. We are extremely delighted to have received the excellent response for both the programmes.

Having received very positive feedback from the members for these programmes, SIRC would be planning few more similar programmes on other subjects of professional interest to the members, viz., on Accounting Standards, Auditing Standards, International Taxation, etc., With a view to organize programmes for members in industry, SIRC has introduced yet another unique programme "Breakfast Meeting" with larger participation of members in industry which also evoked considerable response from the members in industry.

SIRC conducted Regional Residential Courses at Yercaud hosted by Salem Branch and Yelagiri Hills hosted by Pondicherry and Vellore Branches.

With the advent of the new Companies Act, 2013, it has become necessary for us to enrich our knowledge on the impact of various provisions introduced in the Act. With this in view, the Committee on Corporate Laws and Corporate Governance of ICAI has proposed programmes in all Regions. SIRC had arranged the Workshop on Companies Act – 2013 at different Branches in the Region and provided logistic support in terms of arranging resource persons. The response to this initiative has also drawn a huge response from the members.

### Looking Forward:

With the encouragement received from our President and Vice-President and the support of the Central Council Members and my colleagues in SIRC, I am confident that SIRC would continue to perform at the highest standards in the months to come, to which SIRC seeks your continued patronage to all our initiatives.

### 46<sup>th</sup> Regional Conference of SIRC:

In accordance with the decision of the SIRC taken at its last meeting the 46<sup>th</sup> Regional Conference of SIRC will be organized at Madurai on 12<sup>th</sup> and 13<sup>th</sup> December 2014 which will be hosted by Madurai Branch of SIRC. My colleagues and I in SIRC extend you our cordial and warm invitation to you to participate in the most prestigious and momentous programme in the annals of SIRC. The details of the programme would be published in the forthcoming issues of the Newsletter.

### Regional Residential Courses:

SIRC would be organizing three more Regional Residential Courses at Kumbakonam, Pondicherry and Courtallam. The details are published in Page No. 6 & 7 in this Newsletter. As has been supported for the two earlier Residential Courses, we are sure you will be part of these programmes in large numbers. We look forward to your presence.

### Chartered Accountants Day:

SIRC will be celebrating the Chartered Accountants Day on 1<sup>st</sup> July 2014 at our Institute Premises as has been celebrated every year on 1<sup>st</sup> July. It is one of the occasions where the entire CA fraternity can create an impact in image building of our profession. The celebration will be a full day programme commencing from Walkathon in the early morning at 6.00 a.m. ICAI Flag Hoisting at 8.30 a.m. and followed by Blood Donation, Sports for Members and their spouse and the Honouring of 60 Senior Members of the Profession and Cultural Programme in the evening and concluding with Dinner.

The detailed programme is published in Page No. 17 in this Newsletter. SIRC extends its warm invitation to the members with family to partake in this momentous occasion and make it a grand success as has been before.

All the Branches of SIRC would also be organizing the Chartered Accountants Day in a befitting manner on 1<sup>st</sup> July 2014. We request the members to join in large numbers in these programmes.

### Other Programmes:

SIRC is organizing the regular CPE Study Circles and the details of programme for the month of June / July 2014 is published in Page No. 4 in this Newsletter. I invite members to attend the programmes. If you need any improvement or additional programmes you may contact me at chairmansirc@icai.in

### Visit to Tirupur, Tiruchirapalli, Erode, Bangalore and Ernakulam Branches of SIRC:

#### Silver Jubilee Celebrations of Tirupur Branch:

The silver-lining in the history of Salem Branch was the celebration of Silver Jubilee Year on 17<sup>th</sup> May 2014. Our beloved President CA. K. Raghu inaugurated the Celebrations and I had the privilege of participating in the function. SIRC congratulates CA. N. Sivachalam, Chairman, Tirupur Branch and his team for organizing it in a grand manner.

#### Novel way of organizing for the social cause by Tiruchirapalli Branch:

The Tiruchirapalli Branch of SIRC, as in the previous years distributed butter milk, watermelon and lemon juice to the public to give solace from the scorching heat in this summer. I had the pleasure of inaugurating this occasion and glad to see that large number of public visited the stall. I congratulate CA. V. Jayaraman, Chairman, Tiruchirapalli Branch and his team for taking up this social cause with aplomb.

I wish the other Branches also to involve in similar social activities in the days to come. I also had an occasion to interact with the members during the Seminar on Companies Act organized by the Branch.

#### Erode excels in Infrastructure and its Maintenance:

Our beloved President CA. K. Raghu visited Erode Branch and I had the opportunity to accompany him. Our President was highly

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	June 9, 2014 Monday	Score CPE Lecture on Companies Act	Eminent Resource Person	6.00 pm -8.00 pm	P. Brahmayya Memorial Hall	2	200	-
2	June 10, 2014 Tuesday	Score CPE Lecture on Companies Act	CA. Ganapathy Subramanian, Chennai	6.15 pm -8.30 pm	P. Brahmayya Memorial Hall	2	200	-
3	June 11, 2014 Wednesday	CPE Study Circle Meeting on SA 260, SA 265 & SA 299	CA. K. Sudhakar Chennai	6.15 pm -8.30 pm	P. Brahmayya Memorial Hall	2	200	-
4	June 14, 2014 Saturday	Hands on Training leading to Certification on Cloud Computing	Training by Intuit Quick Books	9.00 am – 5.00 pm	ITT centre	6	1000	-
5	June 14, 2014 Saturday	CPE Meeting on Private Limited Companies- under New Companies Act-2013 -The New Regime	CA. R. Vijayaraghavan Chennai	6.00 pm -8.00 pm	P. Brahmayya Memorial Hall	2	200	-
6	June 12 - 15, 2014 Thursday - Sunday	Intensive Workshop on Direct Taxes – Module 6						Details given at Pg. No.6
7	June 16, 2014 Monday	Score CPE Lecture on Companies Act-2013						Details given at Pg. No.6
8	June 18, 2014 Wednesday	CPE Study Circle Meeting on Income from Other Sources- Assessment Year 2014-15	CA. Muralidharan S Karaikudi	6.15 pm -8.30 pm	P. Brahmayya Memorial Hall	2	No Delegate Fee	-
9	June 20-22, 2014 Friday to Sunday	Regional Residential Course at Kumbakonam						Details given at Pg. No.6
10	June 25, 2014 Wednesday	CPE Meeting on Companies Act – A Comprehensive Primer for Women Members & Members in Industry	Eminent Resource Person	10.00 am – 2.00 pm	P. Brahmayya Memorial Hall	4	500	-
10	June 25, 2014 Wednesday	CPE Study Circle Meeting on Reopening of Assessments	CA. K. Venkata Ramanan Dindigul	6.15 pm -8.30 pm	P. Brahmayya Memorial Hall	2	200	-
11	June 27-29, 2014 Friday to Sunday	Regional Residential Course at Pondicherry						Details given at Pg. No.7
12	June 28, 2014 Saturday	CPE Meeting on Input Tax Credit –Purchase Tax & VAT	CA. Pavithra, Chennai & CA. M S Sridhar, Chennai	6.15 pm -8.30 pm	P. Brahmayya Memorial Hall	2	200	-
13	June 30 & July 1, 2014 Monday & Tuesday	Blood Donation Camp						Details given at Pg. No.15
14	July 1, 2014 Tuesday	Chartered Accountants Day						Details given at Pg. No.17

Sl.No.	Programme Date	Programme Name	Resource Persons	Timings	Venue	CPE Credit	Delegate Fee ₹	Page No.
15	July 2, 2014 Wednesday	CPE Study Circle Meeting on Service Tax & VAT on Construction Contracts	CA. Alagappan V Tiruchirappalli	6.15 pm -8.30 pm	P. Brahmajya Memorial Hall	2	200	-
16	July 4, 2014 Friday	Companies Act – Insight Series – Live Discussions on Case Studies & Problem Situations						
17	July 9, 2014 Wednesday	CPE Study Circle Meeting on Particular Principles of Interpretation of Law	CA. S. Srivatsan Tiruchirappalli	6.15 pm -8.30 pm	P. Brahmajya Memorial Hall	2	200	-

Details given at Pg. No.15

Unless 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](mailto:sirc@icai.in)

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

### CHAIRMAN WRITES (Contd..)

impressed with the infrastructure at the Branch building and appreciated the Chairman of the Branch CA. R. Nagarajan and his team for the excellent maintenance of such infrastructure.

#### Visit to Bangalore:

It was a proud privilege and honour for me to have inaugurated the Workshop on Companies Act – 2013 on 22<sup>nd</sup> May 2014 at Bangalore which was attended by over 700 delegates. I congratulate CA. K. Babu, Chairman, Bangalore Branch and his team for their excellent arrangements. The professional way in which the Workshop was organized and the participation of the Bangalore Members needs special mention.

#### Visit to Ernakulam:

On 27<sup>th</sup> May 2014, I had the pleasant privilege of participating in the National Seminar on Companies Act - 2013 organized by the Ernakulam Branch jointly with other Branches of Kerala. I congratulate CA. M.O. Poulouse, Chairman of Ernakulam Branch and the Chairmen of other Branches and their team for the excellent arrangements. The National Seminar was inaugurated by Hon'ble Shri P. Rajeev, Member of Parliament. His address on Corporate Social Responsibility in Companies Act 2013 was appreciable one.

#### Promoting formation of CPE Study Circle, Chapters, Groups and CPE Study Circles for Members in Industry

One of the Action Plans of SIRC during the year was to encourage formation of more Programme Organizing Units (POU) in all parts of the Region. Presently we have 41 Branches, 11 CPE Study Circles, 5 CPE Chapters, 6 CPE Study Groups besides 15 CPE Study Circles for Members in Industry. By forming additional POUs, it would be more beneficial to the members belonging to the respective places to participate in the continuing education programmes to be organized by such POUs. We would therefore request members to send their input so that SIRC can take it forward for formation of such POUs.

The minimum criteria for formation of the POUs are published in Page No.16. Based on the criteria I request members to write to SIRC ([sirc@icai.in](mailto:sirc@icai.in)).

#### Career Counselling Programme:

SIRC is happy to inform that SIRC and its Branches had organized around 30 Career Counselling Programmes in the Region. I congratulate the Chairmen of Branches for taking the initiative of popularizing the CA Course through Career Counselling Sessions at Schools and Colleges. Many more such programmes in the forthcoming comings are on the anvil.

#### Convocation:

ICAI is organizing the Convocation for distribution of certificates to the members enrolled between December 2013 and May 2014. The Convocation at Chennai will be held at Music Academy Hall, Radhakrishnan Salai on Friday the 4<sup>th</sup> July 2014 and at Bangalore at Bangalore University Premises, J.J. Auditorium, Palace Road, Near Mysore Bank Circle on 14<sup>th</sup> July 2014.

SIRC welcomes the members to the Convocation.

#### 40<sup>th</sup> Year of Publication of SIRC Newsletter:

We are happy to share with you that the SIRC Newsletter is entering into its 40<sup>th</sup> Year of Publication with the issue of July 2014 issue. The July 2014 issue would be brought out in commemoration of this memorable occasion.

#### Congratulations to CA. Piyush Goyal:

Our professional fraternity has been honoured with the induction of CA. Piyush Goyal as the Union Minister of State for Power, Coal, New and Renewable Energy. SIRC congratulates him on his assumption to the coveted position and wish him all the BEST in his new assignment.

Wishing the Members and Greetings from SIRC on the occasion of Chartered Accountants Day.

Yours in professional service



CA. P.V. RAJARAJESWARAN  
chairmansirc@gmail.com

#### Editorial Board

<b>Editor :</b>	CA. Rajarajeswaran P V
<b>Members :</b>	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

## MEGA PROGRAMME AT MAHAMAHAM CITY Regional Residential Course

Hosted by Kumbakonam Branch of SIRC of ICAI

Sara Regency  
Kumbakonam

Friday, Saturday & Sunday, June 20 - 22, 2014

CPE Credit  
**12**  
HOURS

Topics	Resource Persons
Taxation of Charitable Trusts & Religious Institutions	<b>CA. Phalguna Kumar E</b> , Tirupathi
Special Session	<b>Intuit Quick Books</b>
Role of Chartered Accountants under FCRA	<b>CA. Gopal Krishna Raju</b> , Chennai
Income Tax implications of Real Estate Transactions and Joint Development Agreements	<b>CA. S. Sathyanarayanan</b> , Chennai
Talent Strategy – Professional Service Firms	<b>CA. P.R. Aruloli</b> , Chennai
Service Tax on Real Estate Business – The Reality	<b>CA. V.P. Manavalan</b> , Chennai
VAT implications on Real Estate Transactions (Works Contract)	<b>CA. V.V. Sampath Kumar</b> , Chennai
The Companies Act, 2013 – Accounts, Audit and Auditors – including the rules	<b>CA. Sekkizhar B</b> , Secunderabad

### Temple Visit

#### DELEGATE FEE:

Residential Member	₹ 8500	Residential Spouse & Children (upto 10 years)	₹ 8000	Delegate Fee may be paid by way of Cash or by Cheque / DD drawn in favour of 'Kumbakonam Branch of SIRC of ICAI' payable at Kumbakonam.
--------------------	--------	---	--------	---

<b>CA. C. Rajagopal</b> Chairman Kumbakonam Branch of SIRC 9994452155	<b>CA. Gopal Krishna Raju</b> Ex-officio Member Kumbakonam Branch of SIRC	<b>CA. I. Rajesh</b> Secretary Kumbakonam Branch of SIRC 9443435334
<b>CA. P.V. Rajarajeswaran</b> Chairman, SIRC	<b>CA. P.R. Aruloli</b> Chairman, CPE Committee of SIRC of ICAI	<b>CA. Cotha S. Srinivas</b> Secretary, SIRC

## Intensive Workshop on Direct Taxes Sec.1 – Sec.298

**P. Brahmayya Memorial Hall,**  
'ICAI Bhawan' No. 122, MG Road, Nungambakkam, Chennai-600034  
May 8 - June 15, 2014  
Thursdays & Fridays : 04.00 pm - 08.30 pm (4 Hours)  
Saturdays & Sunday : 10.00 am - 05.30 pm (6 Hours)

Module	Date	Topics	Resource Persons	CPE Credit
Fifth	05-06-2014 Thursday	Private Trust, Liability in Special Cases, HUF	CA. V. Karthikeyan & Adv. Karthik Ranganathan	14 Hrs
	06-06-2014 Friday	TDS & TCS (Except 195)	CA. Sivakumar & CA. R. Balaji	
	07-06-2014 Saturday	Appeals ( including Mock tribunal) Search and Seizure, Penalty and Miscellaneous provisions	CA. N.V. Balaji CA. K. Ravi	
Sixth	12-06-2014 Thursday	Sec 9 and Sec 195	CA. Vijayaraghavan & Ms. Sumathy Thiyagarajan	20 Hrs
	13-06-2014 Friday	Double Taxation relief and Unilateral relief	CA. K Sudarshan & CA. Divakar Vijayasathya	
	14-06-2014 Saturday	Non Resident Taxation – Chapter XII and XIIA and AAR ; Transfer Pricing Special Session by Intuit Quickbooks - Accountants - A Case Study	CA. Sudakar CA. N Madan	
	15-06-2014 Sunday	Brain Trust - Eminent Panel will deal with member's questions (Question must be sent in advance and the panel will select the questions. Strictly No spot questions allowed)	CA. T. Banusekar CA. Madan CA. Aravind Srivastav	

#### DELEGATE FEE : One Module: ₹ 2,000

<b>CA. P.V. Rajarajeswaran</b> Chairman, SIRC	<b>CA. E. Phalguna Kumar</b> Chairman, Taxation Committee, SIRC	<b>CA. T. G. Suresh</b> Course Co-ordinator	<b>CA. Cotha S. Srinivas</b> Secretary, SIRC
--	--	--	---

## Score CPE Lecture on Companies Act- 2013

**P. Brahmayya Memorial Hall,**  
'ICAI Bhawan' No. 122, MG Road, Nungambakkam, Chennai-600034  
June 16, 2014  
Monday : 05.00 pm – 08.00 pm  
DELEGATE FEE : ₹300

CPE Credit  
**3**  
Hours

Topics	Resource Person
The Companies Act, 2013 – Impact on Listed Companies	<b>CA. N. Ramanathan, MD</b> , Ponni Sugars Ltd
The Companies Act, 2013 – Impact on Unlisted Public Companies	<b>Shri. K. Vaitheeswaran</b> , Advocate
The Companies Act, 2013 – Impact on Private Limited Companies	<b>CS. S. Dhanapal</b> , Chennai

<b>CA. P.V. Rajarajeswaran</b> Chairman, SIRC	<b>CA. Jomon K George</b> Chairman, CCL & CG, SIRC	<b>CA. Gopal Krishna Raju</b> Programme Co-ordinator	<b>CA. Cotha S. Srinivas</b> Secretary, SIRC
--	---	---	---

**Drizzle REGIONAL RESIDENTIAL COURSE AT COURTALLAM**

Hosted by Tirunelveli Branch of SIRC of ICAI

**The Kuttalam Heritage, Shengottai Courtallam Main Road, Ilangi.**

Saturday & Sunday, August 2 & 3, 2014

CPE Credit  
**12**  
HOURS

**Inaugural Session** : 09.30 a.m. to 10.00 a.m.

**Inauguration by:** CA. P.V. Rajarajeswaran, Chairman, SIRC of ICAI

August 2, 2014 (Saturday) – 10.00 a.m. onwards

August 3, 2014 (Sunday) – 09.00 a.m. onwards

**Resource Persons**

**CA. E. Phalguna Kumar**, Chennai  
**Advocate G. Baskar**, Chennai  
**CA. P.R. Aruloli**, Chennai

**Resource Persons**

**CA. G. Sekar**, Chennai  
**CA. V. V. Sampath Kumar**, Chennai  
**CS. John Ohilvi**, Nagercoil

**DELEGATE FEE**

**Residential** (Includes Breakfast, Lunch & Dinner)

Check-in – Aug 2, 2014 – 07.30 a.m. onwards

Check out – Aug 3, 2014 – 05.30 p.m.

Delegate Strength – 80 Persons only \* Twin Sharing of Rooms

A/c Room (On First Come First Served )

	Up to 30.06.2014	From 01.07.2014
Registrations		
Member	₹ 5250	₹ 5750
Accompanying Spouse (Non-Member)	₹ 4750	₹ 5250
Children above 12 years	₹ 4750	₹ 5250
Children between 6 to 12 years	₹ 2250	₹ 2500

**Non-Residential** (Lunch only)

Member	Advance up to 25.07.14	After 25.07.14 & Spot
	₹ 2000	₹ 2500

**BATH ARRANGED AT PRIVATE FALLS**

Trains connected to Tenkasi – “Pothigai Express “

From	Train No.	Date of Leaving	Departure Time	Arrival Time	Pick-up & Drop arranged @Tenkasi Railway Station
Chennai	12661	Aug 1, 2014	08.50 p.m.	08.35 a.m.	
Tenkasi	12662	Aug 3, 2014	06.47 p.m.	06.50 a.m.	

Members are requested to register for the Seminar in advance. Outstation delegates are requested to plan the travel accordingly. Conference Memento Kit only for Advance Registration Member delegates. Delegate fee by way of Cash or by Cheque/Demand Draft drawn in favour of 'Tirunelveli Branch of SIRC of ICAI' payable at Tirunelveli shall be sent to: Tirunelveli Branch of SIRC of ICAI, ICAI Bhawan, A-72, Fifth Corss Street, NGO A Colony, Tirunelveli – 627 001. Email: tirunelveli@icai.org

**CA. A. Michael**  
Chairman, Tirunelveli Branch  
94431 35210

**CA. P.R. Aruloli**  
Ex-officio Member  
Tirunelveli Branch of SIRC

**CA. V. Ramasamy**  
Secretary, Tirunelveli Branch  
94433 80361

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

**CA. Cotha S. Srinivas**  
Secretary, SIRC

**REGIONAL RESIDENTIAL COURSE AT PONDICHERRY**

Hosted by Madurai Branch of SIRC of ICAI

**Hotel Windflower Resort Pondicherry**

Friday, Saturday & Sunday, June 27 - 29, 2014

CPE Credit  
**12**  
HOURS

Registration on First cum First Serve Basis. Limited Seats only.

The details regarding topics, Speakers etc.. will be announced later at SIRC Website www.sircoficai.org

**DELEGATE FEE**

Members	₹ 9250	Children between 5 and 12 years	₹ 4750
Accompanying Spouse & Children above 12 years	₹ 9000	Non-Residential Participants	₹ 5000

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

**CA.G. Selvakumar**  
Chairman, Madurai Branch of SIRC

**CA. N. Chidambaram**  
Secretary, Madurai Branch of SIRC

**CA. Cotha S. Srinivas**  
Secretary, SIRC

## Updates

### Direct Taxes

Contributed by: **CA. V.K. Subramani**  
Erode  
vks111164@gmail.com

1. Administrative supervision of orders passed under section 264: The CBDT vide Instruction No.11/2014 dated 16-5-2014 have given guidelines to be followed in respect of orders passed under section 264 of the Act by Commissioners. Each Commissioner has to prepare a brief of the revision orders passed under section 264 and report the same to the principal Chief Commissioner of Income-tax / Chief Commissioner of Income-tax on monthly basis along with copy of such order. The principal Chief Commissioner / Chief Commissioner will have to report the number of orders passed under section 264 under his jurisdiction on monthly basis along with his observation in relation to any order and forward the same to the Zonal Member of the CBDT. Also, the principal Chief Commissioner/ Chief Commissioner must communicate his observations on the orders passed under section 264 to the respective Commissioner of Income-tax.
2. Deduction under sections 80-IA(4)(i) and 80-IA(4)(iii) for unexpired period in the hands of transferee: The CBDT vide Circular No. 10/2014, dated 6-5-2014 have given a detailed guideline regarding deduction under sections 80-IA(4)(i) and 80-IA(4)(iii) by transferee undertakings. It broadly classified the eligible undertakings as under:
  - (i) Enterprise carrying on the business of developing or operating & maintaining or developing, operating & maintaining infrastructure facilities [Section 80-IA(4)(i)];
  - (ii) undertaking providing basic or cellular telecommunication services [Section 80-IA(4)(ii)];
  - (iii) undertaking which develops, develops & operates or maintains & operates an industrial park or SEZ [Section 80-IA(4)(iii)];
  - (iv) undertaking set up for generation / generation & distribution of power or laying of network / renovation or modernization of network of transmission / distribution lines [Section 80-IA(4)(iv)] or set up for reconstruction or revival of power generation plant [Section 80-IA(4)(v)].

As such section 80-IA(3) debars claim of deduction by transferee undertakings specified in section 80-IA(4)(ii) and section 80-IA(4)(iv). Undertakings covered by section 80-IA(4)(i) and section 80-IA(4)(iii) are supported by a proviso to enable the transferee undertakings to avail deduction for the unexpired period subject to satisfaction of the conditions prescribed therein. Section 80-IA (12) debars claim of deduction in the case of amalgamation or demerger of an eligible undertaking of an Indian company to another Indian company. The proviso to section 80-IA(4)(i) and section 80-IA(4)(iii) however allow the benefit of deduction to transferees. The CBDT Circular is meant to reiterate that the vital factor in determining the eligibility criteria for allowing deduction under section 80-IA by the transferee is to see whether the transfer

is in accordance with the proviso to clause (i) or clause (iii) of sub-section (4) of section 80-IA of the Act and it is not by way of amalgamation or demerger. [For example, if the 'transferor' has availed deduction for development of an infrastructure facility for 6 years and thereafter transfers it to the 'transferee' for operation and maintenance satisfying the conditions of the proviso to section 80-IA(4)(i) then such transferee will be eligible for deduction for remaining 4 years.] It further clarified that profit for the purposes of deduction in the case of transferee shall also be computed in accordance with sub-sections (5) to (10) of section 80-IA of the Act.

3. Substitution of Forms 49A and 49AA: The CBDT vide Notification No.26/2014 dated 16.05.2014 in exercise of the powers conferred by section 295, have substituted Forms 49A and 49AA. In the case of Indian citizen, Indian companies, entities incorporated in India or unincorporated entities formed in India, the application for allotment of Permanent Account Number (PAN) must be filed in Form No.49A. In the case of individuals not being citizen of India, entities incorporated outside India or unincorporated entities formed outside India, the application for allotment of Permanent Account Number (PAN) must be filed in Form No.49AA.
4. Declaration on automatic exchange of information in tax matters: In the Press Statement dated 12.05.2014 it was informed that 46 countries including India besides European Union have adopted a declaration on automatic exchange of information in tax matters. It is worth noting that Switzerland was also one of the signatories to the declaration. The Declaration recognises that investments kept offshore by tax payers should not go untaxed. It stressed that a key aspect of cooperation between tax administration is, effective exchange of information on automatic basis subject to appropriate safeguards. Earlier, India signed the multilateral convention which was signed by over 60 countries including almost all OECD countries and all G-20 countries. ■

### Central Excise and Service Tax

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

**The contract for sale or works contract, the difference was earmarked by the Honorable Supreme court of India in the case of Kone elevators case.**

Tax on sale or purchase of goods - Works contract - Assessee was engaged in manufacture, supply and installation of lifts involving civil construction - Assessee claimed that it amounted to works contract - VAT Departments of certain states argued that it amounted to a contract of sale only and was entirely liable to VAT - HELD: It cannot be said that that installation is assembling and is a part of manufacturing process - Lift is not a plant which is erected at site; lift basically comprises components like lift car, motors, ropes, rails, etc. having their own identity even prior to installation - Without installation, lift cannot be mechanically functional because it is a permanent fixture of building having been so designed - Therefore, installation of a lift in a building cannot be regarded as a transfer of a chattel or goods but a composite contract - "Dominant nature test" or "overwhelming component test" or "degree of labour and



service test" are really not applicable - If contract is a composite one which falls under definition of works contracts, incidental part as regards labour and service pales into total insignificance - Individually manufactured goods such as lift car, motors, ropes, rails, etc. are components of lift which are eventually installed at site for lift to operate in building and it is transfer either in goods or some other form - In fact, after goods are assembled and installed with skill and labour at site, it becomes a permanent fixture of building and since involvement of skill is undisputable, it becomes a works contract - Thus, where there is a composite contract which requires contractor to install a lift in a building, it would be a case of 'works contract' and liable to tax accordingly - Judgment in Kone Elevators was held as not laying down correct law and was overruled - However, if there are two contracts, namely, purchase of components of lift from a dealer, it would be a contract for sale and similarly, if separate contract is entered into for installation, that would be a contract for labour and service. ■

## Tamil Nadu VAT

Contributed by: **CA. V.V. Sampathkumar**  
Chennai  
vvsampat@yahoo.com

Tamil Nadu Entertainment Tax Act, 1939: The Government issued orders in G O (Ms.) No. 159, CTR (C1) Dept, dated 22.08.2007, restricting the concession not to those old or new Tamil films bearing Tamil titles, but only to those conforming with Tamil culture and dignity. Based on the recommendations of the committee, Government have grants exemption from payment of Entertainment Tax, from the date of issue of the order.

While so, it is vital to monitor the implication of the said Government Order, issued for each Tamil titled movie that:

- (i) Up to the date of issue of Government Order granting exemption, entertainment tax was properly collected from the viewers and remitted to the State exchequer, in accordance to the provision of the TNET Act, 1939.
- (ii) From the date of issue of Government Order granting exemption from payment of entertainment tax, the theatre owners had not collected any amount towards entertainment tax, explicitly showing the quantum of tax in the tickets issued for admission. The Entertainment Tax Officers shall initiate action as prescribed under the provisions of section 14 of the TNET Act, 1959 against the theatre owners in cases where violations of the above conditionalities are seen. However, before taking any action in this regard, with reference to the provision of Section 11 and 12A, the entertainment Tax Officer shall make an inspection of the theatre situated within their jurisdiction and obtain a written deposition from the owner or the authorised person in charge of the theatre available at the time and also from the viewers of that particular show. Further, the theatre owners should beyond the rate prescribed by the competent authority for the admission in to these shows-(i.e. in case of Chennai corporation-by the commissioner of police and in all other places by the District Collectors of the Revenue District concerned) with reference to the provisions of Rule 83-1A (a) of the Tamil Nadu Cinemas Regulation Rules, 1957. Circular No.14/2014-Acts Cell IV/13086/2014 Dated: 06.05.2014.

## Sub: Detention of Vehicles by Roving Squad Officials Certain instruction – Reg.

According to section 69 of TNVAT Act, "the owner or other person in charge of a goods vehicle shall carry with him

- a) Bill of sale or delivery note or such other document as may be prescribed, and
- b) Goods vehicle record or trip sheet, relating to the goods under transport and containing such particulars as may be prescribed and shall submit to such officer as may be prescribed, the documents aforesaid or copies thereof, within such time as may be prescribed".

Therefore, if the goods are accompanied with genuine bill of sale or delivery note, no offence is liable u/s 71 of TNVAT Act. If at all, the genuineness of the transaction has to be verified, the goods may be detained till such verification is made. In case of work contractors executing work at the said a work contractee, it is natural for them to ask the supplier of the goods to give delivery of the goods to the work side to which the goods are meant. Since the work sites are not the additional place of business of the works contractor, he need not register such work site as their branch or godown. If a works contractor produces sufficient proof such as work contract agreement to prove that he is executing works contract at a particular site, the goods should be allowed to move to that site, if the goods or delivery note. If the document produced by the petitioner is found to be genuine after verification, there is no need for booking offence u/s 71 of TNVAT Act. If the supply of goods is made from outside the State, payment of advance tax may be insisted vide Circular No.18/2014 Q4/7752/2014 Dated 8.4.2014 ■

## Andhra Pradesh VAT

Contributed by: **CA Ambati Chinna Gangaiah**  
Hyderabad  
agcpower@icai.org

Border check posts are likely to be created on the borders of State of Telegana and residuary State of Andhra Pradesh to monitor Inter State Transactions. New certificates of registration are to be issued by both State Commercial Tax Departments.

### Commissioner's Orders (assessee / dealer is to take up Special appeal to High Court).

1. CCT revising JC orders forfeiting refunds in May 2014 – Forfeiting excess TDS over tax dues – Special appeals filed before APHC

### Authority for clarifications and Advance Rulings –

The non-pursuing applications for advance rulings long pending; inspite of notice from the Authority are dismissed either due to withdrawal or non-pursuing. The applicant may pursue the applications for early hearing before the authority.

1. K.C.M Petrotech - A.R.Com/58/2013 dt 6.5.2014 - 'Bitumen' up to 08-07-2013 and all varieties of bitumen, including bitumen emulsion from 09-07-2013 taxable at 5%
2. Hyderabad Carbons - A.R.Com/09/2011 dt 6-5-2014 – Sale to SEZ exempt sale not sale in the course of export
3. Ravi Ramanjanryulu - A.R.Com/17/2011 dt 6-5-2014 – CST way bill not required for transporting exempted goods

- My Home Constructions - A.R.Com/15/2014 dt 23-5-2014 - Section 4 (7)(d) applies to net taxable consideration received.
- Havells India - A.R.Com/29/2008 dt 28-5-2014 - PVC insulated cables manufactured by the applicant for voltage of 1100 volts fall under item 38 of Schedule IV liable to be taxed at 5%.

#### JC Orders

- CCT's Ref. No. LV(1)/28/2014 dt 08-05-2014 - Parle Agro Products - Appy Fizz & Grappo Fizz are aerated due to addition of CO<sub>2</sub>, they become aerated fruit drinks that fall within the ambit of the class of goods, excluded from the scope of entry 107 (b) of Schedule IV of the APVAT Act and taxable at 14.5%.
- CCT's Ref. No. LV(1)/18/2014 dt 19.5.2014 - Noni Biotech - noni fruit juice concentrate falls within the ambit of entry 107 of Schedule IV taxable at 5%

#### STAT Orders

- Sri Damoder Timber Company - TA No. 1050/2007 – 24 APTR 14 – APSTAT – wood work to residential buildings – works contract – sub-contractor exempted
- KJ Polymers – TA No. 173/2010 24 – APTR 25 APSTAT – ITC on Electrical Transformer, Electrical Materials and Plastic Storage Tank by Ginning Mill eligible.
- Foods and Inns Limited - 57 APSTJ 208 - fruit juice pulp and fruit juice concentrate - fruit juice in loose form and solid form - SI.No.107(b) of Schedule IV - exigible to tax @4% / 5%

#### APHC

- Bartronics India Limited Vs. Commercial Tax Officer & Another (2014) 58 APSTJ 47 (APHC) – Personal hearing sought Under Rule 12(7) is to be restricted for submission of forms.
- Sarala Project Works Private Limited Vs. Commissioner of Commercial Taxes, AP, Hyd – (2014) 58 APSTJ 39 (APHC) – request for time should not be rejected because the assessment is likely to be time barred.
- Saipem (Portugal) Commercial Maritimo S.U.LDA Vs. Commercial Tax Officer, Kakinada & Others – (2014) 58 APSTJ 43 (APHC) – consequential order passed beyond period of three (3) years from the date of receipt of appeal order; is barred by limitation.  
[Hope Textiles 205 ITR 508 SC – Judiciary cannot extend the limitation specified in the statute. ITAT VSKP Raghava Health Care in ITA 153 to 155/V/2005 dt 16-5-2008 (307 ITR (AT) 133 – Consequential orders in IT to be passed as per Section 153(2A)].
- Visakha Industrial Gases Private Limited Vs. Commercial Tax Officer, Steel Plant Circle – (2014) 58 APSTJ 41 (APHC) – Appeal pending against Advance ruling before STAT; cannot be applied for rejection of stay.
- Decent Furnishing and Decent Furnishing & Interiors Vs. State of Andhra Pradesh – (2014) 58 APSTJ 30 (ST&VAT, Hyd) – two TOT firms having same proprietor.

#### Supreme Court

- Kone Elevator – 5 Member Bench - WP(c)232/2005 dt 6-5-14 – Composite contract of material and labour – works contract – falls Under Article 366 (29A) (b) Constitution of India. ■

## Kerala VAT

Contributed by: **CA. C. Seshadri Nadan**  
Vadakkencherry  
seshadrinadan@icai.org

**CIRCULAR No. 11 / 2014 DATED 30-04-2014:-** The Commissioner of Commercial Taxes has directed that from 1st April 2014 onwards, all defect notices and demand notices under Section 67 of the KVAT Act shall be generated online, replies be filed online and that the dues shall be paid by e-payment.

**CIRCULAR No.10 / 2014 DATED 30/04/2014:** The Circular stipulates that all notices, including that of penalty, issued to dealers / others under all the Acts except Kerala Money Lenders Act, concerning rupees above five thousand, shall be approved by the immediate superior administrative officers/controllers officers, before its issuance. If the final order issued varies from the notice, the same shall also be submitted to such officers for approval.

By the **ORDER No.C3/12732/12/CT DATED 5/5/2014**, the Authority for Clarification has modified its earlier orders and held that Rate of tax of Extruded Polymer Profile / PVC Profile Panel falling under the HSN Code 3920 would be taxable at the rate of 5% by virtue of Entry 60 of List A of the Third Schedule to the Kerala Value Added Tax Act, 2003.

By the **ORDER No.C3/31587/13/CT DATED 5/4/2014**, it is clarified that as Excavators, covered by HSN Code 8429 does not appear in any of the Schedules to the Kerala Value Added Tax Act, 2003, they would be covered by Entry 15 of S.R.O. No. 82/2006 and hence tax liability of a dealer would be determined as per Section 6 (1)(d) of the Kerala Value Added Tax Act, 2003.

**ORDER No.C3/32494/13/CT DATED 4/4/2014:** The issue considered in this application was whether a dealer can avail credit for the entire input tax paid on purchase of goods which are subsequently sold at a reduced/concessional rate of tax to Central Police Canteen / Subsidiary Canteens. The Authority clarified that Section 11 of the Kerala Value Added Tax Act, 2003 does not contain any prohibitory provisions for denial of part/full Input Tax Credit and that entire Input Tax paid can be availed in respect of the goods sold to Central Police Canteen / Subsidiary Canteens.

Judgment of the Constitution Bench of the Supreme Court of India in Kone Elevator India (P.) Ltd. v. State of Tamil Nadu [2014] 45 taxmann.com 150 (SC):- *It is held by the Honourable Court that "where there is a composite contract which requires contractor to install a lift in a building, it would be a case of 'works contract' and liable to tax accordingly. However, if there are two contracts, namely, purchase of components of lift from a dealer, it would be a contract for sale and similarly, if separate contract is entered into for installation, that would be a contract for labour and service [Paras 48 to 64].* ■

## Karnataka VAT

Contributed by: **CA. C.R. Dhavalagi**  
Hubli  
cr\_dhavalagi@rediffmail.com

1. In a major Endeavour by the government of Karnataka to enhance transparency and to streamline the validation of Input credit process, Department of Commercial Taxes has come out with a system of intimation of invoice level details of purchase & sales by all the dealers whose turnover exceeds fifty lakhs cumulatively of all the tax periods in a year ending 31st March. An outline of the Notification No. CCW/CR44/2012-13 Dated, 29th March 2014 is presented below-

It is hereby notified with immediate effect that commencing from the tax period of May, 2014 every dealer whose total turnover is fifty lakh rupees and above during tax periods of the year ending 31<sup>st</sup> day of March, 2014 or whose cumulative total turnover is fifty lakh rupees and above in the tax periods of any subsequent year, shall furnish electronically through internet, on or before 20<sup>th</sup> day of the succeeding month, the details of,-

- Purchase of goods made from within the State, in the course of inter-state trade or commerce and in the course of import into the territory of India including any debit notes or credit notes issued or received in respect of any change in the value or return of goods;
- Receipt of goods otherwise than by way of purchase from, other registered dealers outside the State;
- Sale of goods made within the State, in the course of inter-state trade or commerce and in the course of export outside the territory of India including any debit notes or credit notes issued or received in respect of change in the value or return of goods; and
- Transfer of goods otherwise than by way of sale to, other registered dealers outside the State,

The details typically includes TIN no of the supplier/customer, invoice/debit note/credit note number, date of document, quantity & description of goods, the net value, the amount of tax charged and total value. Dealer can input these details individually at a designated window in the department website or alternatively upload the entire details in .xml format at once. Excel utilities for entering and converting to .xml formats are available in the Reports and Help tab visible on home screen once logged in.

This system, if implemented effectively should reduce considerably, the hassles faced by dealers during assessments, audits & refunds process.

2. Notification No. FD 41 CSL 2014, Dated: 21<sup>st</sup> April, 2014 seeks to amend the Notification II No. FD 21 CSL 2014 Dated 28th February, 2014 by adding following classes of dealers who are holding liquor license who will be subject to VAT with effect from 21.04.2014:
- Serving liquor on board of luxury train run by KSTDC /ITDC;
  - Bar & Restaurant run by KSTDC/ITDC;
  - Beer bar run by KSTDC/ITDC;

- Bar & Restaurants for use of Air Passengers and bonafide users at International Airports;
- Bar & Restaurant for the exclusive use of International Air Passengers at International Airports;
- Person holding Form-II : Beer Bar license in the entire State.

By virtue this following Liquor Licensee who are exempt from VAT are:

- CL-2 : Retail license in the entire State;
  - CL-9 : Bar & Restaurant in rural areas;
  - CL-11C : Retail license issued to Government Companies (MSIL)
  - LFW-III : Retail vend of wine (Wine taverin / Wine boutique)
3. Circular No. 05 of 2014/15 No. KSA/CR-31/2014-15 Dated 23rd May, 2014 provides Certain instruction regarding due date for filing of Annual Statement U/s 31 (5) of KVAT Act, 2003. Section 31 of the KVAT Act, 2003 was amended by inserting a new sub-section (5) in the Karnataka Value Added Tax Amendment Act 2014 (Karnataka Act No. 15 of 2014). This amendment seeks to increase a layer of compliance by obligating the dealer to file a statement relating to his turnover within the prescribed date and in the prescribed form.

To carry out the purpose of the above amendment, the Karnataka Value Added Tax (Amendment) Rules, 2014 are being made. In the said rules, a format of Annual statement containing such particulars, as may be as necessary to be provided, will be prescribed. Such rules will be applicable for the financial year 2013-14 and onwards. Circular has however instructed departmental officers to pursue these rules as soon as it is finalized & published.

4. Notification no KTL. CR. 04/2013-14 dated 22/05/2014, has called upon the proprietors of the requirement of production of books of accounts if, for the period 2012-13 & 2013-14, have filed nil returns or not filed returns or have closed business during the year 2013-14; have been detected of any non-payment or short payment during any visit or inspection; have been assessed an additional tax of ₹ 25,000/- or more than what is admitted in the return; tax payable as declared in the return as compared to the amount of tax paid or assessed for the previous year is less than 15%. ■

## Banking and Insurance

Contributed by: **CA. P.S. Narasimhan** Chennai  
jandsca@gmail.com

Reserve Bank of India eased norms for gold import. Star and Premier Trading Houses registered with Director General of Foreign Trade may now import gold under 20:80 scheme. Under this scheme, the importer, for every lot of import made, should make available 20% exclusively for exports.

Finance Ministry is all set to tackle the menace of bad loans. The action plan includes-

- quick action in solving problems related to consortium lending;
- setting up more Debt Recovery tribunals; and
- expediting clearances and credit disbursements to stalled large ticket projects.

In consortium lending, problems are seen in areas like identifying frauds, in identifying willful defaulters and delays are noted in the recovery process of outstandings. It was with a view to enhance the rights of the lenders, sometime back the threshold was brought down to 60 % of the lenders by value, for structuring a concerted action but even after this, substantial delays were seen between the players in formulating the necessary action process. The Ministry is now looking for focussed attention on the problem.

The Chairperson of State Bank of India has mooted a Dispute Resolution Mechanism to tackle the problem of delayed payments by Public Sector undertakings and various government departments in meeting the bills of the borrower-constituents of the banks. Such delays mark out these borrowers as NPAs, virtually starving them of funds.

To facilitate exporters, RBI has now permitted banks to extend long term advances for a period upto 10 years. Such advances are to be made to exporters with atleast a three year track record. Other conditions include that such borrowers hold and should possess necessary capability and infrastructure. Interest rate is not to exceed 200 bps over LIBOR. The loans are not to be used to pay off rupee loans which are NPAs.

Bharatiya Mahila Bank is said to have met the target it had set for the 5 months period ending 31 March 2014. Its key mandate however is to educate women about various financial services.

RBI has now permitted minors to operate savings bank accounts. They can also hold Fixed Deposits and Recurring Deposits. While children under the age of 10, are to operate through their father/ natural guardian, children above 10 years can operate these accounts independently. They can also avail the services of net banking and debit card.

Banks hereafter, are not to charge foreclosure charges/prepayment penalties on all floating rate linked loans extended to individual borrowers. RBI has also simplified reschedulement procedures for External Commercial borrowings.

On the subject of Public Sector Banks, RBI Governor said “.. a change in Governance, Management and operational and compensation flexibility are almost surely needed in India to improve the functioning of most PSBs.” He felt that making them more competitive would reduce their frequent requests for recapitalisation and their reliance on budgetary support. He was not for forced mergers. He further felt that as part of financial inclusion, payment banks had a role to play. Payment banks will mobilise deposits and meet the payment and remittance services and would invest all their funds in safe instruments such as government securities. If they come in to the scene, the pressure on commercial banks to meet the SLR requirements would ease and such a requirement itself can be diluted or done away with, enabling them to focus on the lending activities with more vigour.

RBI is thinking aloud on allowing banks to offer partial credit enhancement to project specific infra structure bonds. This move would enable these projects to access funds and reduce their cost of funding. By this process, banks can offer either a loan or a non-funded guarantee to a project. The guarantee will act as a second tier of protection to investors looking to buy the bond. Right now over 243 projects valued at twelve lakh crore rupees are looking for further finance. For example, in the case of 100 large projects valued at Rupees 2.26 Lac Crore, Bank Finance sanctioned amounted to Rs 27556 cr and what has been disbursed, is a mere Rs 3252 cr. This move of providing credit enhancement to infrastructure projects is

expected to make these projects avail of bond financing. With such bonds receiving the backing of banks, insurance companies and pension funds are expected to invest in them in a big way, providing the much needed impetus to the economy.

RBI panel headed by Sri PJ Nayak has suggested that government should bring down its holding in public sector banks to less than 50%. The committee argues that this would eliminate external constraints such as dual regulatory authorities- RBI and Finance Ministry, external vigilance agencies such as CVC and CAG etc.,. The committee calls these as external constraints, which hamper quick decision making in these entities. The Panel suggests that the government holding can be transferred to an investment company. Moody's for their part, welcomed these suggestions and said that their implementation would be credit-positive for these state-run banks. ■

## FEMA

Contributed by: **CA. G. Murali Krishna**  
Hyderabad  
gmk@sbsandco.com

### 1. Risk Management & Inter-Bank Dealings: Booking of Forward Contracts – Liberalisation

RBI vide A.P. (DIR Series) Circular No.119 dated 7<sup>th</sup> April, 2014 has amended the Foreign 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 and A.P. (DIR Series) Circular No.15 dated October 29, 2007 regarding liberalisation in respect of booking of forward contracts, in terms of which resident individuals, to manage/ hedge their foreign exchange exposures arising out of actual or anticipated remittances, both inward and outward, are allowed to book forward contracts, without production of underlying documents, up to a limit of US\$ 100,000 based on self-declaration.

The present circular has liberalised the existing facilities by allowing all resident individuals, firms and companies, who have actual or anticipated foreign exchange exposures to book foreign exchange forward contracts up to US\$ 250,000 on the basis of a simple declaration without any requirement of further documentation. The existing facilities in terms of the aforementioned circular for Small and Medium Enterprises (SMEs) having direct and/ or indirect exposures to foreign exchange risk permitting them to book/ cancel/ roll over forward contracts without production of underlying documents to manage their exposures effectively subject to conditions specified therein shall remain unchanged.

The revised reporting format is provided in Annexes I and II of this circular. All other conditions including tenor of the contracts as laid down in A.P. (DIR Series) Circular No.15 dated October 29, 2007 will apply mutatis mutandis.

### 2. External Commercial Borrowing (ECB) Policy – Review of all-in-cost ceiling

RBI vide A.P. (DIR Series) Circular No.121 dated 10<sup>th</sup> April, 2014 has amended the A.P. (DIR Series) Circular no. 58 dated September 30, 2013 relating to the all-in-cost ceiling for ECB.

As per the present circular, the all-in-cost ceiling as specified under paragraph 2 of A.P. (DIR Series) Circular No. 99 dated March 30, 2012 will continue to be applicable till June 30, 2014 and is subject to review thereafter. All other aspects of ECB policy remain unchanged.

### 3. Trade Credits for Imports into India – Review of all-in-cost ceiling

RBI vide A.P. (DIR Series) Circular No.122 dated 10<sup>th</sup> April 2014 has amended the A.P. (DIR Series) Circular No. 56 dated September 30, 2013 relating to all-in-cost ceiling of Trade Credits for imports into India.

The present circular has extended the all-in-cost ceiling of Trade Credits for imports into India as specified under paragraph 4 of A.P. (DIR Series) Circular No.28 dated September 11, 2012 till June 30, 2014 and is subject to review thereafter.

All other aspects of Trade Credit policy remain unchanged. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.

### 4. Foreign Direct Investment (FDI) in Limited Liability Partnership (LLP)

RBI vide A.P. (DIR Series) Circular No.123 dated 16<sup>th</sup> April 2014 has amended the Schedule I to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (The Principal Regulations), notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time. In terms of extant instructions, only a Company incorporated under the Companies Act, 1956 or a Venture Capital Fund is eligible to accept FDI.

As per the present circular, Limited Liability Partnership (LLP) formed and registered under the Limited Liability Partnership Act, 2008 shall be eligible to accept Foreign Direct Investment (FDI) subject to the conditions given in Annex I to the above mentioned circular.

Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India has issued Press Note No. 1 (2011 series) dated May 20, 2011 in this regard. A reference is also drawn to paragraph 3.2.5 of the Consolidated FDI Policy Circular 1 of 2013 dated April 5, 2013 issued by DIPP, in the matter.

Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Third Amendment) Regulations, 2014 notified vide Notification No. FEMA. 298/2014-RB dated March 13, 2014 c.f. G.S.R. No.190 (E) dated March 19, 2014.

The instructions issued in this circular shall be effective from May 20, 2011. However, reporting requirement of FDI in LLP shall come into force from the date of issue of instructions by the Reserve Bank in this regard. The LLP which have received foreign investment in terms of FIPB approval between May 20, 2011 to the date of this circular, shall comply with the reporting requirement in respect of FDI within 30 or 60 days, as applicable, from the date of this circular.

### 5. Foreign Direct Investment in Pharmaceuticals sector – clarification

RBI vide A.P. (DIR Series) Circular No.124 dated 21<sup>st</sup> April 2014 has amended the A.P. (DIR Series) Circular No.56 dated December 9, 2011 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time. In terms of Schedule 1 to the Notification *ibid*, Foreign Direct Investment (FDI) up to 100 per cent is permitted under automatic route for greenfield investments and FDI up to 100 per cent is permitted under Government approval route for brownfield investments (i.e. investments in existing companies) in pharmaceuticals sector.

The present circular after reviewing the extant FDI policy for pharmaceutical sector has extended the existing policy with immediate effect with the condition that 'non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board (FIPB) of the Government of India.

Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India has issued Press Note No.1 (2014 Series) dated January 8, 2014 in this regard

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) (Amendment) Regulations, 2014 which have been notified vide Notification No. FEMA.296/2014-RB dated March 3, 2014, vide G.S.R. No. 270(E) dated April 7, 2014.

### 6. FDI in India – Reporting mechanism for transfer of equity shares/ fully and mandatorily convertible preference shares/ fully and mandatorily convertible debentures

RBI vide A.P. (DIR Series) Circular No. 127, dated 02/05/2014 has changed the procedure as follows:

- a. the investee company would have to file form FC-TRS with the AD Category-I bank.
- b. In order to facilitate operational convenience, it has been decided that the AD Category-I bank may approach Regional Office concerned of Reserve Bank of India, Foreign Exchange Department to regularize the delay in submission of form FC-TRS, beyond the prescribed period of 60 days and in all other cases, form FC-TRS shall continue to be scrutinised at AD bank level as per extant practice.

These directions will become operative from the date of the circular

### 7. ECB Policy: Re-schedulement of ECB - Simplification of procedure

RBI vide A.P. (DIR Series) Circular No. 128, dated 09/05/2014 has changed the procedure as following:

AD Category – I bank to allow re-schedulement of ECB due to changes in draw-down schedule and / or repayment schedule with the following conditions:

- i. Changes, if any, in all-in-cost (AIC) is only on account of the change in average maturity period (AMP) due to re-schedulement of ECB and post re-schedulement, the AIC and the AMP are in conformity with applicable guidelines. There should not be any increase in the rate of interest and no additional cost (in foreign currency / Indian Rupees) should be involved.
- ii. The re-schedulement is allowed only once, before the maturity of the ECB.
- iii. If the lender is an overseas branch of a domestic bank, the prudential norms applicable on account of re-schedulement should be complied with.
- iv. The changes on account of re-schedulement should be reported to DSIM through revised Form 83.
- v. The ECB should be in compliance with all applicable guidelines related to eligible borrower, recognised lender, AIC, AMP, end-uses, etc.
- vi. The borrower should not be in the default / caution list of RBI and should not be under the investigation of Directorate of Enforcement.

The facility will be available for ECBs raised both under the automatic and approval routes. Provisions of this Circular do not apply to FCCBs. The modification to the ECB policy will come into force with immediate effect. All other aspects of the ECB policy shall remain unchanged.

### 8. Overseas Direct Investments – Limited Liability Partnership (LLP) as Indian Party

RBI subsequent to amendment of Principal regulations, vide Notification No. FEMA.299/2014-RB dated March 24, 2014 (which is effective from the date of publication in the Gazette i.e. May 07, 2014.), vide A.P. [DIR Series] Circular No. 128, dated 09/05/2014 has included LLP as Indian Party. Henceforth the LLPs are permitted to make ODI along with Companies and Registered Partnership Firms. ■

## SEBI

Contributed by: **CA. VMV. Subba Rao**  
Nellore  
vmvsr@rediffmail.com

### SEBI raises cash transaction limit in MFs to ₹ 50,000

To expand the reach of mutual funds in hinterland, market regulator SEBI increased the cash transactions limit in such funds to ₹ 50,000 from ₹ 20,000.

The Securities and Exchange Board of India, (SEBI), in September 2012, had allowed fund houses to accept up to ₹ 20,000 in cash per investor, per mutual fund in a financial year.

"It has been decided to increase the limit of cash transactions in mutual funds from the existing limit of ₹ 20,000 per investor, per mutual fund, per financial year to ₹ 50,000," SEBI stated in a circular CIR/IMD/DF/10/2014 May 22, 2014.

This new limit is subject to compliance with the Prevention of Money Laundering Act, 2002 (PMLA).

Along-with Money Market Mutual Fund (MMMF) schemes, SEBI said that transaction in liquid schemes would be exempted from being reported by employees of Asset Management Companies (AMCs) and Trustees of Mutual Funds to compliance officer within seven calendar days from the date of transaction.

According to SEBI, liquid schemes have emerged as a distinct category of mutual fund scheme having features similar to that offered by Money Market Mutual Fund schemes.

### SEBI revises fee for market intermediaries

To bolster financial resources of the capital markets, regulator SEBI notified new norms that will make market intermediaries and corporates to pay higher fees to watchdog.

The revised fees structure is essentially will help in strengthening the investor awareness and education measures enlarging reach among investors through regional and new local offices.

It would also help in enhancing focus on capacity building and raising standards of supervision and enforcement function in the market place such as strengthening market surveillance and investigation function.

The Securities and Exchange Board of India (SEBI) has revised the fees for mutual funds, stock exchanges, brokers as also for the listed and to-be-listed companies for filing of offer documents, rights issues and takeover.

"While revising the fees, care has been taken by SEBI to ensure that the impact on retail investors is minimal".

The regulator will be periodically reviewing its fees structure downward or upward as the need arise.

As per the Notification No. LAD-NRO/GN/2014-15/03/1089 dt.23rd May,2014, the regulatory fee for exchanges having turnover in excess of ₹ 10 lakh crore at "₹ 1 Crore plus 0.00006 per cent on turnover in excess of ₹ 10 Lakh Crore". The overall regulatory fee would be capped at ₹ 20 crore.

Sebi stated that mutual funds having average assets under management (AAUM) of up to ₹ 10,000 crore will have to pay an "annual fee of ₹ 0.0015 per cent of the AAUM." This is subject to a minimum of ₹ 2.5 lakh and a maximum of Rs one crore.

For filing rights issue documents, a fee of ₹ 50,000 would be charged for an issue size of up to ₹ 10 crore, in case of a size of over ₹ 10 crore, the company would have to pay an amount of 0.05 per cent of the issue size.

In case of a public issue of up to ₹ 10 crore, the regulator would charge ₹ 1 lakh, for the public issue of over ₹ 10 crore and ₹ 5,000 crore, 0.1 per cent of the issue size would be payable. Besides, public issue worth over ₹ 5,000 crore, would attract a fee of ₹ 5 Crore plus 0.025 per cent of the issue size.

Sebi said that a fee of 0.0025 per cent of issue size would be charged, in respect of every draft offer document filed by a lead merchant banker.

For stock brokers, a fee of ₹ 20 per one crore of turnover would be charge.

### Sebi comes out with risk management norms for FPIs

Market regulator Sebi came out with a Risk Management Framework for Foreign Portfolio Investors (FPIs) under the SEBI (Foreign Portfolio Investors) Regulations, 2014 pertaining to various aspects, including margin requirements and it shall commence with effect from June 01, 2014

The FPI regime which will brings together all foreign investor classes such as Foreign Institutional Investors (FIIs), their sub-accounts and qualified foreign investors (QFIs).

FPIs have been divided into three categories as per their risk profiles. All trades undertaken by FPIs in the cash market would be margined on a T+1 basis — settlement of trades with all the required payments one day after the execution of the trade order.

"The trades of FPIs in Category I, II and III shall be margined on a T+1 basis," SEBI notified in a circular.

However, the trades of FPIs who are corporate bodies, individuals or family offices would be margined on an upfront basis as per the extant margining framework for the non-institutional trades. With regard to equity derivatives segment and Interest Rate Futures, SEBI clarified that category I and II FPIs would have position limits "as presently available to FIIs."

"Category III FPIs shall have position limits as applicable to the clients," SEBI noted.

The new FPI regime would come into force on June 1. Those entities that trade on behalf of FPIs would inform the stock brokers of the details of FPIs on whose behalf the trades would be undertaken. The stock broker, in turn, would inform the bourses the details of such related FPIs.

**[Refer SEBI Circular No. CIR/MRD/DP/15/2014 dt.15/05/2014]**

**CPE Workshop**  
Hands on Training leading to  
Certification on Cloud Computing

ITT Centre, ICAI Bhawan  
Nungambakkam, Chennai  
Saturday, June 14, 2014  
(09.30 am to 05.00 pm)

**CPE Credit**  
**6**  
**HOURS**

#### Topics

Basics of Cloud Computing  
Introduction on Global Certification  
Quick Books Online & Accountant- A Case Study  
Quick Books Features & Benefits

**DELEGATE FEE: ₹ 1000**

Delegate Registration Limited to First Cum First Serve Basis and limited to 25 only.

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

**CA. P.R. Aruloli**  
Chairman  
CPE Committee, SIRC

**CA. Cotha S. Srinivas**  
Secretary, SIRC

## REQUEST FOR EXTENDING FACILITIES FOR ESTABLISHING READING ROOMS

SIRC of ICAI would like to establish and maintain reading rooms for the benefit of needy Students of Chartered Accountancy Course at various places in Chennai and at places where Branches of SIRC are located. Educational Institutions, Not for Profit Organisations desirous of extending their physical facilities (halls) in places which are easily accessible through public conveyances with appropriate safety and security to the Students may approach with their details (address and plinth area which can be rented out to ICAI) by mail at [sirc@icai.in](mailto:sirc@icai.in) or through SMS or phone to Dr. T Paramasivan at 09940008755.

## Online enrolment for CPE Programmes

SIRC is pleased to host online CPE Programmes registration portal <http://sircoficai.org/CPEcalendarnew.aspx?id=forth> for the benefit of Members who are desirous of attending CPE Programmes being held at SIRC premises Chennai.

Apart from avoiding cash and cheque dealings, online registration provides hazzles free enrolments in the CPE programmes in the interest of the Members.

**Chairman**  
CPE Committee, SIRC

## EMPANELMENT OF RESOURCE PERSONS

SIRC invites applications for empanelment of Resource Persons in the following areas.

- ◆ Companies Act – 2013
- ◆ Information Technology

Members having practical exposure of 5 years and above may send their profile to [chairmansirc@icai.in](mailto:chairmansirc@icai.in) and [sirc@icai.in](mailto:sirc@icai.in)



**CA. Piyush Goyal**  
Union Minister of State for Power,  
Coal, New and Renewable Energy.  
SIRC Congratulates him.

## Companies Act – Insight Series Interactive Sessions

Under the auspices of Committee for  
Members in Industry

**P. Brahmayya Memorial Hall**  
ICAI Bhawan, Nungambakkam,  
Chennai - 600 034

Friday, July 4, 2014  
(05.30 pm to 08.30 pm)

**CPE Credit**  
**3**  
**HOURS**

#### Programme Highlights

Live Discussions on Case Studies & Problem Situations encountered by Members  
Queries to be sent in advance to companies act  
Queries limited to 15 Per session  
Queries will be handled by expert panel

**DELEGATE FEE: ₹ 200**

Further details with respect to the Programme will be hosted in the website [www.sircoficai.org](http://www.sircoficai.org)

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

**CA. Sripriya K.**  
Chairman  
Committee for Members  
in Industry, SIRC

**CA. Cotha S. Srinivas**  
Secretary, SIRC

## SOUTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

in association with

**Blood Bank, Madras Medical College, Chennai**

**Conducts**

## BLOOD DONATION CAMP

**DONATE BLOOD – SAVE LIVES**  
**OUR SOCIAL RESPONSIBILITY**

Days: **Monday & Tuesday**

Date: **June 30 & July 1, 2014**

Timings: **9.00 a.m. to 2.30 p.m.**

#### Eligibility:

Any person of 18 years and above but below 60 years with a minimum weight of 50 kgs.

The donor should not have donated Blood after 28<sup>th</sup> February 2014 (Any earlier date is acceptable)

#### Venue:

First Floor, Main Building, ICAI Bhawan  
No. 122, M.G. Road, Nungambakkam, Chennai – 600 034

Inauguration by:

**Dr. R. Vimala, MD, Dean**  
Madras Medical College, Chennai \*(To be confirmed)

#### PLEASE REMEMBER June 30 & July 1, 2014

A certificate in appreciation will be issued to every donor at the camp venue itself. A Donor Card, with blood group and date of donation will be issued to every donor within 2 weeks of the camp.

Since you know the value of this noble gesture, we request you to kindly encourage eligible relatives, Friends, Neighbours & Articled Assistances to enable us to reach a milestone in Blood Collection. Members/Students may send their confirmation also by email to [sirc@icai.in](mailto:sirc@icai.in)

**LET US SAVE VALUABLE LIVES BY DONATING BLOOD**

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

**CA. Cotha S Srinivas**  
Secretary, SIRC

## TO REACH 45,000 CHARTERED ACCOUNTANTS WITH TOTAL READERSHIP SURVEY OF 1,50,000

The Southern India Regional Council of the Institute of Chartered Accountants of India is bringing out the Newsletter monthly which is sent to more than 45,000 Chartered Accountants in Southern Region comprising of States of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondicherry, besides other readers like government senior functionaries, public servants, etc. SIRC invites advertisements for publication in the Newsletter

The hard copy of the advertisement matter along with soft copy in a CD can be handed over in person (or) could be sent by email to [sirc@icai.in](mailto:sirc@icai.in); [sircnewsltr@icai.in](mailto:sircnewsltr@icai.in) for publication along with the payment to reach the SIRC Office latest by 20th of preceding month of publication. The remittance may be made by way of At Par Cheque / Demand Draft in favour of SIRC of ICAI payable at Chennai

### Tariff (per insertion) effective from September 2013 issue

Full Page	Four Colours Back Cover	[181mm(w) x 231mm(h)]	₹ 90,000/-
Full Page	Four Colours Inside Cover/Pages	[181mm(w) x 250mm(h)]	₹ 60,000/-
Full Page	Two Colours	[173mm(w) x 235mm(h)]	₹ 45,000/-
Half Page	Two Colours (Horizontal)	[173mm(w) x 116mm(h)]	₹ 25,000/-
Half Page	Two Colours (Vertical)	[85mm(w) x 235mm(h)]	₹ 25,000/-
Classified	Two Colour	5 lines	₹ 5,000/-

#### Discount on Tariff

For continuous 3 months commitment with two advance payments -	5%
For continuous 6 months commitment with two advance payments -	10%
For continuous 12 months commitment with two advance payments -	15%

## NORMS (IN BRIEF) FOR FORMATION OF CPE STUDY CIRCLES, CHAPTERS, STUDY GROUPS AND CPE STUDY CIRCLES FOR MEMBERS INDUSTRY

### CPE Study Circles:

- (i) Minimum 100 members are required in case the area falls under the jurisdiction of Branch having a membership strength exceeding 3000 members or in the city/town where Regional Council Headquarters is situated,
- (ii) Minimum 50 members are required in case the area falls under the jurisdiction of the Branch having a membership strength exceeding 1500 but upto 3000.
- (iii) No Study Circle shall be allowed to be formed in areas, which fall under the jurisdiction of the Branches having strength of less than 1500 members.
- (iv) The request for formation has to be sent to Chairman, SIRC of ICAI

### CPE Chapters:

1. The geographical area from which members make an application to form a Chapter must be such that it does not fall within the jurisdiction of any Regional Council Headquarters or of any Branch of Regional Council.
2. The jurisdiction of any Chapter would be 50 Kms. from the city/town where the Chapter is located. In other words, there would be no other Chapter within a radius of 50 kms.
3. The minimum number of members necessary to apply for CPE Chapter formation is 25.
4. The request for formation has to be sent to Chairman, SIRC of ICAI

### CPE Study Groups:

1. Seven or more members of the Institute from a particular geographical area of the city/town from where there is no CPE Programme Organising Unit is situated may apply.
2. There should not be any other CPE Programme Organising Unit within the radius of 50 kilometers from the place at which the CPE Study Group is being proposed to be formed.
3. The request for formation has to be sent to Chairman, SIRC of ICAI

### CPE Study Circles for Members in Industry:

1. Committee for Members in Industry (CMII) of the ICAI is empowered to approve, supervise, support and regulate the functioning of these CPE Study Circles for Members in Industry.
2. CPE Study Circles for members in Industry may be formed by minimum 25 and maximum 150 members in Industry.
3. The request for formation has to be sent to Secretary, Committee for Members in Industry, ICAI.

For assistance for Formation of CPE Study Circles/ CPE Chapters/ CPE Study Groups/  
CPE Study Circles for Members in Industry please contact SIRC office at [sirc@icai.in](mailto:sirc@icai.in)  
Detailed guidelines are available in ICAI Website [www.icai.org](http://www.icai.org) and [www.cpeicai.org](http://www.cpeicai.org)



## CHARTERED ACCOUNTANTS DAY CELEBRATIONS

### SIRC Premises

'ICAI Bhawan' No. 122, MG Road, Nungambakkam, Chennai-600034

Tuesday, July 1, 2014

### Programmes for the Day at Chennai

- 06.00 am: Walkathon by the Members, Students and Staff of ICAI with their family starting at beach (Gandhi Statue), Opp: All India Radio, Chennai (Wearing T-Shirts with ICAI Logo).  
 Inauguration of Walkathon by **Shri V. Balakrishnan, IPS**, Deputy Commissioner of Police, Chennai  
 Institute's Flag Hoisting at ICAI Bhawan, Chennai by CA. P.V. Rajarajeswaran, Chairman, SIRC of ICAI
- 08.30 am: Blood Donation Camp at ICAI Bhawan
- 09.00 am: Sports & Games for Children and Spouse of members at ICAI Bhawan, Chennai  
**Children:** Book Balancing, Lemon and Spoon, Observation Test and Musical Chair etc.,  
**Spouse of Members:** Musical Bus Stop.
- 04.30 pm: CA Day Function and Honouring of 60 Senior Members of the Profession followed by Cultural Competitions for Members.
- 06.00 pm: DINNER

**GUESTS OF HONOUR:** CA. R. Nagarajan, Past Chairman, SIRC (1994-95), CA. K. Ravi, Past Chairman, SIRC (1997-98)

All are Welcome

Come with family

Let us celebrate together

CA. P.V. Rajarajeswaran  
Chairman, SIRC

CA. Cotha S. Srinivas  
Secretary, SIRC

## AN OVERVIEW OF CHARTERED ACCOUNTANTS BENEVOLENT FUND (CABF)

SIRC of ICAI appeals to the members to contribute for strengthening the Chartered Accountants Benevolent Fund established by ICAI in the year 1962 as a dedicated Welfare Fund for the Chartered Accountants and their families in distress to extend a helping hand and provide financial assistance and support.

Contributions of ₹ 10,000 and above will be acknowledged through the SIRC Newsletter.

An overview of the CABF is given for the information of members.

**Objective:** The objective for which the fund is established is to provide financial assistance for maintenance, education or any other similar purpose to necessitous persons being:-

- persons who are or have been members of the Institute, whether subscribers to the fund or not;
- wives and children of persons who are or have been members of the Institute, whether subscribers to the fund or not.
- widows and children of deceased persons who have been members of the Institute whether subscribers to the fund or not
- relatives or others who were dependent for support on a person who has been a member of the Institute, whether subscriber to the fund or not; and who has died without leaving a widow or child.

### Procedure for becoming a member of the CABF:

There are two categories of members :-

- Life Member:** A single payment of ₹ 2500 shall make a person eligible to be admitted as a life member of the fund. Thereafter he shall not be liable to pay any amount on account of subscription and shall be styled as a 'Life Member'.
- Ordinary members:** All other members shall be described as 'Ordinary Members' and shall have to pay an annual subscription of ₹ 500. Apart from this any member can subscribe for 'Voluntary Contribution'. All subscription and contribution may towards the CABF is exempted under section 80(G) in 1961.

**Procedure for making payment:** Membership subscription to the Chartered Accountants Benevolent Fund can be paid along with annual membership fee. Alternatively it can be paid separately by local cheque/DD to the respective Decentralised offices or Regional offices or Head office.

### EXTENT OF ASSISTANCE AVAILABLE:

**Monthly Assistance:** Maximum monthly assistance available to a member or persons eligible to receive the assistance is from ₹ 4500 to ₹ 7500 per month according to the circumstances of the use renewable after one year. This is for maintenance of family of members/widow/relatives of deceased members.

Financial assistance will be given only to the members/widows/relatives whose monthly family income is not more than ₹ 15000 pm.

**Ex-gratia lumpsum financial Assistance:** Financial assistance will be given only to the members/widows/relatives whose monthly family income is not more than ₹ 15000 depending upon need and exigency. In case of accidental death/unnatural death of a member aged below 55 years as well as for medical treatment under specified category.

**Eligibility:** Ex-gratia financial assistance of ₹150000 is provided to the legal heir of deceased member in case of accidental death/unnatural death at the age below 55 years against claim.

### Procedure for availing assistance

Application for financial assistance should be made in prescribed format along with all relevant supporting documents mentioned therein. The application must be recommended by any Central Council Member or Chairman/Vice Chairman/Secretary of any Regional Council or Branch/ Ex-President/Chairman/Vice-Chairman and Member Secretary/Member of Managing Committee of CABF /Member of Managing Committee of Regional Council.

For complete details of the Fund please visit [http://www.icaai.org/post.html?post\\_id=745](http://www.icaai.org/post.html?post_id=745)

**PKF Sridhar & Santhanam, Chartered Accountants invites applications  
for the following positions in Internal Audits:**

Position	Requirements	Location of posting
Director – Internal Audit	<ul style="list-style-type: none"> <li>Fellow Chartered Accountant, Additional qualification of CIA / CISA preferable</li> <li>Between 40 and 50 years of age</li> <li>Should possess minimum 15 years of post -qualification experience in handling Internal Audits</li> <li>Should have hands on working knowledge on ERP systems such as SAP, Oracle etc.</li> <li>Should have prior experience in leading Internal audit teams and making presentations to the Senior Management</li> <li>Should be willing to travel extensively</li> </ul>	Bangalore/ Hyderabad/ Chennai
Senior Manager – Internal Audit	<ul style="list-style-type: none"> <li>Chartered Accountant, Additional qualification of CIA / CISA preferable</li> <li>Should possess minimum 5 years of post -qualification experience in handling Internal Audits</li> <li>Should have hands on working knowledge on ERP systems such as SAP, Oracle etc.</li> <li>Should have prior experience in Internal audit</li> <li>Should be willing to travel extensively</li> </ul>	Bangalore/ Hyderabad/ Chennai
Associate – Internal Audit	<ul style="list-style-type: none"> <li>Chartered Accountant, Additional qualification of CIA / CISA preferable</li> <li>Should possess minimum 2 years of post -qualification experience in handling Internal Audits</li> <li>Should have hands on working knowledge on ERP systems such as SAP, Oracle etc.</li> <li>Should have experience in Internal audit</li> <li>Should be willing to travel extensively</li> </ul>	Bangalore/ Hyderabad/ Chennai

Applicants looking forward to long term career with good prospects may apply to [hrops@pkfindia.in](mailto:hrops@pkfindia.in)

**Contact details – [www.pkfindia.in](http://www.pkfindia.in)**

Chennai 044 28112985 - 88 | Bangalore – 080 25590553 | Hyderabad – 040 23319743

Advt.

### WORK DISPOSAL POSITION

The position of disposal of various matters relating to Members and Students of Regional Office, Chennai as on 25/05/2014 is as under:

Particulars	Disposal of records received upto
<b>Members</b>	
Enrolment of Members	16.05.2014
Fellow Admission	16.05.2014
Grant of COP	22.05.2014
Restoration of Name	16.05.2014
Constitution of Firms	16.05.2014
Reconstitution of Firms	21.05.2014
Paid Assistant	16.05.2014
Change of Address – Members	21.05.2014
Change of Address – Firms	22.05.2014
<b>Students</b>	
Registration of Articles	16.05.2014
Re-registration of Articles	15.05.2014
Industrial Training	16.05.2014
Termination of Articles	16.05.2014
Completion of Articles	16.05.2014
Permission to pursue Other Courses	18.05.2014
Despatch of Materials – CPT	30.04.2014
Despatch of Materials – IPCC	01.03.2014
Despatch of Materials – ATC	01.03.2014
Despatch of Materials – Final	01.05.2014
Despatch of Materials - ITT	01.03.2014

### DISCLAIMER

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

## Career Counselling Programme

### Career Counselling (Awareness for Chartered Accountancy) Programmes

Career Counselling Committee of SIRC of ICAI invites requests from Members, Students, recognised Schools and Colleges functioning in the Southern Region to organise Awareness Programmes for Chartered Accountancy Course. Requests may be sent to [sirc@icai.in](mailto:sirc@icai.in) or SMS or phone call to Dr. T. Paramasivan, Joint Director at 09940008755. Nearest Branches of SIRC (wherever possible) will be involved, all arrangements will be taken due care and incidental expenses for holding the Awareness Programmes will be borne by SIRC of ICAI.

**Chairman**

Career Counselling Committee, SIRC

Required CAs with passion and interest in academics for time bound academic project of about 4-6 month duration; Flexible timings and/or working from home. Mail CV to [info@greymatteracademics.com](mailto:info@greymatteracademics.com) with subject line "Application for Academic Consultants".

Advt.

**CPE WORKSHOP - HANDS ON TRAINING - LEADING TO CERTIFICATION ON CLOUD COMPUTING ON MAY 17, 2014**



CA. P.R. Aruloli, RCM, with officials of Intuit (Resource Persons).

**CPE SEMINAR ON COMPANIES ACT 2013 ON MAY 14, 2014 AT TIRUCHIRAPALLI**



CA. P.V. Rajarajeswaran, Chairman, SIRC, along with CA. P.R. Aruloli, RCM, CA. Gopal Krishna Raju, RCM, CA. V. Jayaraman, Chairman, Tiruchirappalli Branch of SIRC, CA. A. Victor D. Samuel, Secretary, Tiruchirappalli Branch of SIRC and Shri.S. Dhanapal, Resource Person.

**CPE SEMINAR ON COMPANIES ACT 2013 ON MAY 31, 2014 AT MADURAI**



CA.P.V. Rajarajeswaran, Chairman, SIRC delivering inaugural address. On the dais: CA. G. Selvakumar, Chairman, Madurai Branch of SIRC, CA.N. Chidambaram, Secretary, Madurai Branch of SIRC and CA. S. Ramamoorthy, Resource Person



CA.P.V. Rajarajeswaran, Chairman, SIRC inaugurated the stall for distribution of Buttermilk and cool drinks to public at Tiruchirappalli along with CA. P.R. Aruloli, RCM, CA. V. Jayaraman, Chairman and CA. A. Victor D. Samuel, Secretary, Tiruchirappalli Branch of SIRC

**'SCORE' CPE LECTURE ON COMPANIES ACT - 2013 AT CHENNAI**

May 05, 2014



CA. Dandeker Kishor Jagannath Chennai

May 05 & 20, 2014



CA. M.P. Vijay Kumar Chennai

May 06, 2014



Ms. Smritha Chirmar Chennai

May 06 & 26, 2014



Shri S. Dhanapal Chennai

May 12, 2014



CA. Sripriya K Chennai



CA. Bhavani Balasubramanian Chennai

May 13, 2014



CA. Anandraj Nahar H K Chennai



CA. Chinnsamy Ganesan Chennai

May 20, 2014



CA. M.C. Shanthi Chennai

May 26, 2014



CA. R.G. Rajan Chennai

May 27, 2014



CA. Sekkizhar B. Secunderabad



CA. S.P. Sivaraman Chennai

**CPE STUDY CIRCLE MEETINGS - MAY 2014**

07.05.2014



CA. Pauls M I Chennai

21.05.2014



CA. Chinnsamy Ganesan Chennai

24.05.2014



CA. S. Ganapathy Chennai

24.05.2014



CA. C. Suresh Kumar Chennai

28.05.2014



CA. K.T. Kuthalingam Hosur